

Mayor Coleman's 2018 Proposed Budget for the City of Saint Paul

2018 Budget Overview

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- ☐ **Staff introductions**
- ☐ **Proposed budget in context**
- ☐ **Budget highlights**
- ☐ **Street Maintenance Program**
- ☐ **Department budget changes**
- ☐ **Property taxes and fees**
- ☐ **Key dates**



Budget Team

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- John McCarthy, Budget Manager
 - Police
- Susan Earle, Chief Budget Analyst
 - Public Works, Water, General Government
- Marissa Peterson, Senior Budget Analyst
 - Parks, PED, Mayor's Office, Fringe Benefits
- Mary Guerra, Budget Analyst
 - Fire, Library, OFS, City Council, Public Health
- Abdiwahab Ali, Budget Analyst
 - CIB, Safety & Inspections, Emergency Management
- Madeline Mitchell, Budget Analyst
 - OTC, HREEO, CAO, HR, RCVA, Legislative Issues

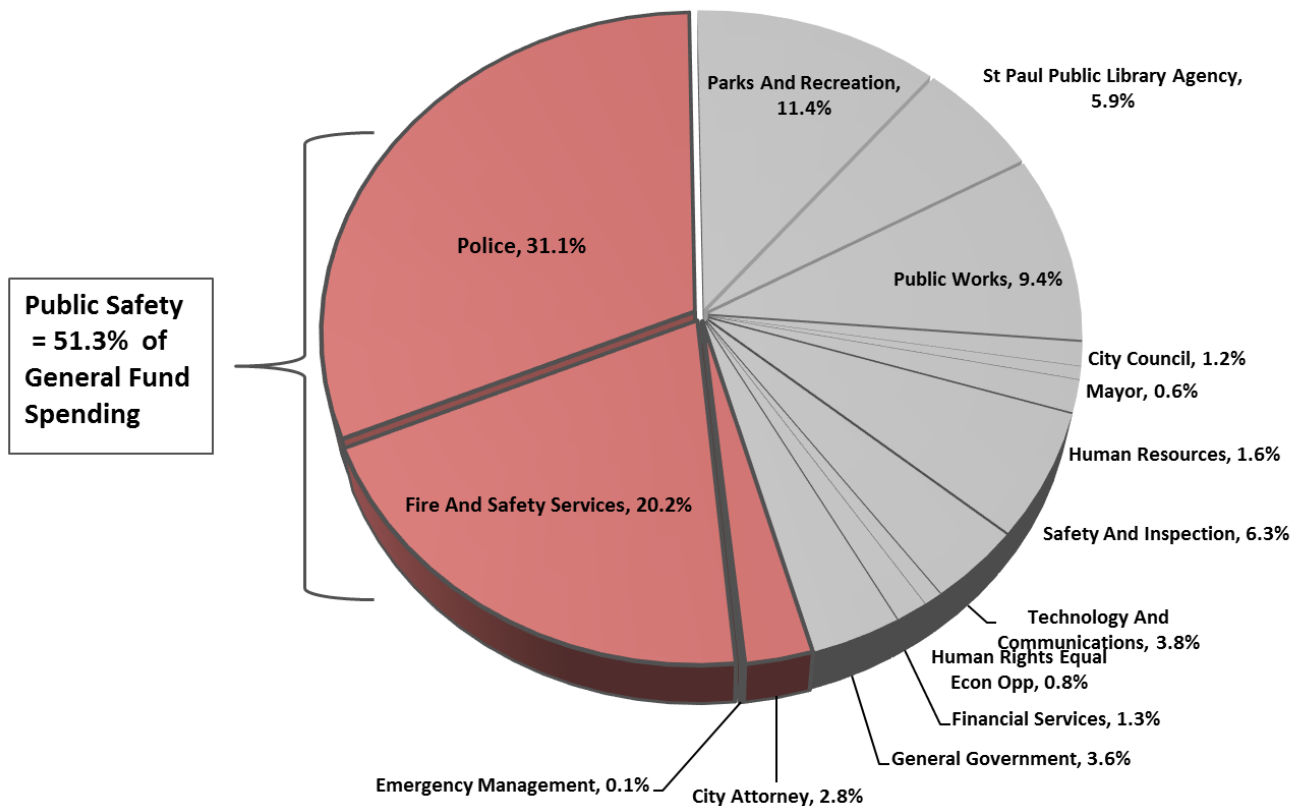
2018 Proposed Budget Context



City and Library General Fund Spending

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**General Fund Budget
2018 Proposed Spending by Department**

