

Mayor Coleman's 2017 Proposed Budget for the City of Saint Paul

2017 Budget Overview

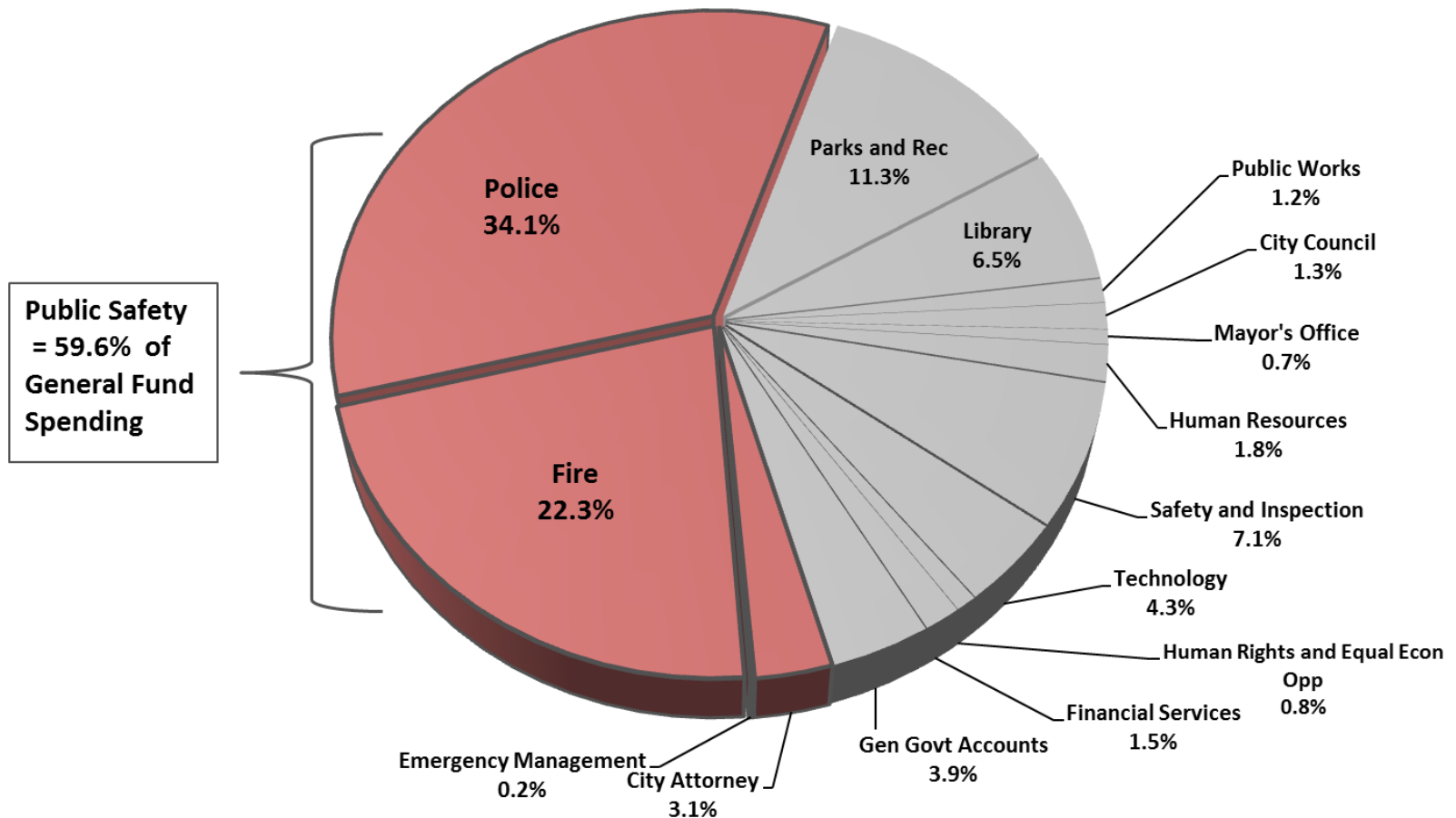
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- Proposed budget in context
- Budget Highlights
- Department budget changes
- Property tax and fees
- Key dates

