

Mayor Coleman's 2016 Proposed Budget for the City of Saint Paul

2016 Budget Overview

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- Budget Highlights
- Proposed budget in context
- Department budget changes
- Property tax and fees
- Key dates

2016 Budget Highlights

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- ❑ Growing economy and strengthening vitality provide opportunity for revenue growth
- ❑ Steadfast commitment to sound financial management principles
- ❑ Continuing focus on maintaining infrastructure
- ❑ Investments in equity, public safety, innovation & modernization
- ❑ 1.9% levy increase and prudent fee increases

Building the 2016 Budget

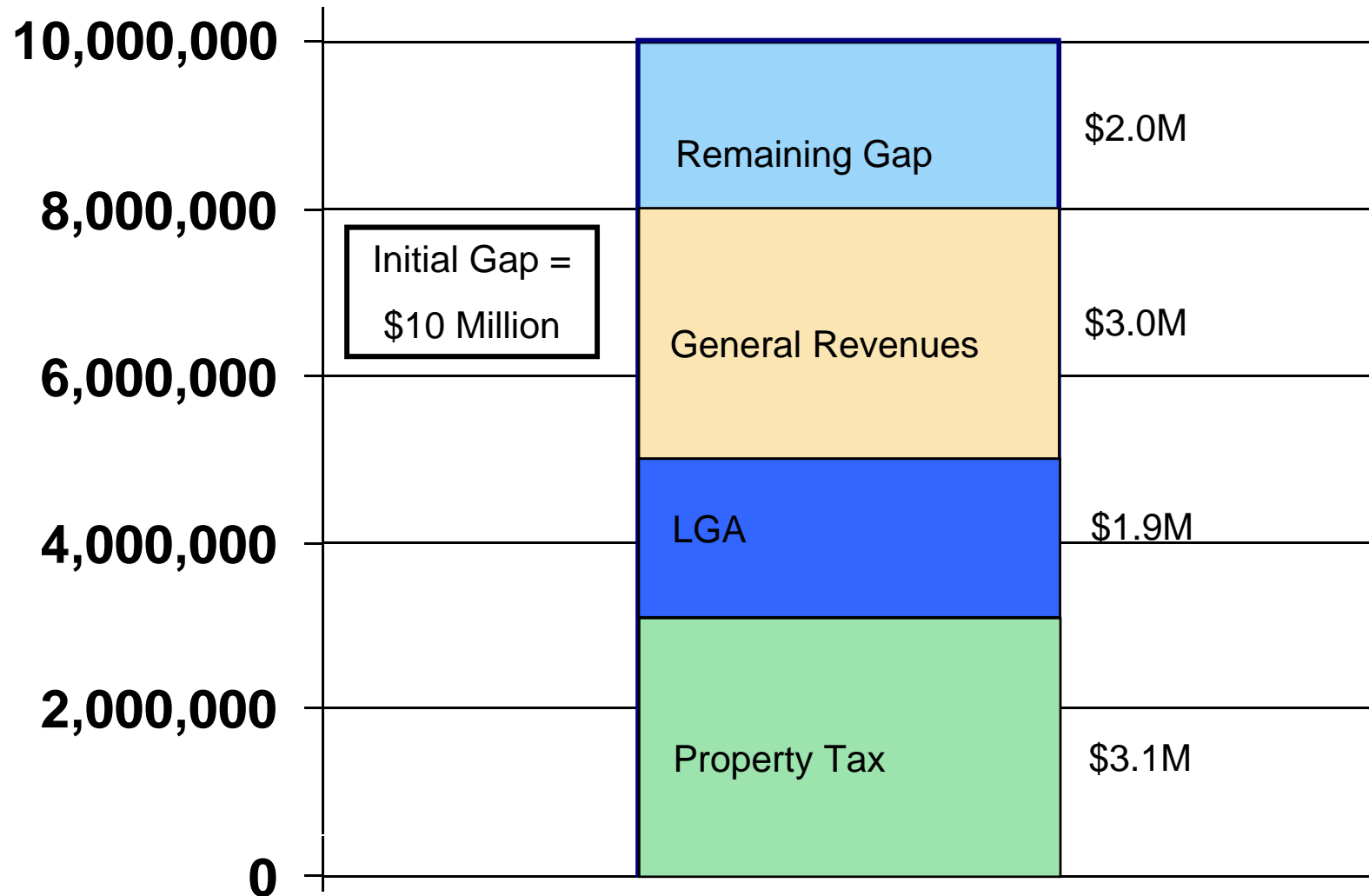
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Cost Pressures