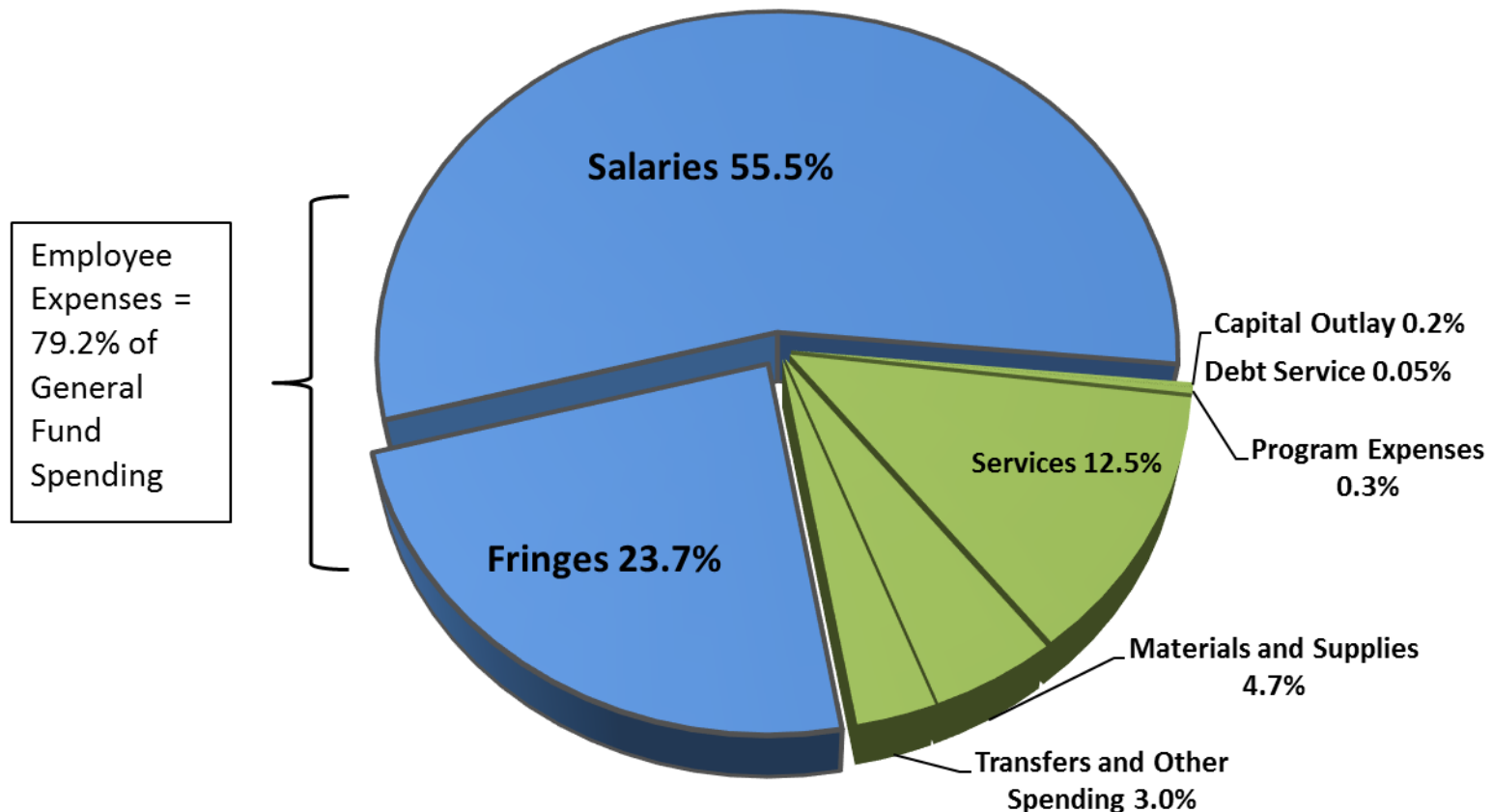


Public safety down from 60% of GF budget in 2017
Public works up from 1.2% of GF budget in 2017

