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CITY OF SAINT PAUL

2022 Budget and Property Tax Overview

Truth in Taxation Hearing
December 1, 2021



2022 Budget Overview

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- Thank you for the opportunity to present a high-level overview of the Mayor's proposed budget.
- This overview includes information about City spending, property tax levies and the impact on the Typical Home as well as connections to other resources on the City's budget and taxes.



2021 Adopted compared to 2022 Proposed

(dollars in millions, less transfers)

	2021 Adopted	2022 Proposed	Change from 2021	% Change from 2021
General Fund	319.7	332.5	12.8	4.0%
Special Funds	255.6	328.4	72.8*	28.5%
Debt Fund	57.9	52.3	(5.6)	(9.7%)
Total Budget	633.2	713.2	80.0*	12.6%

Mayor's Proposed Budget: Page 12

*\$72 M of this increase reflects anticipated American Rescue Plan carry forward from 2021

- The 2022 Proposed budget is \$713.2 million, with spending in the general fund at \$332.5 million.
- The significant change in the special funds reflects carry-forward of the first payment of American Rescue Plan Funding into 2022.



Key Aspects of the 2022 Budget Proposal

- Focus on restoring critical services and leveraging new opportunities
- Investments:
 - Service and staff restoration: \$4.7 million (\$1.8 million in General Fund)
 - Office of Neighborhood Safety (\$1.25 million)
 - Law Enforcement Career Path Academy (\$820,000)
 - Housing and Economic Development (\$1.1 million)
 - Other service changes (\$1.1 million)

- The Mayor's proposed budget focuses on restoring critical services cut during 2020 and 2021 and leveraging new opportunities
- The Mayor's proposed budget includes funding to restore services and staff reduced during 2020 and 2021 at \$4.7 million with \$1.8 million of that funding coming from the general fund
- The budget proposal also establishes the Office of Neighborhood Safety
- The Law Enforcement Career Path Academy in the police department is also funded
- Additional funding for housing and economic development is included in the proposal, along with \$1.1 million in other smaller investments in departments across the City.



Key Aspects of the 2022 Budget Proposal

- American Rescue Plan vision: \$40 million each for neighborhood safety, housing strategies, and works progress programs
 - Capital Improvement Budget: \$32.2 million over two years
 - Hamline Midway Library
 - North End Community Center
 - Fire Station 7
 - General Fund department reductions: \$372,000
 - \$3.3 million in budget stabilization from ARP
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- The Mayor's proposed budget outlines a high-level vision for the use of American Rescue Plan funding from the federal government: the proposal anticipates funding of \$40 million to each of three priorities: neighborhood safety, housing strategies and works progress.
 - The proposed capital budget funds three major projects over the next two years: Hamline Midway Library, North End Community Center and Fire Station 7
 - Reductions for several departments are included in the budget for a little less than \$400,000
 - American Rescue Plan funding is also used for budget stabilization in the general fund.



**\$12.2 Million
General Fund
Revenue
Increase**

- Property Tax increase at 6.9%, including adjustment for shrinkage: \$10.4 M
 - \$11.25 per month for median value home
- One-time revenue solutions (\$2.9 M)
- Reduced hotel taxes: (\$320K)
- Reduced Xcel franchise fees: (\$265K)
- Fire department revenue increase: \$3.9 M
- Safety and Inspections revenue increase: \$700K
- LGA formula growth: \$1 M
- All other revenue adjustments: declined by (\$346K)

Mayor's Proposed Budget: Pages 54-64

- The maximum property tax levy increase as proposed by the Mayor is a 6.9% increase over 2021
 - The revenue received from the levy increase is about \$10.4 million
 - which equates to an increase of \$11.25 per month for a median value home
- All other revenue estimates are conservative considering the continued impacts of the pandemic on hotel taxes and parking
 - The revenue budget in the general fund specifically reflects reductions related to one-time revenue sources, reduced hotel taxes and franchise fees
 - The proposed budget includes revenue increases presented by the Fire and Safety and Inspections departments
 - Local Government Aid is anticipated to increase modestly



