



# City of Saint Paul Budget Overview

Office of Financial Services

November 28, 2012



# Total Spending Remains Flat

## Composite Summary - Total Budget

City of Saint Paul: All Funds

| Composite Plan                     | 2012<br>Adopted<br>Budget | 2013<br>Proposed<br>Budget |
|------------------------------------|---------------------------|----------------------------|
| City/Library General Fund          | 229,477,496               | 237,294,208                |
| City/Library Special Fund          | 273,931,426               | 265,653,614                |
| Operating Subtotal:                | 503,408,922               | 502,947,822                |
| City/Library Debt Service          | 60,751,698                | 60,999,359                 |
| Grand Total:                       | 564,160,620               | 563,947,181                |
| Less Transfers                     | (47,320,521)              | (50,059,988)               |
| Less Subsequent Year Debt          | (15,834,893)              | (13,616,500)               |
| <b>Adjusted Operating Spending</b> | <b>501,005,206</b>        | <b>500,270,693</b>         |
| <b>Change between 2012-2013</b>    |                           | <b>(734,513) -0.15%</b>    |
| <b>Capital Improvement Budget</b>  | <b>37,396,000</b>         | <b>37,772,000</b>          |



# 2013 Budget Highlights

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- No net growth in city government
- Prioritizes public safety
- Maintains structural balance and is based on sound financial management principles
- Strategic investments and reprioritizations
- Modest levy and fee increases



# Property Tax Levy Distribution

## Property Tax Levy and State Aid: City, Library Agency and Port Authority Combined 2012 Adopted vs. 2013 Proposed

### Property Tax Levy

|  | 2012<br><u>Adopted</u> | 2013<br><u>Proposed</u> | Amount<br><u>Change</u> | Pct.<br><u>Change</u> | Pct of<br>City<br><u>12 Total</u> | Pct of<br>City<br><u>13 Total</u> | - |
|--|------------------------|-------------------------|-------------------------|-----------------------|-----------------------------------|-----------------------------------|---|
| City of Saint Paul                             |                        |                         |                         |                       |                                   |                                   |   |
| General Fund                                   | 71,078,611             | 72,077,597              | 998,986                 | 1.4%                  | 72.7%                             | 72.5%                             |   |
| General Debt Service                           | 9,671,043              | 10,050,902              | 379,859                 | 3.9%                  | 9.9%                              | 10.1%                             |   |
| Saint Paul Public Library Agency               | 17,059,404             | 17,267,653              | 208,249                 | 1.2%                  | 17.4%                             | 17.4%                             |   |
| <b>Total (City and Library combined)</b>       | <b>97,809,058</b>      | <b>99,396,152</b>       | <b>1,587,094</b>        | <b>1.6%</b>           | <b>100.0%</b>                     | <b>100.0%</b>                     |   |
| Port Authority                                 | 1,511,700              | 1,811,700               | 300,000                 | 19.8%                 |                                   |                                   |   |
| <b>Overall Levy (City, Library &amp; Port)</b> | <b>99,320,758</b>      | <b>101,207,852</b>      | <b>1,887,094</b>        | <b>1.9%</b>           |                                   |                                   |   |



# City Fees on a Typical Household

*\$133,700 home with a 10.4% decrease in value over 2012*

## City taxes and fees for a typical Saint Paul household, 2012 to 2013:

*Home valued at \$149,300 in 2012 and \$133,700 in 2013  
Assumes a 1.9% Levy Increase from 2012 to 2013*

| <b>Payment to the City:</b>                    | <b>Adopted<br/>2012</b> | <b>Proposed<br/>2013</b> |
|--|-------------------------|--------------------------|
| City share of property tax                     | \$562                   | \$514                    |
| Right of way maintenance assessment            | \$221                   | \$227                    |
| Sanitary sewer charges                         | \$296                   | \$296                    |
| Storm sewer charges                            | \$80                    | \$80                     |
| Recycling fee                                  | \$36                    | \$39                     |
| Water charges (SPRWS)                          | \$217                   | \$242                    |
| <b>Total direct billing for City services:</b> | <b>\$1,412</b>          | <b>\$1,398</b>           |
| <b>Net Change</b>                              |                         | <b>-\$14</b>             |