City and Library General Fund largely supports personnel expenses

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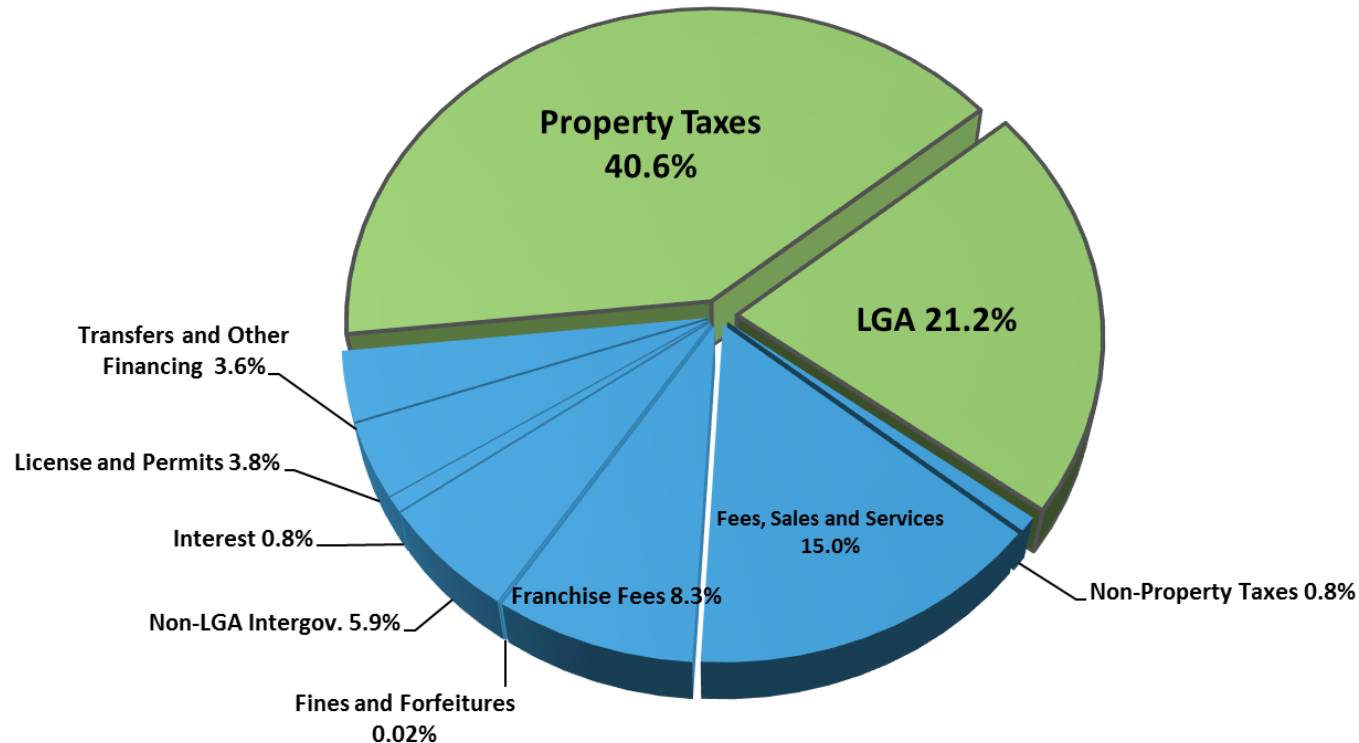
**General Fund Budget
2018 Proposed Spending by Major Object**



Most General Fund revenue comes from state aids and property taxes

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2018 Proposed General Fund
Revenue by Source