General Fund Spending

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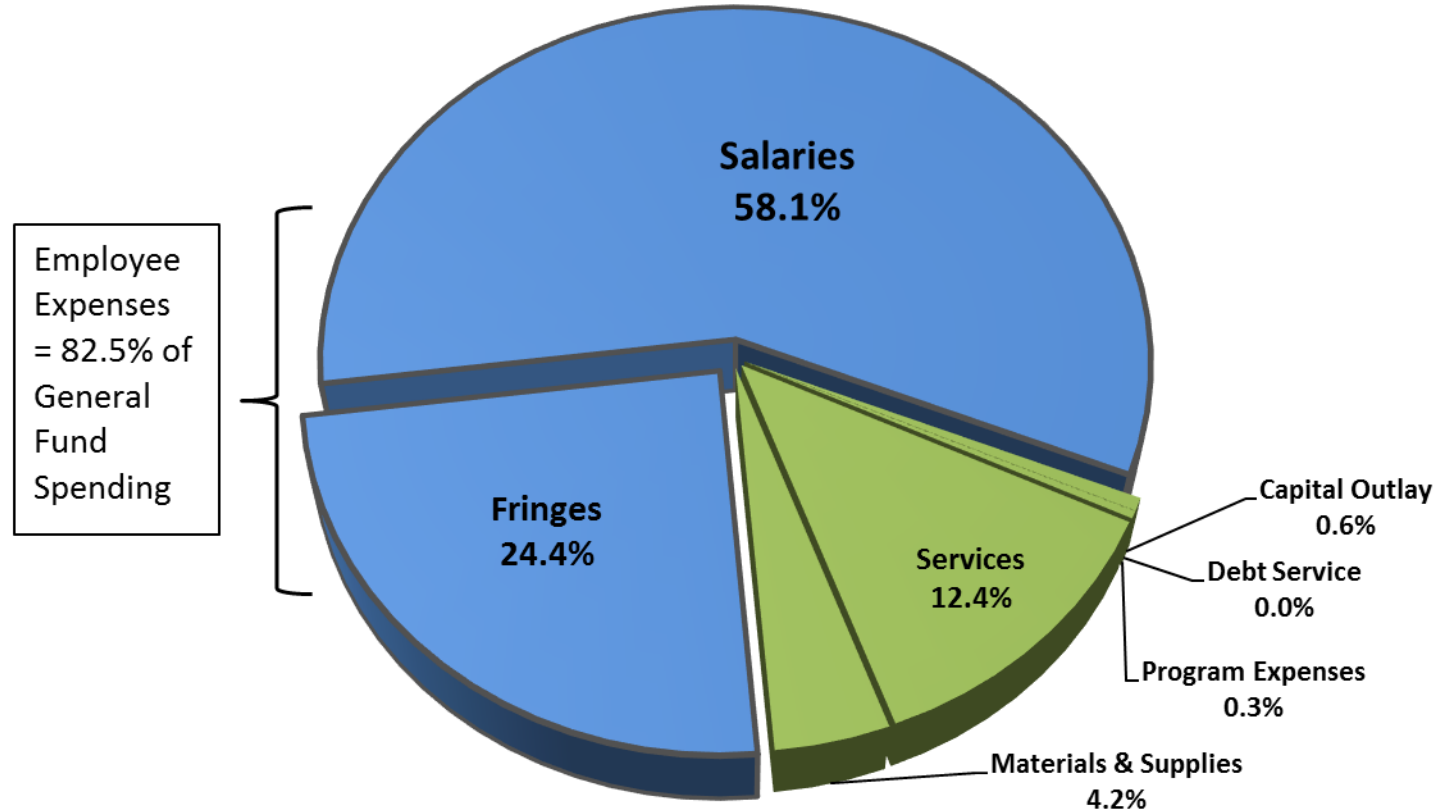
**General Fund Budget
2017 Proposed Spending by Department**