Personnel inflation	\$ 6.7 million
Leap year	\$ 0.6 million
General goods & services inflation	\$ 1.0 million
Net planned program inflation <i>(Fire Medic Cadets, CAD, Comm Center, etc.)</i>	\$ 0.6 million
Debt Service	<u>\$ 1.1 million</u>
Total 2016 Starting Gap	\$ 10.0 million

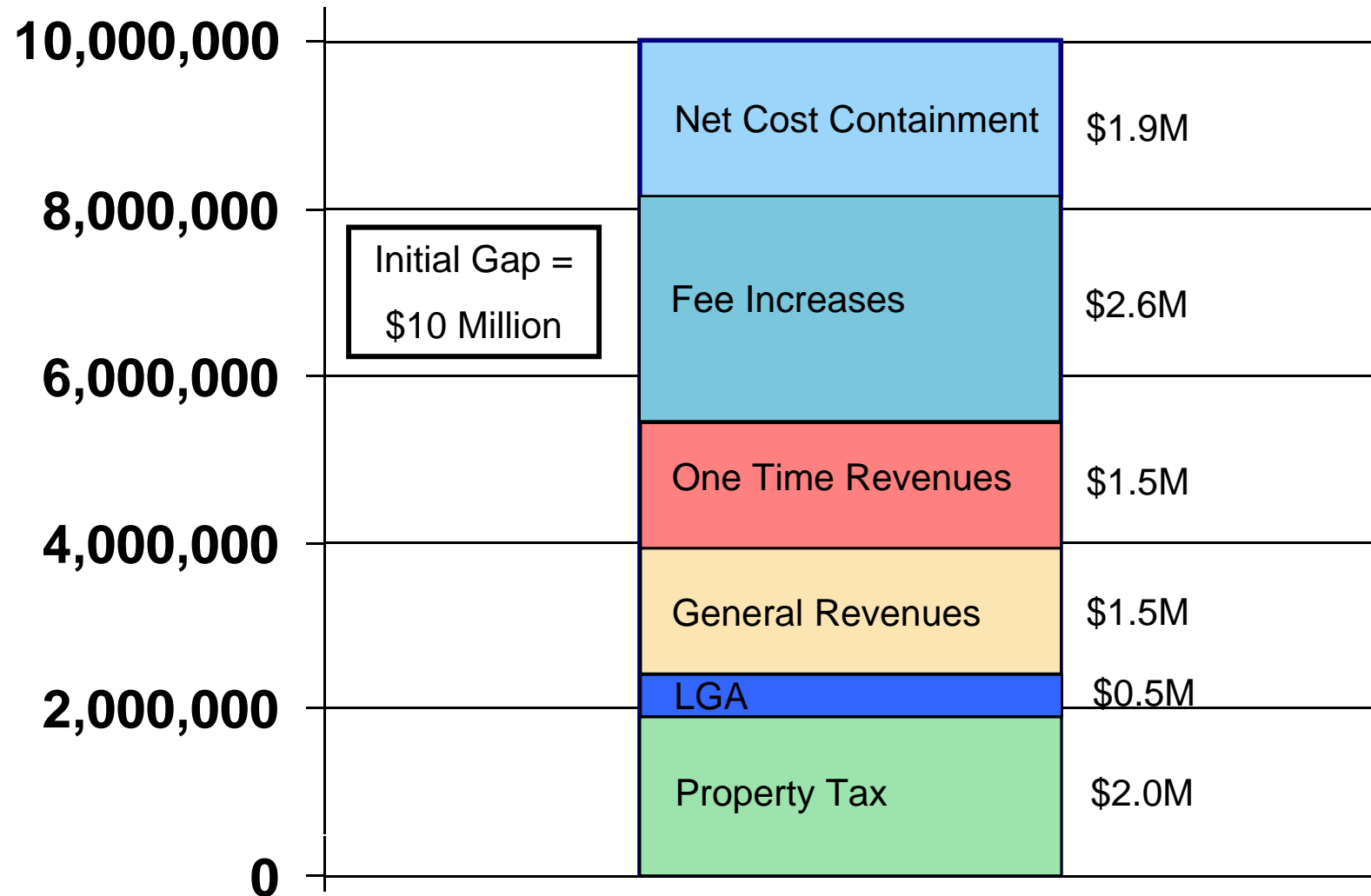
What if revenues grow at the rate of inflation?