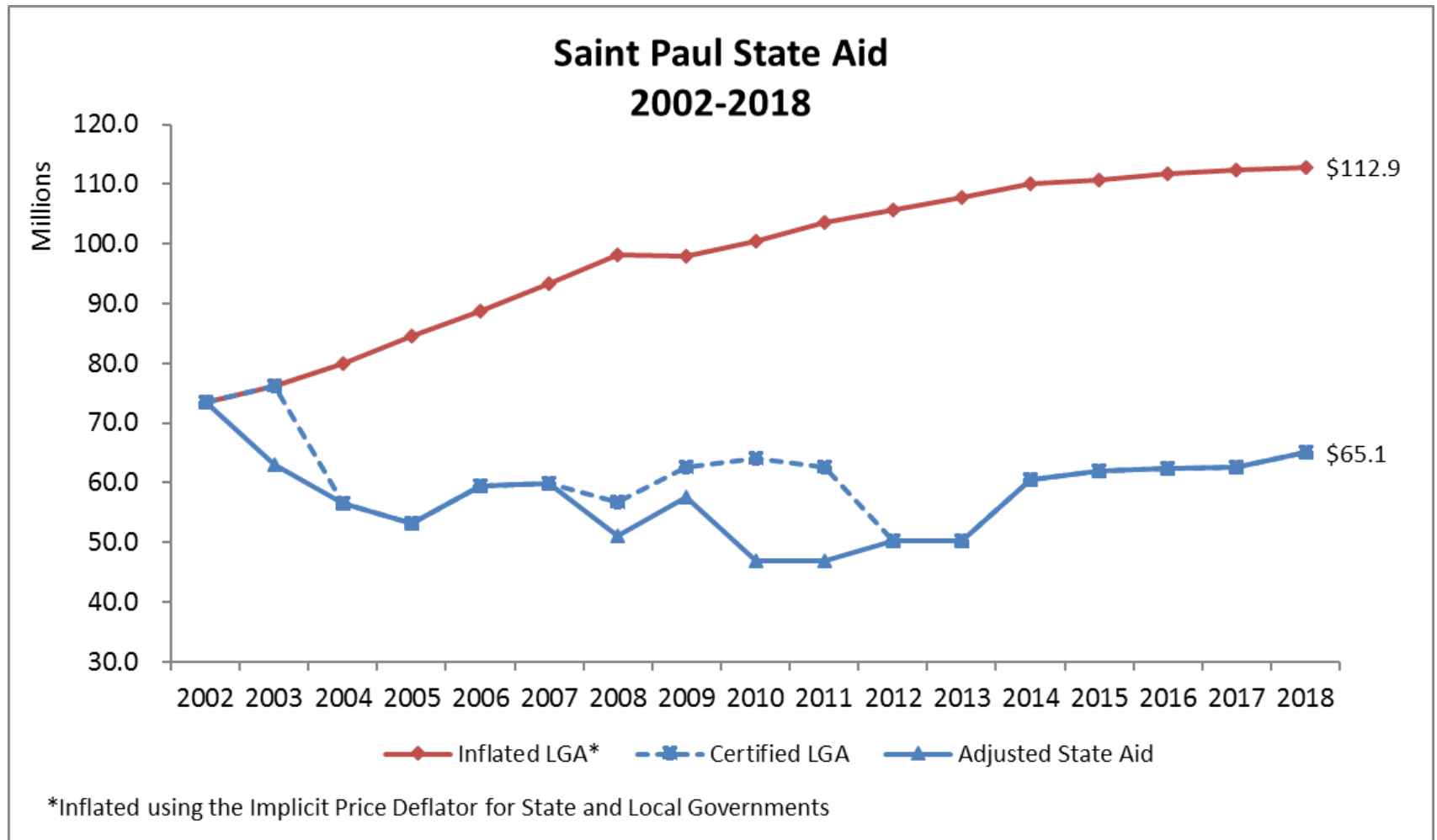


Property tax up from 36% in 2017
LGA down from 23% in 2017

Saint Paul State Aid

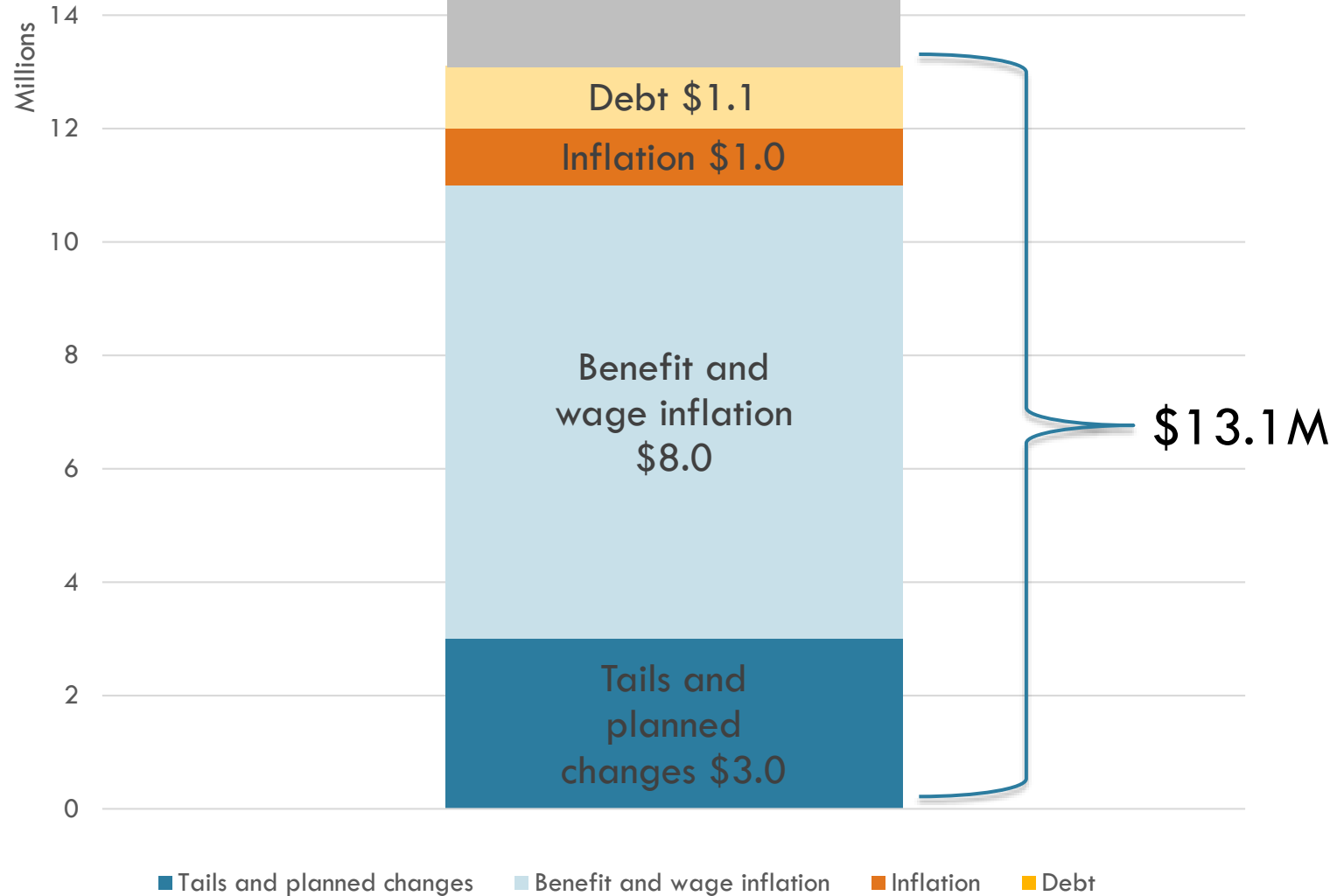
2002-2018

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2018 Budget

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Solving the 2018 Budget Gap

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Starting Gap	\$ 35.1 million
Property tax levy – ROW shift	\$ (21.1) million
Property tax levy – all other	\$ (5.5) million
LGA	\$ (2.5) million
Benefit & wage estimates	\$ (3.7) million
Cost containment	\$ (2.3) million
Revenue – volume increases	\$ (0.5) million
New spending	<u>\$ 0.5 million</u>
Remaining Gap	\$ 0

2018 Budget Highlights

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- ☐ **Sound financial management**
- ☐ **Commitment to equity**
- ☐ **Investments in public safety, technology, and infrastructure**
- ☐ **Focus on economic development and job creation**
- ☐ **Balanced approach to taxes and fees**



Flat Spending Compared to 2017

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	2017 Adopted Budget	2018 Proposed Budget	Change from 2017 Adopted	% Change from 2017 Adopted
General Fund	268,166,711	298,609,013	30,442,302	11.4%
Special Funds	246,165,375	215,114,644	(31,050,731)	-12.6%
Debt Fund	48,982,320	48,063,679	(918,641)	-1.9%
Total Budget	563,314,406	561,787,336	(1,527,070)	-0.3%

Total budget net of internal transfers and budgets for subsequent year debt payments.

Modest FTE Growth

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Composite Summary - Workforce

City of Saint Paul and Saint Paul Public Library Agency
Full Time Equivalents (FTEs)

Department	2017 Adopted Budget	2018 Proposed Budget	FTE Change
City FTE (All Funds)	2,766.00	2,778.69	12.69
Library Agency	175.90	175.40	(0.50)
Total	<u>2,941.90</u>	<u>2,954.09</u>	<u>12.19</u>