General Fund largely supports personnel expenses

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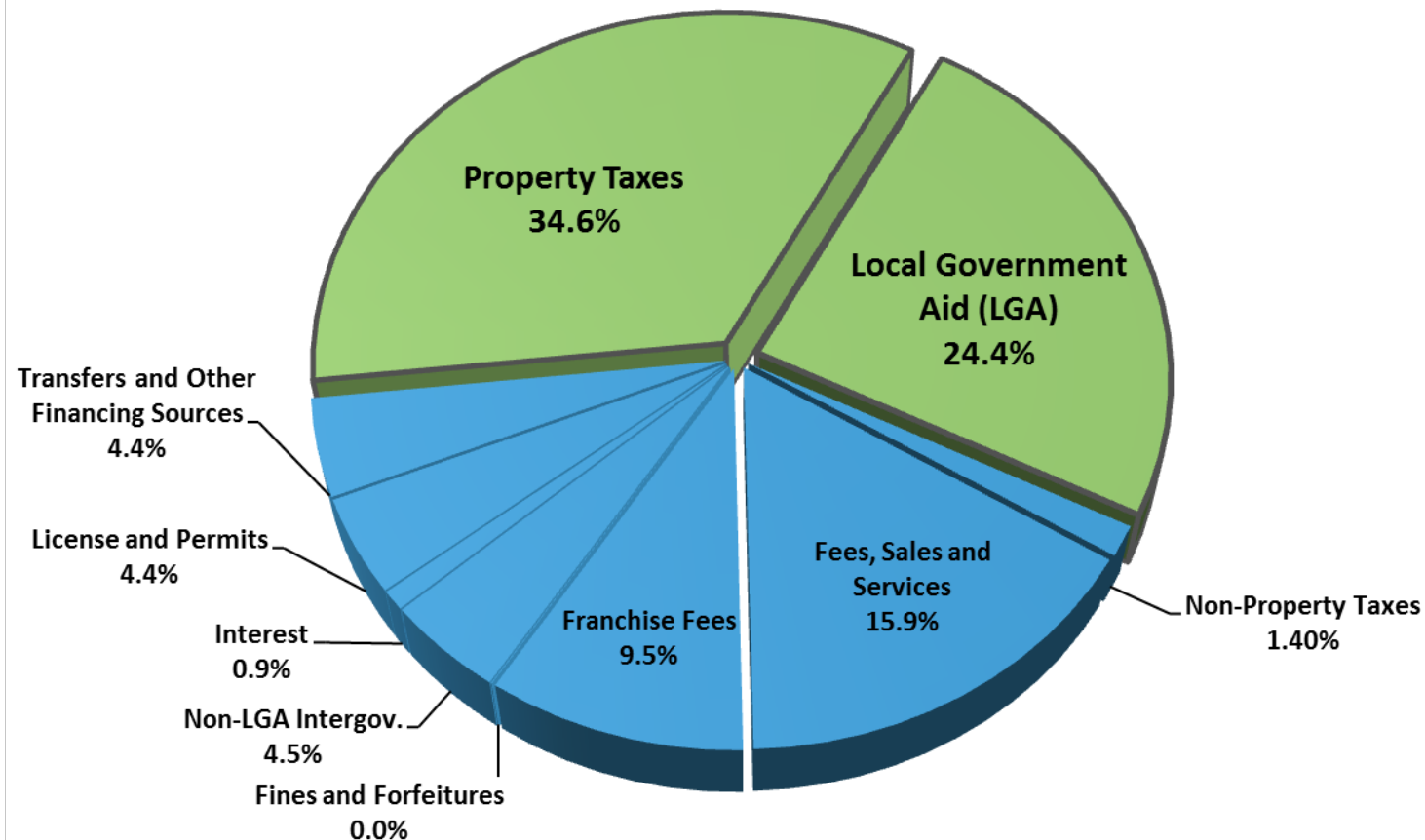
**General Fund Budget
2017 Proposed Spending by Major Object**