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Solving the 2016 Budget Gap

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Solving the 2016 Budget Gap

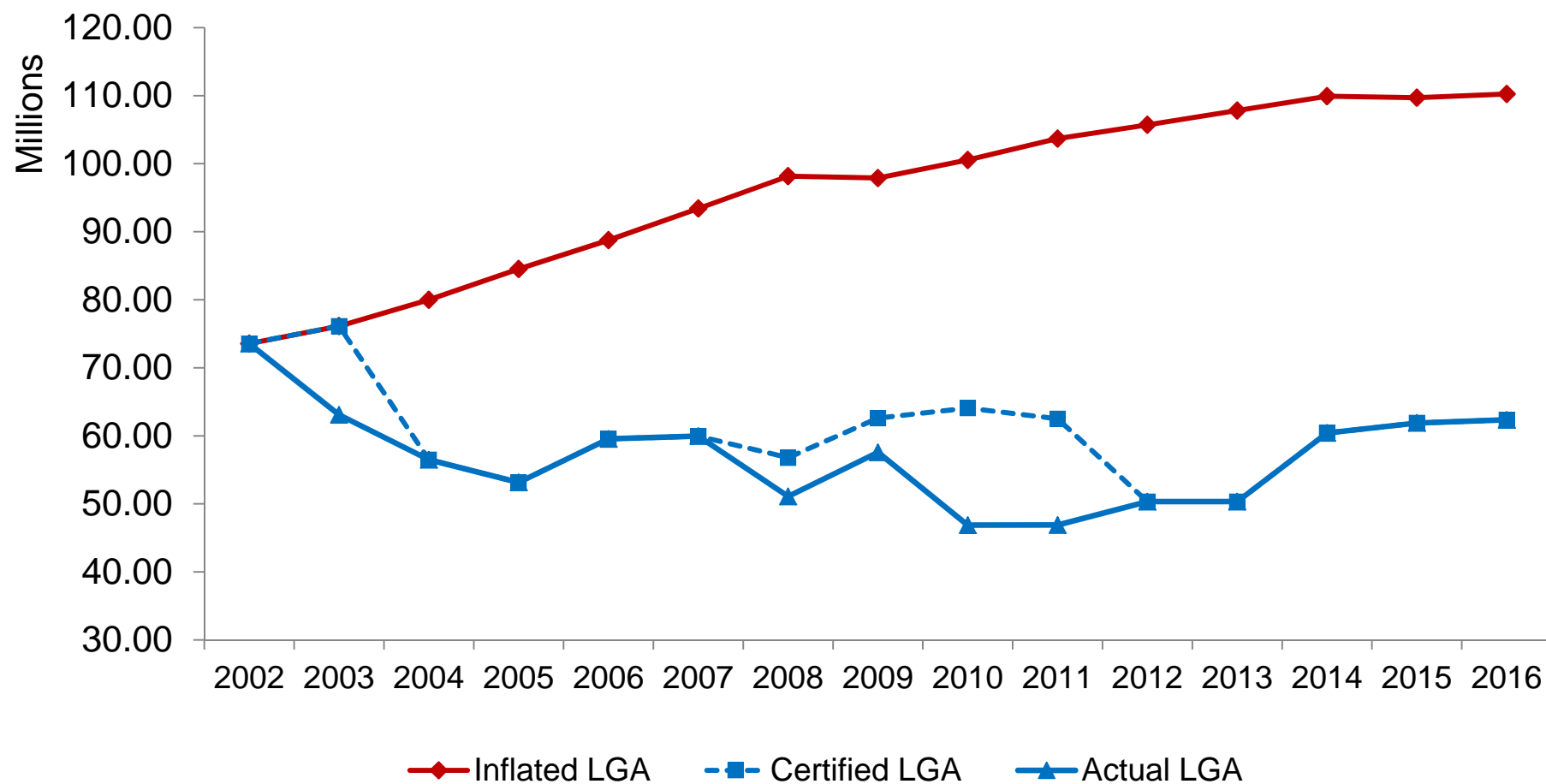
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Starting Gap	\$ 10.0 million
Cost containment	\$ (2.8) million
Revenue –new/increased fees	\$ (2.6) million
Revenue – one-time	\$ (1.5) million
Revenue – volume increases	\$ (1.5) million
LGA	\$ (0.5) million
Property tax levy	\$ (2.0) million
New spending	<u>\$ 0.9 million</u>
Remaining Gap	\$ 0

