



Saint Paul Minnesota
The most livable city in America

Office of Financial Services

Office of Financial Services
October 24, 2018

Agenda

2

- OFS Overview
- Budget
- Office of Financial Empowerment
- Green Energy Loan Program
- Fleet

OFS Business Line Descriptions

3

- Budget
 - Mayor's Budget
 - City Council Budget Process
 - Ongoing Budget Management
- Accounting
 - Accounts Payable
 - Auditing
 - Reporting (CAFR)
- Business Support
 - Enterprise Resource Planning (ERP)
 - Infor Upgrade
- Fleet
 - Vehicles
 - Equipment
- Treasury
 - Cash Management
 - Investment Management
 - Debt Management
 - Accounts Receivable/Procurement Card
- Real Estate
 - Property Management
 - Energy Management
 - Assessments
- Office of Financial Empowerment
 - Financial Empowerment
 - Navigation Tools

Financial Summary – General Fund

4

	2018 Adopted	2019 Current	% Change	2019 FTEs
General Fund	3,967,959	4,326,324	9%	29.80

Significant General Fund Changes in Previous Budgets

Financial Summary – Special Funds

5

	2018 Adopted	2019 Current	% Change	FTEs
Grants	5,936	0	-100%	-
Gen Govt Special Projects	2,020,850	2,084,350	3.1%	-
Assessments	5,705,655	6,380,430	11.8%	1.00
Internal Borrowing	1,578,444	5,859,582	371.2%	-
Central Service	7,751,642	8,130,139	4.9%	18.55
Fleet	10,160,795	11,534,490	13.5%	32.00
Total:	27,223,322	33,988,991	24.9%	51.55
Net Debt Service	48,390,484	57,669,498	19.2%	2.45

Significant Special Fund Changes in Previous Budgets

2018	Fleet moved from Public Works & Parks to OFS	\$10,160,795
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Office of Financial Empowerment (OFE)

6

- We need a new approach, our community faces financial instability, making it challenging to build wealth and prosperity
 - Poverty Rate
 - Saint Paul 16.9% vs. 9.8% State of MN
 - Unbanked
 - Saint Paul 8.9% vs. 3.4% State of MN
 - Underbanked
 - Saint Paul 19.3% vs. 14.3% State of MN
 - Home Ownership
 - Saint Paul 49.3% vs. 70.9% State of MN
 - Renters
 - Saint Paul 27% of renters spend more than 50% of income on rent
 - Per Capita Effective Buying Income
 - Saint Paul 10% lower than the national average

OFE Bootcamp and Blueprint

7

- Community based service providers
 - Prepare + Prosper
 - East Side Financial Services
 - Nexus Community Partner
 - MN Homeownership Center
 - CLUES
 - African Economic Development Solutions
 - Hmong American Partnership
 - Center for Economic Inclusion
 - Junior Achievement
 - Aurora St. Anthony
 - Asian Economic Development Association
 - Wilder Foundation
 - Woodland National Bank
- City of Saint Paul
 - City Council
 - Mayor's Office
 - Human Rights & Equal Economic Opportunity
 - Office of Financial Services
 - Planning and Economic Development
- Private
 - Sunrise Bank
 - Hiway Credit Union
 - Village Trust Financial Cooperative
- Facilitated by Center for Financial Empowerment

What will OFE do?

8

- Build Public/Private Partnership
 - Mayor's Office
 - City Council
 - City Departments
 - Municipal, County and State Agencies
 - Nonprofits and Private Sector Providers

What will OFE do?

9

- Provide Financial Empowerment & Navigation Tools
 - Create awareness of financial education resources and financial tools
 - Identify gaps in services
 - Develop connections to resources
 - meet resident needs
 - build community wealth
- Empower Saint Paul residents to attain financial health

Community Benefits of OFE

10

- Improve Banking Access
 - Build trust
 - Savings and checking accounts
- Connect Residents to Financial Counseling
 - Public and private partners
- Facilitate savings and Asset Building
 - Stabilize and maximize income
- Connect Residents to Money Saving Opportunities
 - Tax rebates
- Support Consumer Financial Protection
 - Predatory lending

OFE Examples

11

- Financial Literacy
 - Connecting people to financial institutions/tools
 - Low income individuals spend 10% of income on financial services
- Earned Income Tax Credit (EITC)
 - Detroit's experience
 - Potential for Saint Paul
- Property Tax Refund
 - Minnesota targeting refund
- College Savings Account
 - Low to moderate income
 - 3x more likely to attend college
 - 4x more likely to graduate

OFE Budget

12

- 2019 Proposed Budget
 - \$330,000
 - Professional Services
 - Technical Assistance
 - 2 FTE's
 - Director/Financial Navigator
 - College Savings Account Coordinator