Most General Fund revenue comes from state aids and property taxes

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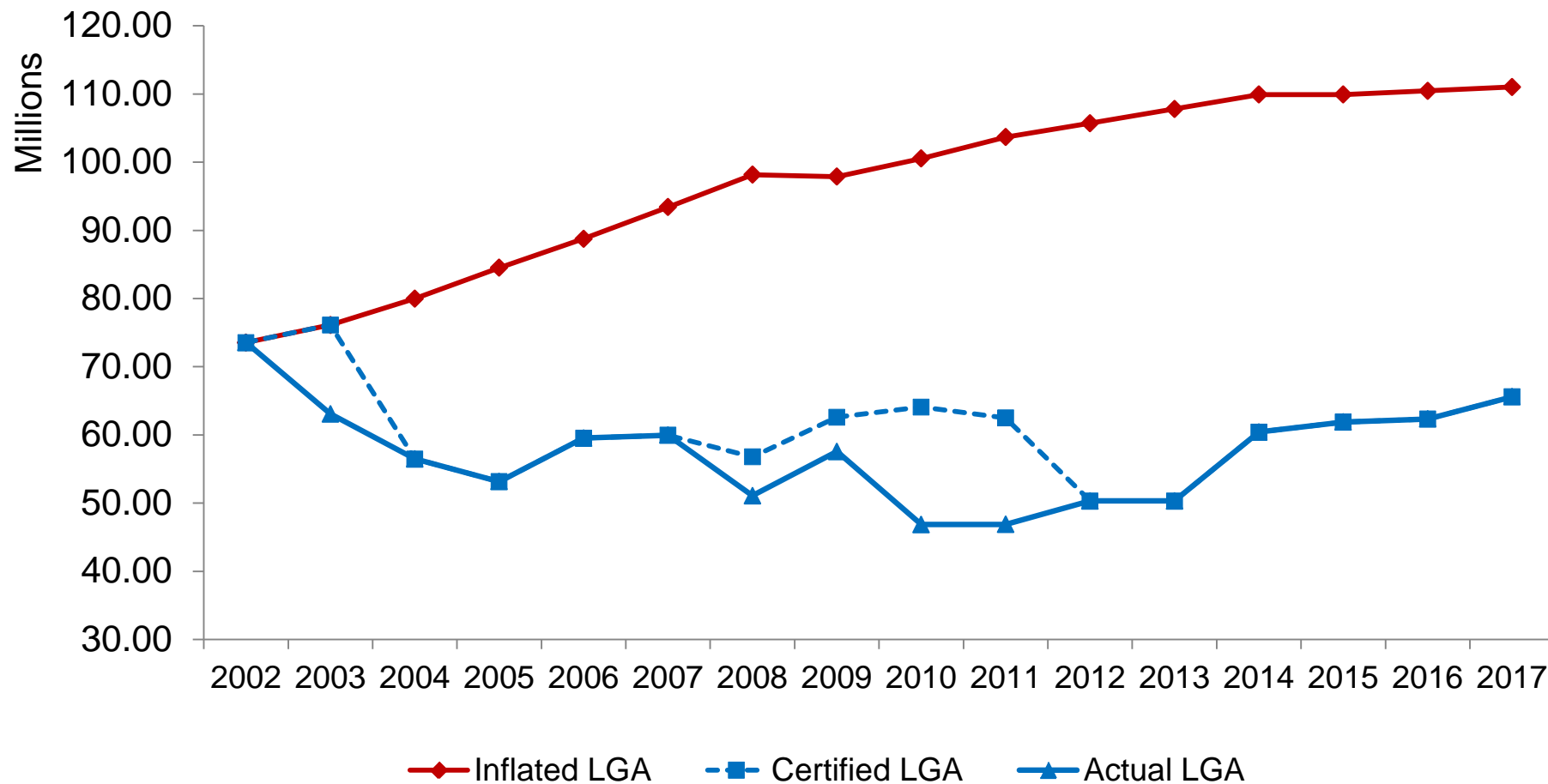
**2017 Proposed General Fund
Revenue by Source**