Saint Paul State Aid

2002-2016

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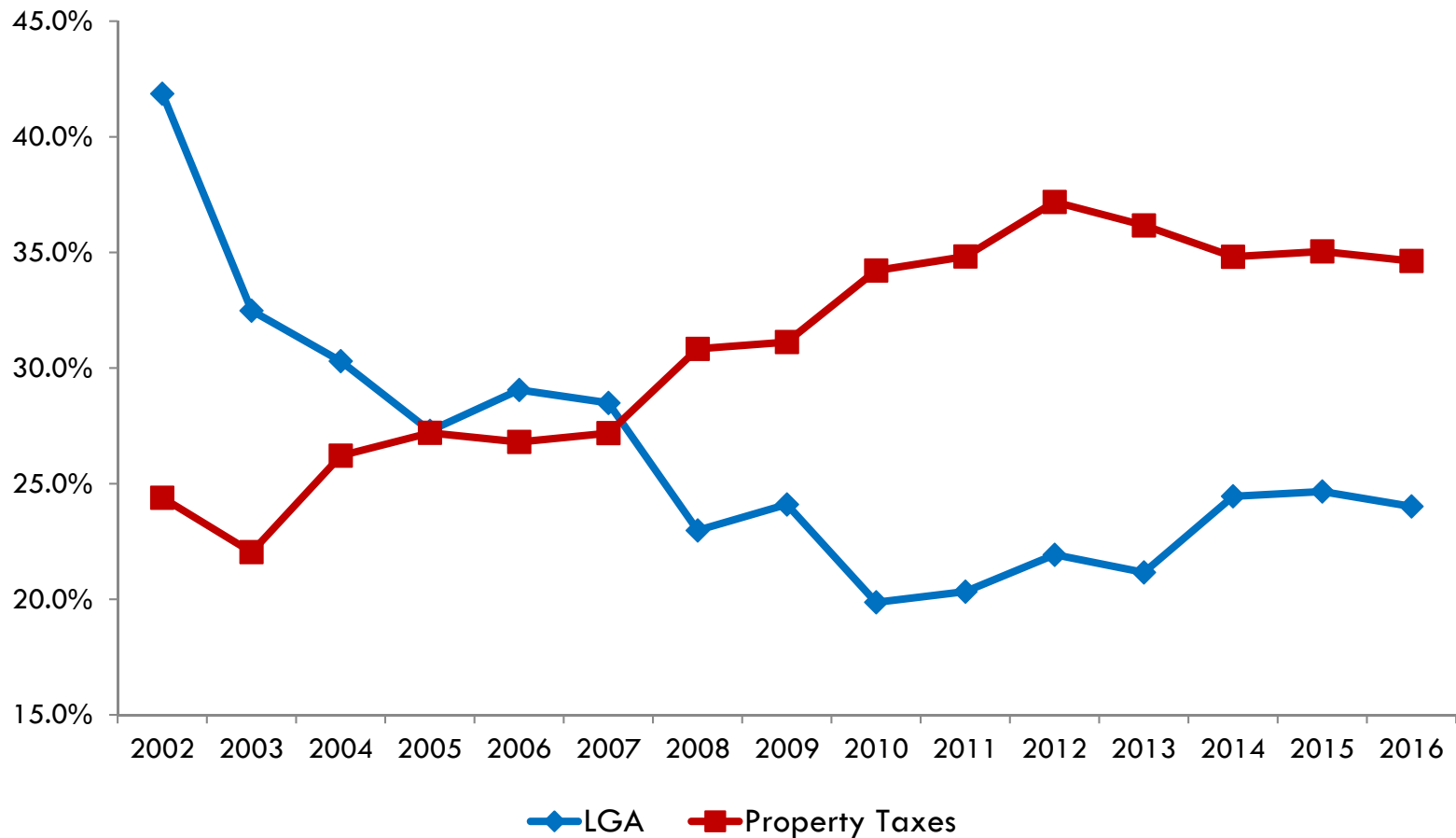