Property Tax Levy Distribution

	2021 Adopted	2022 Proposed	Amount Change	% Change
City of Saint Paul				
General Fund	126,124,931	135,458,650	9,333,719	7.7%
General Debt Service	18,521,513	20,016,192	1,494,679	8.1%
Saint Paul Public Library Agency	18,423,467	18,774,155	350,688	1.9%
Total (City and Library Combined)	163,069,911	174,248,997	11,179,086	6.9%
Port Authority	2,111,700	2,361,700	250,000	11.8%
Overall Levy (City, Library, & Port)	165,181,611	176,610,697	11,429,086	6.9%

Mayor's Proposed Budget: Page 11

- For detail on the levy distribution, this slide reflects the details for the levies under the City Council's control
- The increases are distributed to the general fund, debt service and the library agency.
- The proposal includes and increase for the Port Authority's property tax.



Taxes and Fees on a Typical Home

	2021 Adopted	2022 Proposed
Property Tax – City share only	\$893	\$1,028
Net Change in Property Tax		\$135
Street Maintenance Service Program	\$101	\$103
Sanitary Sewer Charges	\$314	\$323
Base Fee (no increase)		\$0
Volume Fee (3.5% increase)		\$9
Storm Sewer Charges (3.5% increase)	\$105	\$109
Recycling Fee	\$60	\$60
Residential Waste Collection	\$27	\$28
Total Direct Billing for City Services	\$1,500	\$1,651
Net Change in Direct Billing		\$151
Water Charges (SPRWS)	\$313	\$333
Grand Total for All City Services	\$1,813	\$1,985
Net Change Grand Total		\$171

\$228,700
Median Home Value
in 2022, a 6% increase
over 2021

\$215,800
Median Home Value
in 2021

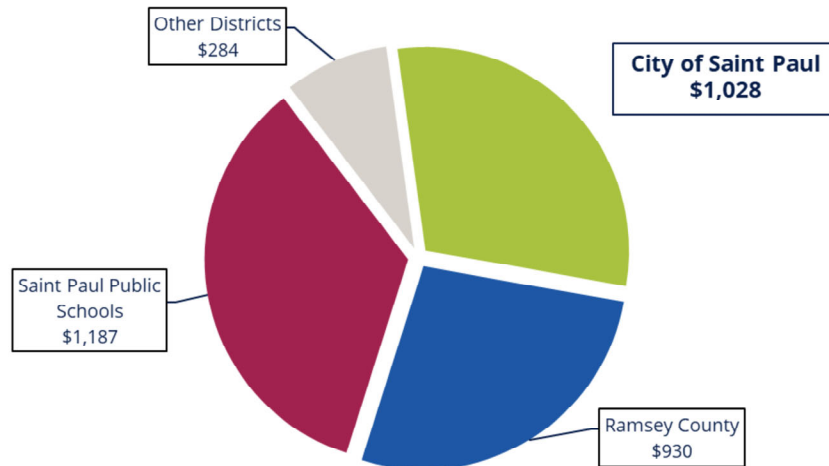
\$171
Net Change in City
Taxes and Fees

- How this impacts the taxpayer for a median valued home is displayed here:
 - The property tax will increase by \$135 for the entire year
 - Additional direct billings by the city for street maintenance, sanitary and storm sewers, and recycling and residential waste collection result in an increase of about \$16
 - Water charge increases from saint paul regional water services increase about \$20
 - The total increase for all these billings is \$171



Estimated 2022 Saint Paul Property Taxes

2022 Proposed Tax Rates Applied to a Typical Home
Valued at \$228,700



- That \$1,028 estimated on the typical home is about 30% of the total tax bill of about \$3,429
- The remainder of the tax bill is comprised of tax levies by saint paul public schools at 35% of the total, Ramsey county at 27% of the total and other smaller jurisdictions at 8% of the total



Budget and Property Tax Resources

- City of Saint Paul Budget:
 - Current and previous year budget documents
 - <http://www.stpaul.gov/budget>
- Open Budget Portal:
 - Downloadable budget data and interactive charts, graphs, and tables
 - <http://budget.stpaul.gov>
- Property Tax Estimator
 - Online tool to estimate impact of property taxes and budget changes
 - <http://www.stpaul.gov/taxestimator>

- For additional information on the 2022 budget, the City's website provides the current and prior year budget documents, the open budget portal for interactive exploration and a property tax estimator which displays the impact of property taxes and budget changes.