Saint Paul State Aid

2002-2017

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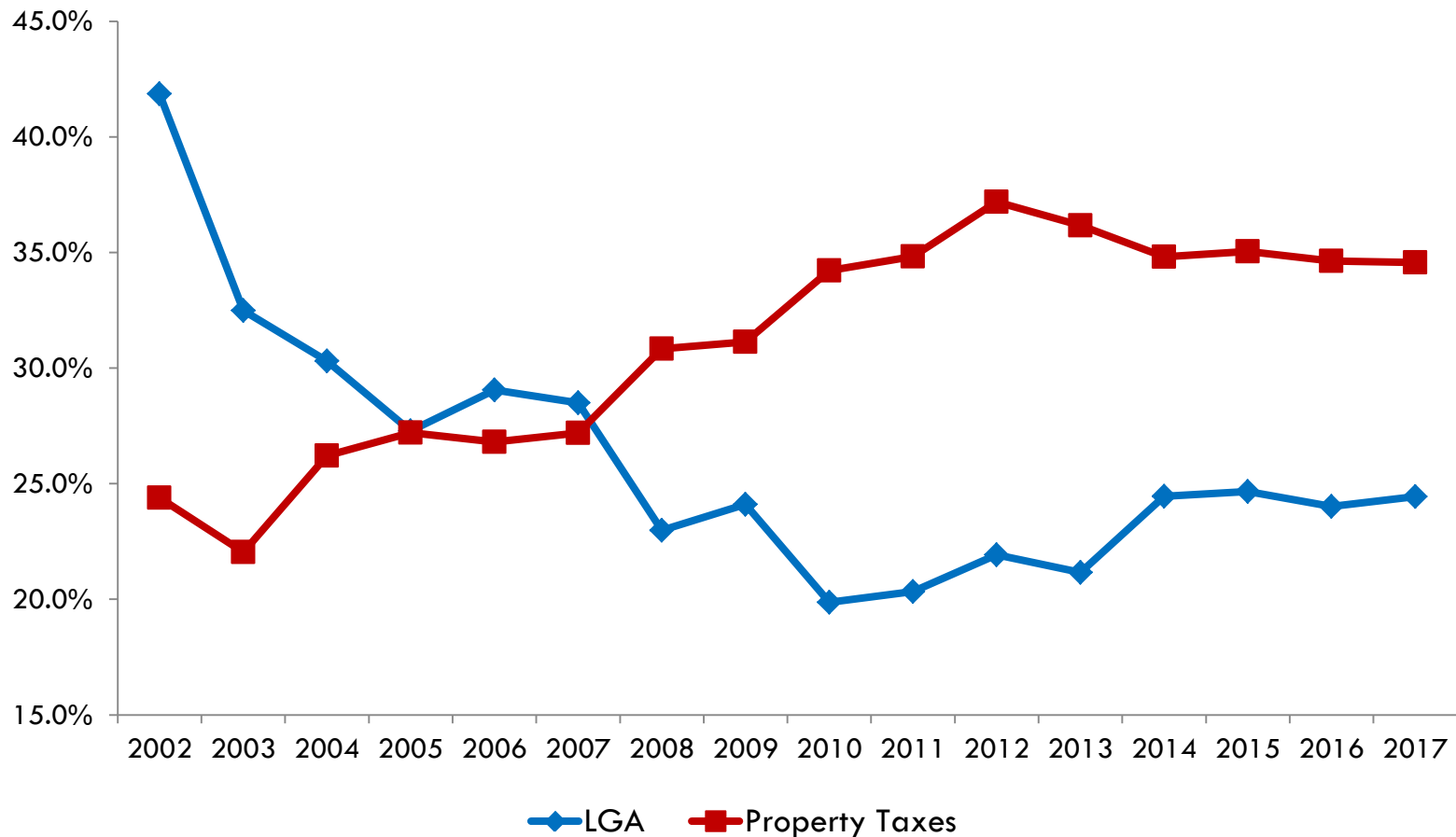