*Inflated using the Implicit Price Deflator for State and Local Governments

Saint Paul 2002-2016

LGA & Property Taxes % of General Fund Budget

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Overall Spending Grows

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Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2015 Adopted Budget	2016 Proposed Budget	
City General Fund	234,209,819	242,630,338	
Library General Fund (a)	16,725,326	16,928,586	
General Fund Subtotal:	250,935,145	259,558,924	
Less Transfers	(1,638,239)	(1,600,618)	
Net General Fund Subtotal:	249,296,906	257,958,306	
	General Fund Total Change 2015-2016	8,661,400	3.5%
City Special Funds	270,975,923	285,313,464	
Library Special Funds (a)	1,533,971	1,289,602	
Special Fund Subtotal:	272,509,894	286,603,066	
Less Transfers	(44,267,718)	(49,355,911)	
Net Special Fund Subtotal:	228,242,176	237,247,155	
City Debt Service Funds	63,157,694	68,245,105	
Less Subsequent Year Debt	(13,458,092)	(12,854,838)	
Debt Service Subtotal	49,699,602	55,390,267	
Less Transfers	(4,870)	(4,800,000)	
Net Debt Service Subtotal:	49,694,732	50,590,267	
Net Spending Total:	527,233,814	545,795,728	
	Net Spending Total Change 2015-2016	18,561,914	3.5%

...Mostly Due to One-time Spending

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Composite Summary - Total Budget

	2015 Adopted Budget	2016 Proposed Budget	Change	% Change
General Fund w/Library:	249,296,906	257,958,306	8,661,400	3.47%
All Funds:	527,233,814	545,795,728	18,561,914	3.52%
Growth Less One-Time Expenses				
General Fund w/ Library	249,296,906	255,867,402	6,570,496	2.64%
All Funds:	527,233,814	533,312,564	6,078,750	1.15%

One Time Investments

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2016 One Time Investments

<u>Description</u>	<u>All Funds</u>	<u>General Fund</u>
Golf Debt Defeasance	4,800,000	
Work Comp Software System	200,000	
Parking Meter Implementation	898,000	898,000
Phone System Replacement	1,480,325	
Leap Year Wages and Benefits	1,279,839	767,903
Police RMS	3,000,000	
Police Body Cam Pilot	400,000	
Disparity Study	400,000	400,000
Franchise Fee Audit	25,000	25,000
Total	12,483,164	2,090,903
Spending Growth (less one time)	6,078,749	6,570,496
% Growth in Spending (less one time)	1.15%	2.64%

