

An aerial photograph of a city street in Saint Paul, Minnesota. The scene features several multi-story brick buildings with many windows. In the foreground, a blue and white streetcar is visible on a track. The street is lined with trees and parked cars. The overall atmosphere is bright and clear.

Office of Financial Services

Presentation of 2024 Budget Proposal to City Council



SAINT PAUL
MINNESOTA

STPAUL.GOV

Photo courtesy of
Saint Paul

Agenda

- Overview
- 2023 Highlights
- Updates on Recent Initiatives
- Org Chart
- 2024 Proposed Changes
- FTEs Summary
- Spending Summary
- Revenue Changes and Outlook
- Questions & Discussion





OFS Mission

Champion the financial health of the City and its residents and facilitate organizational effectiveness.

OFS Strategic Objectives

1. Ensure effective stewardship of the financial and physical assets of the City and its residents.
2. Provide excellent service to internal and external customers to deliver quality public services.
3. Foster a caring, supportive, and anti-racist workplace that reflects and honors the community we serve.



2024 OFS Budget Priorities

1. Successful completion of the Annual Comprehensive Financial Report (ACFR)
2. Improved financial management of citywide and department grants
3. OFS employee recruitment, retention, succession planning, and training



2023 Highlights

- **Department-wide:**
 - AAA credit rating with stable outlook reaffirmed by S&P and Fitch.
 - Significant increase in the number of BIPOC staff in OFS, moving from 23% in 2021 to 29% in 2023.
- **Accounting:**
 - Implemented lease tracking software to comply with new government accounting standards. Now capable of financial tracking of over 160 lease contracts citywide.
- **Budget:**
 - Continued roll out of new budget software, expanding access to departments, and replacing obsolete capital budget software. New software offers better Infor and Payroll integration.
- **Fleet:**
 - Successful reorganization of Fleet division. Centralized Fleet staff at Dale Street campus; improved operational efficiencies; repurposed duplicative position for new analytics role.



2023 Highlights

- **Real Estate:**
 - Successfully managed the demolition of the Public Safety Annex building, and stabilized the site for Pedro Park development.
 - Broke ground on Fire Station 7.
- **Energy Team:**
 - Managed HVAC replacements/upgrades at Wilder Rec and Merriam Park rec.
- **Treasury:**
 - Managed the \$93 million bond sale for the McCarron's Water Treatment Plant project.
- **ARPA Admin:**
 - Submitted the annual ARPA report to Treasury, tracking project spending and highlighting important community investments made possible through ARPA.



Updates on Recent Initiatives: Electronic Payments

Project Deliverables:

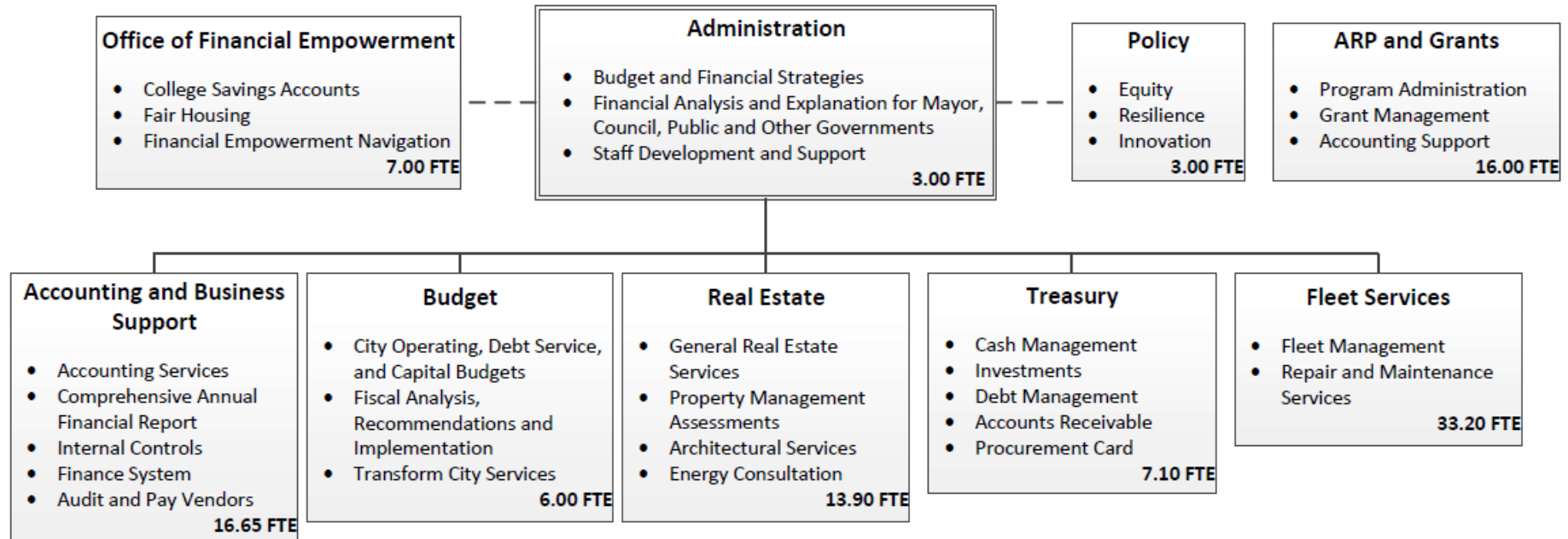
- *Implementation of 3rd party Infor add-on to securely accept credit cards and electronic checks through the Infor billing and receivables portal*
- *Comprehensive inventory, needs assessment, and prioritization of all services for which city departments currently accept payments*
- *Develop consistent payment policies and procedures*
- *Launch new payment options where needed*
- *Consolidate electronic payment options under central payment portal*