## Factors Affecting Payable 2013 St. Paul Property Taxes For a Median Value Single Family Home of \$133,700 assuming an 10.4% Decrease in Estimated Market Value

| Factors   | Amount          |
|---|-----------------|
| <b>Final Payable 2012 Total Tax (\$149,300 Home)</b>                            | <b>\$ 2,144</b> |
| Gain of Fiscal Disparities  | \$ (37)         |
| Change in Homestead Exclusion Benefit   | (22)            |
| Other Shifts  | (149)           |
| <b>Total Decrease Due to Tax Shifts</b>   | <b>\$ (208)</b> |
| County Levy   | \$ 14           |
| Regional Rail Levy  | -               |
| School District Levy  | (169)           |
| City Levy   | 12              |
| Other Special Taxing Districts Levy   | 4               |
| <b>Total Increase Due To Changes in Levy</b>                                    | <b>\$ (139)</b> |
| <b>Estimated Payable 2013 Total Tax (\$133,700 EMV Home;<br/>\$108,500 TMV)</b> | <b>\$ 1,797</b> |

|   |
|---|
| <b>Change<br/>that will<br/>appear on<br/>Proposed<br/>Notice</b> |
| \$ (58)   |
| (3)   |
| (231)   |
| (48)  |
| (7)   |
| <b>\$ (347)</b>   |
| Perc Change   |
| <b>-16.2%</b>   |

| <u>Assumptions:</u>          | 2012 Levy      | Proposed 2013 Levy | Levy Change  | % Change |
|------------------------------|----------------|--------------------|--------------|----------|
| County Levy                  | \$ 271,794,856 | \$ 276,538,351     | \$ 4,743,495 | 1.7%     |
| City Levy                    | 99,320,758     | 101,207,852        | 1,887,094    | 1.9%     |
| ISD 625 Levy                 | 126,072,576    | 103,912,719        | (22,159,857) | -17.6%   |
| Regional Rail Authority Levy | 19,938,811     | 19,938,811         | -            | 0.0%     |
| St. Paul HRA                 | 3,178,148      | 3,178,148          | -            | 0.0%     |

### Explanation of terms:

- **Decrease due to tax shifts:** This amount is how much property taxes would change assuming that none of the taxing authorities increased their levies. As market values of homes decrease, the homestead exclusion increases – which means that taxes are shifted to higher-valued homes, apartments and commercial property. In the current market, as properties change in value, some decrease at a faster rate than others – shifting taxes from properties with a faster rate of decrease in value to those with a slower rate of decrease, no change or an increase in value.
- **Increase due to changes in levy:** Shows the tax impact of levy changes.



**Median Estimated Market Value of Residential Property  
By St. Paul Planning District  
Taxes Payable Year 2012 to Estimated 2013  
Without Affect of St. Paul School Referendum**

| Values as of:<br>For Taxes Payable In:      | Median Estimated Home Market Values |                  |                               |
|---|-------------------------------------|------------------|-------------------------------|
|   | 01/02/11<br>2012                    | 01/02/12<br>2013 | % Change<br>From<br>'12 - '13 |
| <b>Planning District</b>                    |                                     |                  |                               |
| 1. Sunray/Battlecreek/Highwood              | \$138,850                           | \$125,200        | -9.8%                         |
| 2. Greater East Side                        | 118,600                             | 105,000          | -11.5%                        |
| 3. West Side                                | 140,200                             | 124,100          | -11.5%                        |
| 4. Dayton's Bluff                           | 101,400                             | 82,900           | -18.2%                        |
| 5. Payne/Phalen                             | 106,700                             | 98,900           | -7.3%                         |
| 6. North End                                | 109,600                             | 90,000           | -17.9%                        |
| 7. Thomas Dale                              | 90,800                              | 72,700           | -19.9%                        |
| 8. Summit/University                        | 167,400                             | 159,400          | -4.8%                         |
| 9. West Seventh                             | 146,750                             | 133,300          | -9.2%                         |
| 10. Como                                    | 193,350                             | 168,600          | -12.8%                        |
| 11. Hamline/Midway                          | 155,800                             | 137,000          | -12.1%                        |
| 12. St. Anthony Park                        | 234,300                             | 231,500          | -1.2%                         |
| 13. Merriam Park/Snelling/Lexington/Hamline | 242,850                             | 228,000          | -6.1%                         |
| 14. Macalester/Groveland                    | 251,000                             | 245,000          | -2.4%                         |
| 15. Highland                                | 250,050                             | 240,800          | -3.7%                         |
| 16. Summit Hill                             | 331,400                             | 290,100          | -12.5%                        |
| 17. Downtown                                | 129,800                             | 115,800          | -10.8%                        |