Restored 2017 Contingency Items

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Department	Description	Amount
Fire & Human Resources	Firefighter Test	450,000
Human Resources	New Recruiter - 1.0 FTE	85,000
Human Resources	Marketing/Job Fairs	55,000
Parks	Rec programming	158,167
Police	Ambassadors Program - ongoing funding	150,000
Police	Community Outreach - 3.0 FTEs	231,630
HREEO	ESST Admin staff and overhead	86,507
All Depts	ESST impact on city staff	80,000
Total 2017 Adds Included in 2018 Budget		1,296,304

2018 One Time Investments

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<u>Description</u>	<u>Department</u>	<u>Amount</u>
Right Track - DEED funding backfill	Parks & Recreation	200,000
Collections	Public Libraries	125,000
Early Learning Materials and Activities	Public Libraries	50,000
Database Application	Public Libraries	100,000
Mobile Hotspots	Public Libraries	9,500
Firefighter Test	Fire and HR	450,000
Air Tanks	Fire and Safety Services	185,000
Electronic Plan Review - Phase 1	Safety and Inspection	250,000

2018 Street Maintenance Program



2018 Street Maintenance Program

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2018 Approach:

- Consistent with program designed through 2017 Council policy sessions
- Structurally balanced, funded through a prudent mix of taxes and fees
- Provides the same level of service as old ROW program
- Restores sidewalk program to \$1.0M annually
 - Split 50%-50% between GF and fees

2018 Street Maintenance Program

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General Fund Services:

- ❑ Snow plowing
- ❑ Tree trimming
- ❑ Pothole patching
- ❑ Traffic signs and pavement markings
- ❑ Residential corner property subsidy
- ❑ 50% of mill and overlay program costs (\$1.2m)
- ❑ 50% of sidewalk program costs (\$500K)

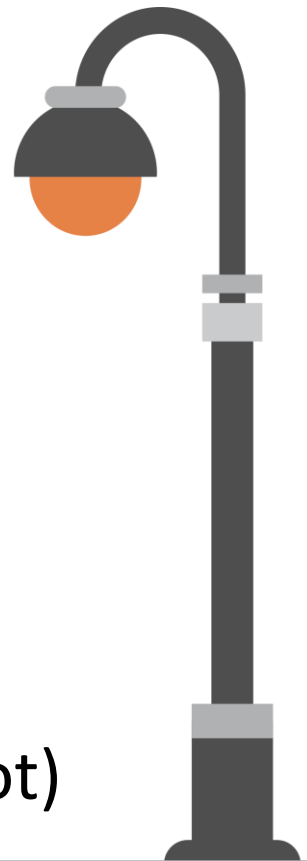


2018 Street Maintenance Program

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Fee-Based Services:

- ❑ Street sweeping:
 - ▣ \$0.35 per foot street; \$0.13 per foot alley
- ❑ Street lighting:
 - ▣ \$0.65 per foot
- ❑ Seal coating:
 - ▣ \$4.50 per foot street; \$3.24 per foot alley
- ❑ 50% of mill and overlay:
 - ▣ \$75.77 average per foot
- ❑ 50% of sidewalks:
 - ▣ \$250 average per panel (approx. \$42 per foot)



Department Budget Details



2018 Budget Details

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Police

- ❑ Net increase of 6 sworn officers – complement to 626
- ❑ Mental Health Crisis Unit – 4 specially trained officers, 1 in each district, 2 in downtown
- ❑ Body-worn cameras – \$750,000 for annual licenses, and staffing to review video
- ❑ Permanent funding for Community Engagement Unit

2018 Budget Details

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Fire

- Redeploy Existing Resources
 - ▣ Two Super Medics
 - ▣ 3rd EMS coordinator
 - ▣ Health & Wellness program
- Equity
 - ▣ Fire Medic Cadets
 - ▣ Firefighter test and recruitment

2018 Budget Details

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Parks

- Youth Recreation Programming
 - ▣ \$82,572 for free youth programs funded with per participant walk/run fees (\$1 increase in 2018)
 - ▣ Added to 2017 investment, Parks will be able to provide over 200 free programs for youth
- Right Track
 - ▣ \$125,000 in one-time funds added in 2017 for recruitment and development are made ongoing
 - ▣ \$200,000 one-time General Fund backfill for reduced funding from DEED

2018 Budget Details

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Parks

□ Capital Maintenance

- ▣ \$640,000 additional CIB dollars for capital maintenance proposed for both 2018 and 2019
- ▣ Helps tackle the backlog of deferred maintenance identified in Parks' Facility Condition Assessment