Stable Workforce

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Composite Summary - Workforce			
City of Saint Paul and Saint Paul Public Library Agency Full Time Equivalents (FTEs)			
Department	2015 Adopted Budget	2016 Proposed Budget	FTE Change
City FTE (All Funds)	2,744.40	2,749.23	4.83
Library Agency	175.10	174.50	(0.60)
Total	<u>2,919.50</u>	<u>2,923.73</u>	<u>4.23</u>

2016 Budget Details

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Public Safety

- Equity
 - ▣ Fire Medic Cadet Program
 - ▣ Victim Witness Advocate

- Technology
 - ▣ Records Management System
 - ▣ Body Camera Pilot
 - ▣ CAO Criminal Division Case Management System

2016 Budget Details

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Parks

- Program Investments:
 - ▣ Palace Rec Center
 - ▣ Light rail median maintenance
 - ▣ Great River Passage
- Long Term Investments
 - ▣ Eliminate Highland National Golf Course debt payment
- Revenue Increases
 - ▣ Aquatics
 - ▣ Walk/Run participant fees

2016 Budget Details

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DSI

- Staff Investments
 - ▣ Zoning Plan Review
 - ▣ Design Review Standards
- Continued investment in process and technology improvements
- DSI Fees
 - ▣ 3.0% increase to all DSI fees (building permits, business licenses, fire inspection, vacant buildings, etc.)

2016 Budget Details

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Other Key Investments

- ☐ Business Intelligence Platform
- ☐ New Phone System
- ☐ Parking Meter System Expansion
- ☐ Disparity Study

2016 Budget Details

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PED/HRA

- Position Adjustments
 - ▣ 8-80 Fellow – Knight Cities Challenge grant
 - ▣ Historic Preservation Specialist – focus on design reviews, and new ordinance implementation
- STAR
 - ▣ Continue \$1,000,000 for economic development
 - ▣ Increases to Neighborhood, Cultural programs and City Capital and Economic Development
- HRA Highlights
 - ▣ \$300k – HRA share of Disparity Study
 - ▣ Support for parking meter implementation

2016 Budget Details

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Public Works

- Right-of-Way
 - ▣ 2.5% rate increase
 - ▣ Full funding of the mill and overly program
 - ▣ Expected savings on pothole patching

- Recycling services
 - ▣ 1.5% rate increase
 - ▣ RFP in development to prepare for new contract in 2017

2016 Budget Details

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- Sewer Utility
 - ▣ 3.5% volume rate increase
 - ▣ Introduce Base Fee
 - Predictability and stability
 - Fixed costs for fixed fees
 - Based on external consultant recommendation
 - ▣ Maintain financial strength
 - 300 days cash on hand
 - Plan for 2x debt service coverage

Street Repair and Reconstruction

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- Highlights
 - ▣ \$28.1 million for improvements to transportation system
 - ▣ \$25 million for street repair and year-round maintenance
- Saint Paul Street Vitality Program (SPSVP)
 - ▣ Continues both arterial and residential streets
 - ▣ Program at historical \$12.5 million level
- Mill and Overlay Program
 - ▣ \$2.5 million will be spent on mill and overlaying streets with an emphasis on improving the pedestrian sidewalk ramps

Public Works Strategic Initiative

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- Responsive winter street maintenance
 - ▣ Expectations, resource allocation, accountability, evaluation
- New service delivery models
 - ▣ Operations Manager
 - ▣ Optimize workforce utilization
- Internal and external communication
 - ▣ Expectations and outcomes

2016-2017 Major CIB Financing Sources

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	2016 Proposed	2017 Tenative
G.O. Capital Improvement Bonds	11,000,000	11,000,000
G.O. Street Improvement Bonds	12,500,000	12,500,000
Public Safety Bonds	-	15,000,000
Municipal State Aid	7,400,000	7,400,000
Community Development Block Grants	4,000,000	4,000,000
Sewer Revenue Bonds *	8,000,000	8,000,000