| Final<br>Payable<br>2012 Rate | Estimated<br>Payable<br>2013 Rate | Estimated                      |                               |
|-------------------------------|-----------------------------------|--------------------------------|-------------------------------|
| P2012<br>Final<br>Taxes       | P2013<br>Estimated<br>Taxes       | \$ Change<br>From<br>'12 - '13 | % Change<br>From<br>'12 - '13 |
| 153.079%                      | 165.149%                          |                                |                               |
| 0.14951%                      | 0.00411%                          |                                |                               |
| \$1,954                       | \$1,643                           | -\$311                         | -15.9%                        |
| 1,586                         | 1,279                             | -307                           | -19.4%                        |
| 1,979                         | 1,624                             | -355                           | -17.9%                        |
| 1,274                         | 880                               | -394                           | -30.9%                        |
| 1,370                         | 1,170                             | -200                           | -14.6%                        |
| 1,422                         | 1,009                             | -413                           | -29.0%                        |
| 1,080                         | 723                               | -357                           | -33.1%                        |
| 2,473                         | 2,261                             | -212                           | -8.6%                         |
| 2,098                         | 1,791                             | -307                           | -14.6%                        |
| 2,945                         | 2,426                             | -519                           | -17.6%                        |
| 2,263                         | 1,857                             | -406                           | -17.9%                        |
| 3,689                         | 3,562                             | -127                           | -3.4%                         |
| 3,846                         | 3,499                             | -347                           | -9.0%                         |
| 3,994                         | 3,805                             | -189                           | -4.7%                         |
| 3,976                         | 3,729                             | -247                           | -6.2%                         |
| 5,455                         | 4,620                             | -835                           | -15.3%                        |
| 1,789                         | 1,475                             | -314                           | -17.6%                        |

\*Notes: Tax rates and taxes will be slightly higher for the small portion of the City located in the Ramsey/Washington Metro Watershed District.



## Who Determines Your Property Tax?

### State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Underfunded Mandates to Local Governments
- Levies State Business Tax