*Inflated using the Implicit Price Deflator for State and Local Governments

Saint Paul 2002-2017

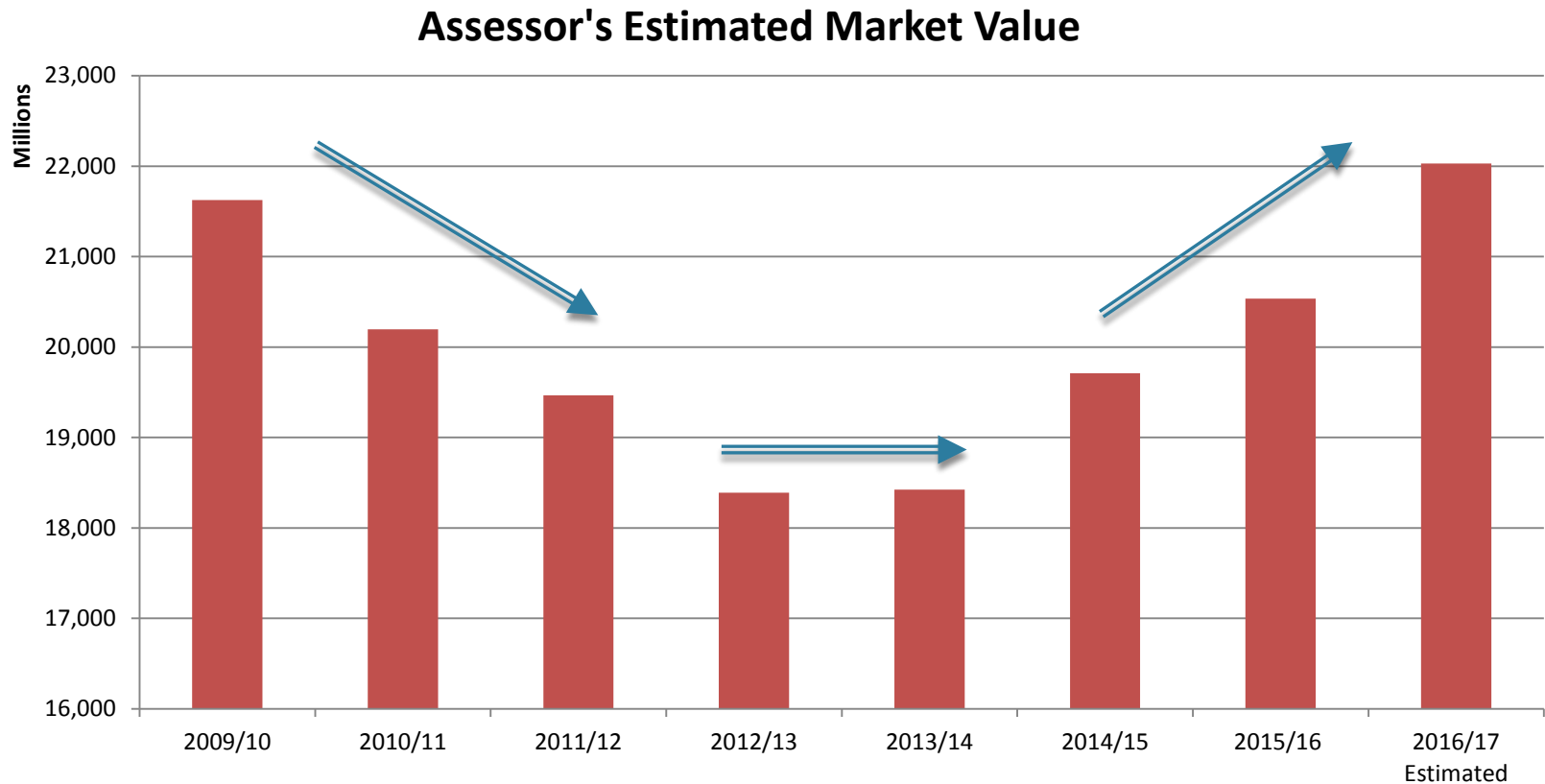
LGA & Property Taxes % of General Fund Budget

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Saint Paul Property Values Increasing

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- Ramsey County estimates a 7.3% increase in estimated market value for payable 2017 after strong growth in payable 2015 and 2016.