Recent milestones:

- *Final contract negotiation underway with 3rd party Infor add-on vendor*
- *Consultant hired for payments needs assessment*



OFFICE OF FINANCIAL SERVICES



Total FTEs: 105.85



2024 Proposed Budget Details

General Fund	Amount	FTE	Frequency
Central Grants Office	\$ 447,113	3.00	Ongoing
Deputy Director	\$ 188,381	1.00	Ongoing
Downtown Real Estate Study	\$ 75,000	-	One-time
Increase attrition savings	\$ (35,000)	-	Ongoing
Total	\$ 675,494	4.00	



Central Grants Office

- **Goals:**

- Immediate:
 - Successfully recruit, hire, and launch team
 - Establish consistent citywide policies and procedures
 - Support major grant opportunities
 - Research grant technology needs
- Long-term:
 - Citywide planning – strategic planning to align city needs with grant opportunities
 - Resource generation – increase grant revenues coming to the City



Deputy Director

- **Responsibilities:**
 - Daily Operations:
 - Improve delivery of core financial services
 - Support for annual financial report and audit, process improvement, electronic payments, and Central Grants team
 - Staff Support:
 - Assist with recruitment, retention, succession planning, onboarding, and cross-training
 - Citywide Financial Planning:
 - Collaborate with Budget Manager and City Treasurer to coordinate City's strategy for major funding streams



FTE Summary

Fund	2019 Adopted Budget	2020 Adopted Budget	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget	2024 Proposed Budget	Change from 2023
100: City General Fund	29.80	31.80	28.95	28.75	27.95	30.95	3.00
200: City Grants	-	-	1.00	1.00	1.00	3.00	2.00
215: Assessment Financing	1.00	1.00	-	-	-	-	-
300: City Debt	2.45	2.45	2.45	2.45	2.45	2.45	-
710: Central Service Fund	18.55	20.55	20.25	20.25	21.25	24.25	3.00
731: OFS Fleet	32.00	32.00	32.00	32.00	32.00	32.20	0.20
Total	83.80	87.80	84.65	84.45	84.65	92.85	8.20