* Budgeted in Sewer operating budget

2016-2017 CIB Highlights

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	2016 Proposed	2017 Tenative
Fire Station 19 Expansion	1,340,000	-
New Police Training Facility	1,000,000	15,000,000
Phalen and North Dale Refrigerated Ice Rinks	407,000	406,000
Palace Rec Center Completion	1,380,000	-
Sylvan Play Area and Field Improvements	148,000	1,638,000
5 Other Neighborhood Play Areas	1,376,000	809,000
Victoria Park Universally Accessible Play Area	200,000	2,000,000
Rondo Commemorative Plaza	250,000	-
Saint Paul Street Vitality Paving Program	12,500,000	12,500,000
Kellogg Boulevard - Third Street Bridge	1,125,000	1,125,000
Battle Creek Road Reconstruction	-	1,950,000
Rice Street Streetscape - Sycamore to Pennsylvania	-	1,982,000

Downtown Parking Meter Expansion

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- Current daily rates extend until 6:00 pm
- New evening rates from 6:00 pm until 10:00 pm
- Event parking rates around Xcel Energy Center and CHS Field during events
- meter network around Xcel Energy Center and convert some remaining coin operated meters
- Implementation on January 1st, 2016
- Implementation will be funded by the HRA parking fund

	Spending	Revenue	Net
New parking meter collections		1,039,000	
Ongoing maintenance and enforcement	155,010		
One-time implementation costs	308,000	308,000	
2016 Totals	463,010	1,347,000	883,990

Neighborhood Commercial Area Parking Meter Expansion

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- One or more neighborhood commercial areas will be selected for a pilot implementation
- Area(s) will be selected based on expected benefit from a market-based parking approach
- Community engagement process this fall
- Anticipated implementation on May 1st, 2016.

	Spending	Revenue	Net
New parking meter collections		550,714	
Ongoing maintenance and enforcement	150,714		
One-time implementation costs	590,000	590,000	
2016 Totals	740,714	1,140,714	400,000

Property Tax Levy Distribution

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	<u>2015 Adopted</u>	<u>2016 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 15 Total</u>	<u>Pct of City 16 Total</u>
City of Saint Paul						
General Fund	72,662,437	74,439,438	1,777,001	2.4%	71.4%	71.7%
General Debt Service	12,408,754	12,393,448	(15,306)	-0.1%	12.2%	11.9%
Saint Paul Public Library Agency	16,753,951	16,961,357	207,406	1.2%	16.5%	16.3%
Total (City and Library combined)	101,825,142	103,794,243	1,969,101	1.9%	100.0%	100.0%
Port Authority	1,811,700	1,811,700	-	0.0%		
Overall Levy (City, Library & Port)	103,636,842	105,605,943	1,969,101	1.9%		

City Fees on a Typical Household

\$151,500 home with a 4.5% increase in value over 2015

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	Adopted 2015	Proposed 2016
Payment to the City:		
City share of property tax	\$529	\$537
<i>Tax Shifts</i>		(\$5)
<i>Levy Increase</i>		\$13
Right of way maintenance assessment	\$198	\$203
Sanitary sewer charges*	\$226	\$246
<i>Base Fee</i>		\$12
<i>Volume Fee</i>		\$8
Storm sewer charges	\$85	\$88
Recycling fee	\$53	\$54
Total direct billing for city services	\$1,091	\$1,128
Net Change Direct Billing		\$37
Water Charges (SPRWS)	\$292	\$304
Grand Total for All City Services	\$1,383	\$1,432
Net Change Grand Total		\$49

*Due to conservation efforts by the Public Works Department, fewer CCF's (unit of charge) are being used by a typical household. The forecast reduces the CCF usage thus reflecting a smaller sanitary fee than from years past.

Key Dates

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- Sept. 23 – Last day to adopt max tax levy
- Oct 7 – 2015 ROW rates
- Nov. 4 – 2016 rates public hearing
- Dec. 2 – Truth in Taxation hearing
- Dec. 16 – 2015 budgets adopted