### Taxing Jurisdictions

- Determines Levy Amount

### County Assessor

- Determines Market Value
- Assigns Property Class

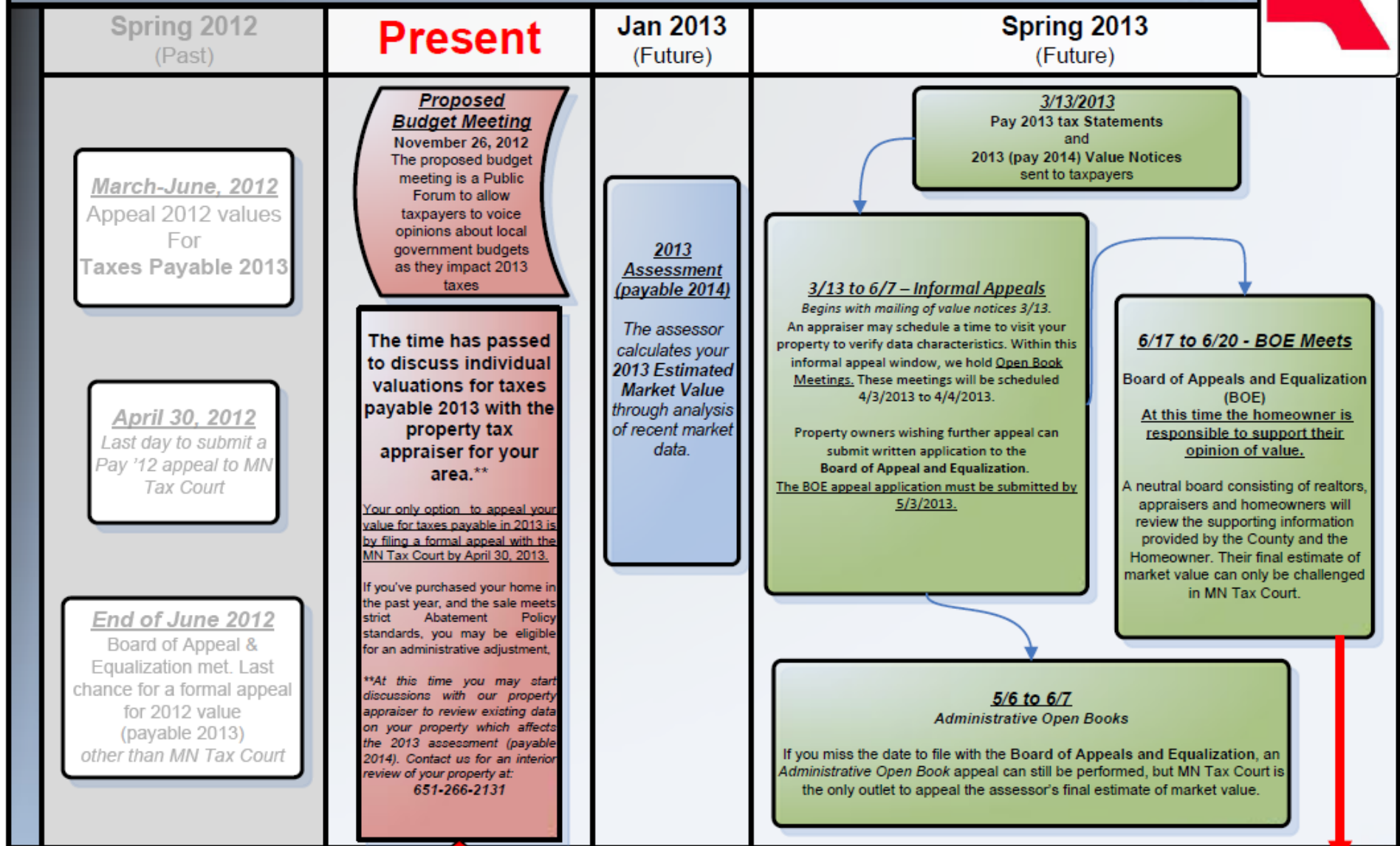




# How Can My Property Value Go Down And My 2013 Property Tax Go Up?

- Over 86% of residential properties had a decrease in estimated market value as determined by the County Assessor. The estimated market value of 45% of commercial/industrial and 23% of apartment properties also decreased.
- Market value increases do not generate additional revenue for local governments – only increases in tax levies and local assessments provide more money. Conversely, market value decreases do not reduce revenue for local governments.
- Based on taxes shown on the proposed tax notices: 76.9% of Ramsey County homeowners are projected to have tax decreases, 19.3% have increases between 0% and 10%, and 3.8% have increases greater than 10%. Most commercial and industrial properties have increases between 0% and 10%. 75% of apartment properties will have property tax increases greater than 10%.
- If your property's value is going down and property taxes are going up, it is likely due to a combination of the following two factors:
  - Taxes are shifting to your property from properties that have greater reductions in value. Correspondingly, taxes from your property are shifting to properties that have lesser reductions in value, values that stayed the same or increases in value.
  - Tax levies for the county, city, school district and/or special taxing districts are increasing.
- Some of the larger tax increases this year are occurring on properties that have the same value for 2012 and 2013.

# Process to Appeal your Estimated Market Value in Ramsey County



**AFTER THE BOE CLOSSES ON JUNE 20, 2013 THE ONLY OPTION TO APPEAL IS MN TAX COURT**  
(Deadline for filing is April 30, 2014)



# Budget and Property Tax Resources

- Saint Paul Budget Information  
[www.stpaul.gov/budget](http://www.stpaul.gov/budget)
- Local Property Tax Information  
[www.co.ramsey.mn.us/prr](http://www.co.ramsey.mn.us/prr)
- Property Tax Petition Process  
[www.co.ramsey.mn.us/prr/assessor/index.htm](http://www.co.ramsey.mn.us/prr/assessor/index.htm)
- State Property Tax Refund Program  
[www.taxes.state.mn.us](http://www.taxes.state.mn.us)