□ EAB

- ▣ Total EAB investment for 2018 is \$2.6 million, including state bonding resources

2018 Budget Details

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PED/HRA

- Economic Development
 - ▣ Full Stack Saint Paul - \$300,000
 - ▣ Job Opportunity Fund - \$500,000
 - ▣ Commercial Vitality Zones
- STAR
 - ▣ Sales tax collections continue to perform well
 - ▣ Continue \$1,000,000 for economic development
 - ▣ Neighborhood STAR program at \$2.9M
- HRA Levy Increase of \$275,562

2018 Budget Details

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Public Works

- Right-of-Way / Street Maintenance Program
 - ▣ Starting in 2017, the General Fund supports snow plowing, pothole patching, traffic signs and signals, and pavement markings
 - ▣ Street sweeping, lighting, and street repair will continue to be fee supported
- Coordinated Collection
 - ▣ Start up costs funded with fund balance
 - ▣ Ongoing costs funded with \$2.05 per month admin fee
- Consolidated Fleet Services
 - ▣ All Public Works Garage spending and employees move to OFS Fleet Services starting in 2018

2018-2019 Major CLB Financing Sources

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	2018 Proposed	2019 Tentative
G.O. Capital Improvement Bonds	11,000,000	11,000,000
G.O. Street Improvement Bonds*	15,500,000	12,500,000
Municipal State Aid	8,200,000	8,201,000
Community Development Block Grants	4,000,000	4,000,000
Sewer Revenue Bonds **	8,000,000	8,000,000

*Street Reconstruction bids for 2017 came in lower than the estimated budgets leaving unused bond authority that can be applied to the 2018 budget for new projects

** Budgeted in Sewer operating budget

2018-2019 CIB Highlights

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	2018 Proposed	2019 Tentative
Scheffer Rec Center	4,589,000	5,411,000
Parks Capital Maintenance	840,000	840,000
Eastview Play Area	96,000	227,000
Western Sculpture Park Play Area	325,000	-
Margaret Street Bike Boulevard	320,000	-
Griggs Park Improvements	1,500,000	-
Fire Station 20 Expansion	-	1,000,000
Saint Paul Street Program	15,500,000	12,500,000
Lafayette Bridge - University to Otsego	2,095,000	2,237,000
Johnson Parkway	-	1,719,000

Property Taxes and Fees



Property Tax Levy Distribution

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	<u>2017 Adopted</u>	<u>2018 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 17 Total</u>	<u>Pct of City 18 Total</u>
City of Saint Paul						
General Fund	80,804,387	107,317,615	26,513,228	32.8%	72.0%	77.0%
General Debt Service	13,651,009	14,009,268	358,259	2.6%	12.2%	10.1%
Saint Paul Public Library Agency	17,723,157	17,985,237	262,080	1.5%	15.8%	12.9%
Total (City and Library combined)	112,178,553	139,312,120	27,133,567	24.2%	100.0%	100.0%
Port Authority	1,811,700	1,961,700	150,000	8.3%		
Overall Levy (City, Library & Port)	113,990,253	141,273,820	27,283,567	23.9%		

City Fees on a Typical Household

\$173,900 home with a 7.7% increase in value over 2017

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	Adopted 2017	Proposed 2018
Payment to the City:		
City share of property tax	\$591	\$752
<i>Levy Increase</i>		\$33
<i>Right-of-Way Levy Increase</i>		\$128
Former Right of Way Program	\$200	
Street Maintenance Program*		\$84
Net Change - ROW / Street Maintenance		\$12
Sanitary sewer charges (5 CCFs)	\$246	\$266
<i>Base Fee (\$1 per month increase on residents)</i>		\$12
<i>Volume Fee (3.5% increase)</i>		\$8
Storm sewer charges (3.5% Increase)	\$91	\$95
Recycling fee	\$58	\$58
Total direct billing for City services	\$1,186	\$1,255
Net Change Direct Billing		\$69
Water Charges (SPRWS)	\$293	\$301
Grand Total for All City Services	\$1,479	\$1,556
Net Change Grand Total		\$77

**2017 Street Maintenance Program services (street sweeping, lighting, and repair) are approximately \$80 for a typical household.*

Key Dates

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- ❑ **September 20 – Max tax levy adopted**
- ❑ **Nov 1 – 2018 sewer & water rates public hearing**
- ❑ **December 6 – Truth in Taxation hearing**
- ❑ **December 13 – 2018 Budget adopted**