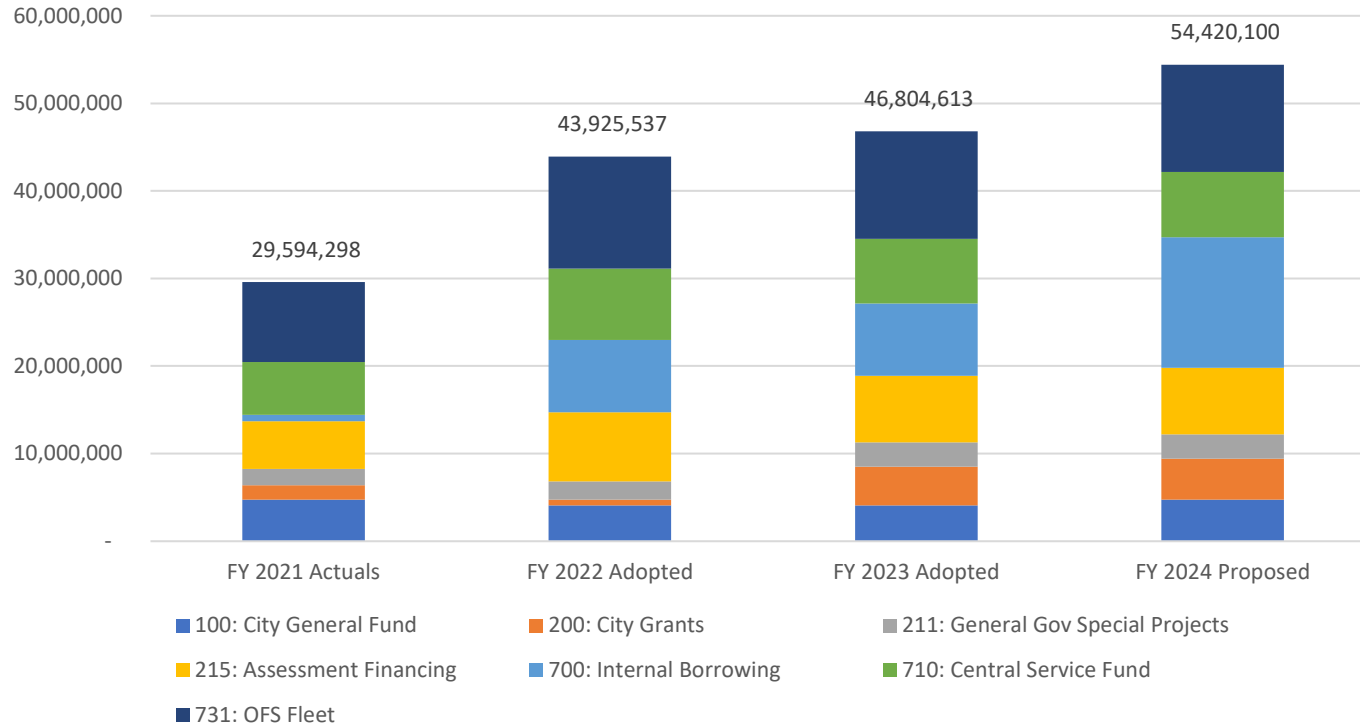
Budget Summary: Spending

Fund	FY 2021 Actuals	FY 2022 Adopted	FY 2023 Adopted	FY 2024 Proposed	\$ Change	% Change
100: City General Fund	4,744,729	4,067,099	4,072,461	4,746,956	674,495	16.6%
200: City Grants	1,636,618	666,667	4,414,005	4,653,133	239,128	5.4%
211: General Gov Special Projects	1,866,465	2,091,436	2,779,561	2,779,561	-	0.0%
215: Assessment Financing	5,440,434	7,891,572	7,626,533	7,624,165	(2,368)	0.0%
700: Internal Borrowing	732,031	8,260,030	8,260,030	14,888,374	6,628,344	80.2%
710: Central Service Fund	6,027,419	8,162,650	7,356,938	7,492,826	135,888	1.8%
731: OFS Fleet	9,146,602	12,786,083	12,295,085	12,235,085	(60,000)	-0.5%
Total	29,594,298	43,925,537	46,804,613	54,420,100	7,615,487	16.3%



OFFICE OF FINANCIAL SERVICES

Historical Spending





Personnel Budget

	2023 Adopted	2024 Proposed	\$ Change	% Change
Salaries	\$ 6,827,094	\$ 7,564,797	\$ 737,703	10.8%
Attrition	\$ (143,615)	\$ (172,990)	\$ (29,375)	20.5%
Overtime	\$ 38,524	\$ 38,524	\$ -	0.0%
Health Insurance	\$ 1,160,192	\$ 1,267,934	\$ 107,742	9.3%
Work Comp	\$ 50,000	\$ 50,000	\$ -	0.0%
Other Benefits	\$ 1,410,127	\$ 1,451,157	\$ 41,030	2.9%
Total Personnel	\$ 9,342,322	\$ 10,199,422	\$ 857,100	9.2%

Total FTEs	84.65	92.85	8.20	9.7%
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Services Budget

	2023 Adopted	2024 Proposed	\$ Change	% Change
OFS Services - All Funds	\$ 9,471,262	\$ 9,359,783	\$ (111,479)	-1.2%

Top 3 Expenses:	2023 Adopted	2024 Proposed	\$ Change	% Change
Private Sewer Repair/Installation Pass Through	\$ 2,800,000	\$ 2,800,000	\$ -	0.0%
ERP Applications Licensing and Support	\$ 972,829	\$ 1,259,821	\$ 286,992	29.5%
CHA Custodial and Maintenance	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%



Materials & Supplies Budget

	2023 Adopted	2024 Proposed	\$ Change	% Change
OFS Materials - All Funds	\$ 3,761,813	\$ 3,812,813	\$ 51,000	1.4%

Top 3 Expenses:	2023 Adopted	2024 Proposed	\$ Change	% Change
Motor Fuel Contract	\$ 1,640,929	\$ 1,640,929	\$ -	0.0%
Vehicle Parts	\$ 952,098	\$ 952,098	\$ -	0.0%
CHA and Fleet Electricity	\$ 230,833	\$ 230,833	\$ -	0.0%



Revenue Trends, Changes, and Outlook

	2020 Actual	2021 Actual	2022 Actual*	2023 Adopted	2024 Proposed
Lodging Tax - All Funds	\$ 1,494,650	\$ 2,559,227	\$ 4,522,561	\$ 4,127,800	\$ 4,500,000
Lodging Tax - General Fund	\$ 534,381	\$ 877,582	\$ 1,734,537	\$ 1,675,250	\$ 1,760,450

*2022 actuals are unaudited



Questions & Discussion