Green Energy Loan Program

13

- Work with Citywide Departments
 - Mayor
 - City Council
 - Operating Departments
 - Energy Consultants
- Create a new Green Energy Loan Program
 - City owned buildings
 - Reduce energy consumption
 - Improve facility infrastructure
 - Reduce carbon emissions

Current Internal Loan Fund

14

- High priority projects
 - Secure repayment source
 - Short repayment terms
- Limited to 10% of City cash
- Individual loans should not exceed \$4,000,000
- Underwritten by City Treasury
- Examples of recent Internal Loans:
 - CHS Field - \$1,204,000
 - Highland, Sunray and Central Library Projects - \$1,709,615
 - Como Pool - \$803,780

Proposed Green Energy Loan Fund Guidelines

15

- \$5 Million
- Individual Loans not to exceed \$250,000
- Short-term 3-5 years
- Purpose of reducing energy consumption
- Annual energy savings used to pay back the loan
- Underwritten by City Treasury

Proposed Green Energy Loan Projects

16

- Citywide Energy Retrofit Program
 - 171 City owned facilities
- LED Upgrades
 - Payback is less than 2 years
 - Savings is 20-25%
- HVAC and Boiler retrofits
- Window treatment
- Energy Control Systems

Fleet Capital Replacement Funding

17

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	N/A	NO
238,785		111,215			

Description

Saint Paul Fleet Services proposes to increase capital funding through:

- Increase billing rates by 5% for rented equipment (resulting in additional revenues of \$350,000) and apply total increase to capital replacement fund. This rate increase will be equal for all renting departments to ensure consistent rates and capture cost.

Which of the Mayor's strategic objectives does this proposal support?

Economic Justice	Lifelong Learning	Community-first Public Safety
X		X

Department Strategic Objective

Effectively manage citywide assets

Fleet Capital Replacement Funding

18

What is anticipated outcome	Performance Measures	Targets for 2019/20
Improved return on investment	Maintenance/repair costs Fleet vehicle uptime	
How does this proposal reform or improve current operations/services?		
Lower repair/maintenance and operational costs Reduced depreciation/capitalization expenses Increased uptime and reliability to Saint Paul fleet users		
What is the community benefit and how have/will they been engaged?		
The end result is a more efficient application of taxpayer dollars towards overall fleet replacement.		
How does the proposal advance equity in the City of Saint Paul?		
A dependable and well functioning city fleet ensures the ability of all Saint Paul residents to go about their daily activities with minimized interruption.		

Fleet Services

19

(Centralized Public Works and Parks & Rec)

- Total Units 1,376 Base and Associated Units
- Replacement Value: \$67,791,094
- Average Age: 16 Years
- Annual Fuel Usage: 500,000 Gallons (Unleaded, E85, Diesel)
- Annual Fuel Cost: \$1.075,000
- Staff 33 FTEs and 5 Right Track Students
- Annual Work Orders: 5,100
- Parts Inventory: \$900,000

FIRE

Total Units: 141

Replacement Value: \$26,018,500

Average Age: 9 years

POLICE

Total Units: 583

Replacement Value: \$14,317,600

Average Age: 9 years

Fleet Services Goals

20

- Citywide Energy Retrofit Program
- Upgrade Fleet Management Software 2018-19
 - Clean up data
 - Increase data collection
 - Standardize citywide practices
- Complete Centralization of PW and Park & Rec Employees
- Reinstate Vehicle Mechanic Trainee (VMT) position
 - Key step for right track student employee on-boarding
- Reduce carbon footprint
- Right size fleet with cooperation of user departments
- Maximize fleet utilization
- Reduce average age and prioritize replacement funding

Fleet Services Goals

21

- Culture Change
 - Communication and education of Fleet users – CDUG and EFC
 - Recommendations from users (users are equal)
- Rightsizing
 - Rightsized 25 fleet units in 2017-18 resulting in nearly \$2M in capital savings, disposing of 5 heavy trucks, replacing with two multipurpose trucks
- Reduce Carbon Foot Print
 - Awarded \$440,000 in DERA funds in 2018/2019 to supplement replacement of 10 high polluting diesel engines, a life cycle emissions reduction equivalent to removing **20,000 cars off the road**
 - Awarded \$5,000 in MPCA Grant funds to reduce VOC's from Gasoline storage tanks reducing annual emissions by 1,200 lbs/yr.
 - Exploring plans to replace Saint Paul's passenger fleet with all EV/PHEV over the next 5-10yrs
- Efficient Operations
 - Reduced Parts inventory in 2018 by over \$80,000 and realized 50% savings on new part inventory by participating in a parts recycling program