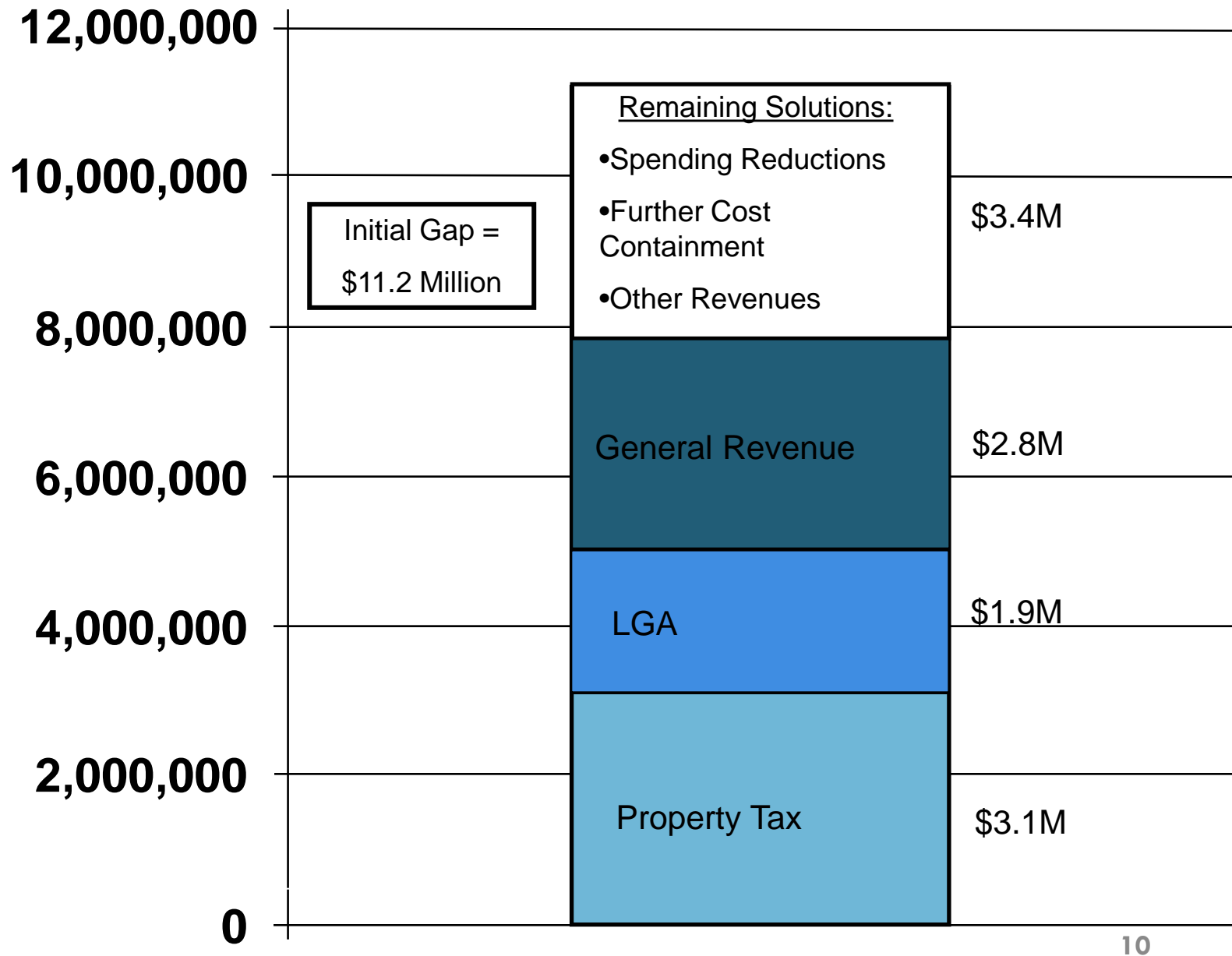
Building the 2017 Budget

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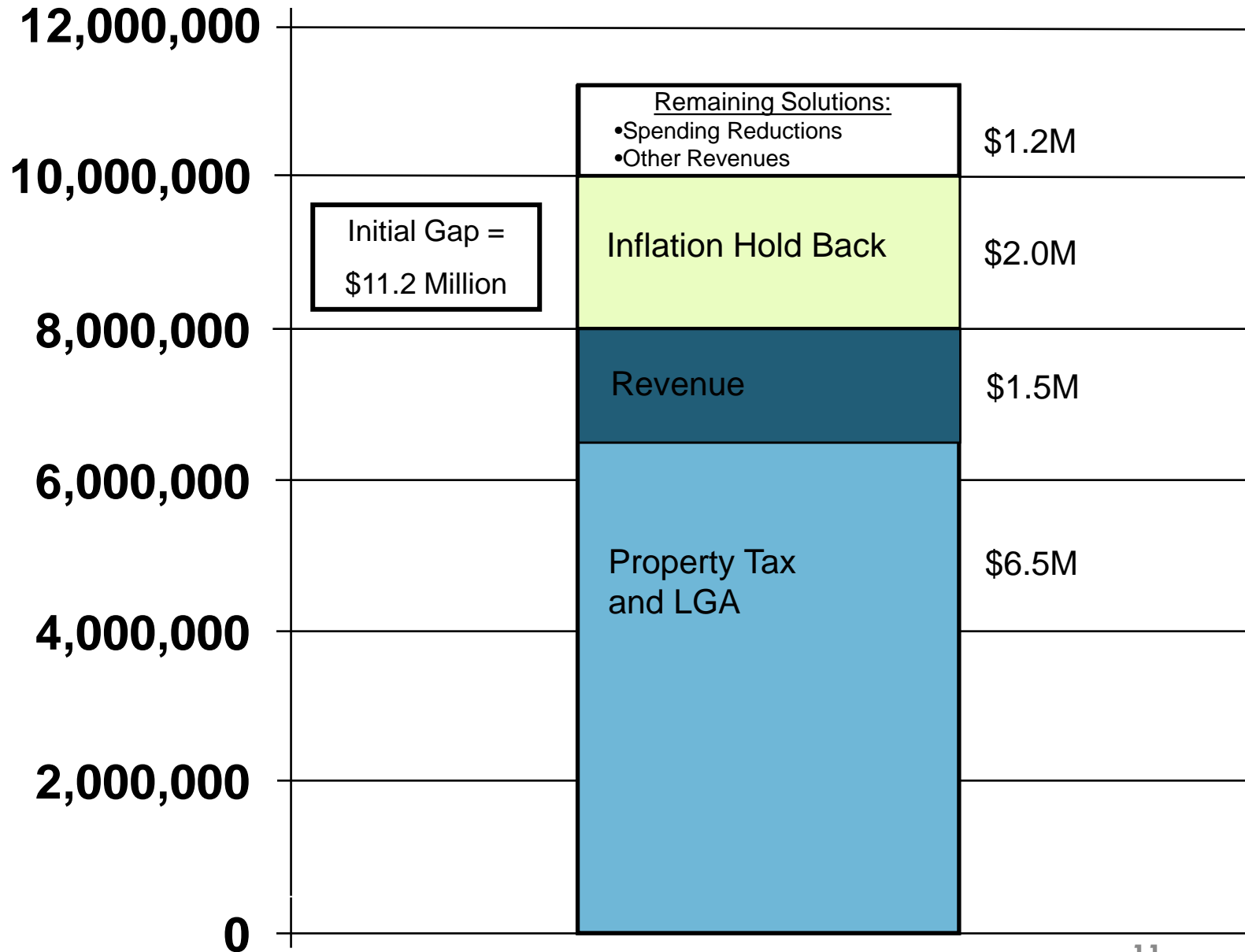
Cost Pressures

Personnel inflation	\$ 7.2 million
General goods & services inflation	\$ 1.0 million
Planned adjustments <i>(Fire Medic Cadets, CAD, Comm Center, etc.)</i>	\$ 1.4 million
Adjustments of 2016 one-timers <i>(Parking Fund Transfer)</i>	\$ 0.4 million
Debt Service	<u>\$ 1.2 million</u>
Total 2016 Starting Gap	\$ 11.2 million

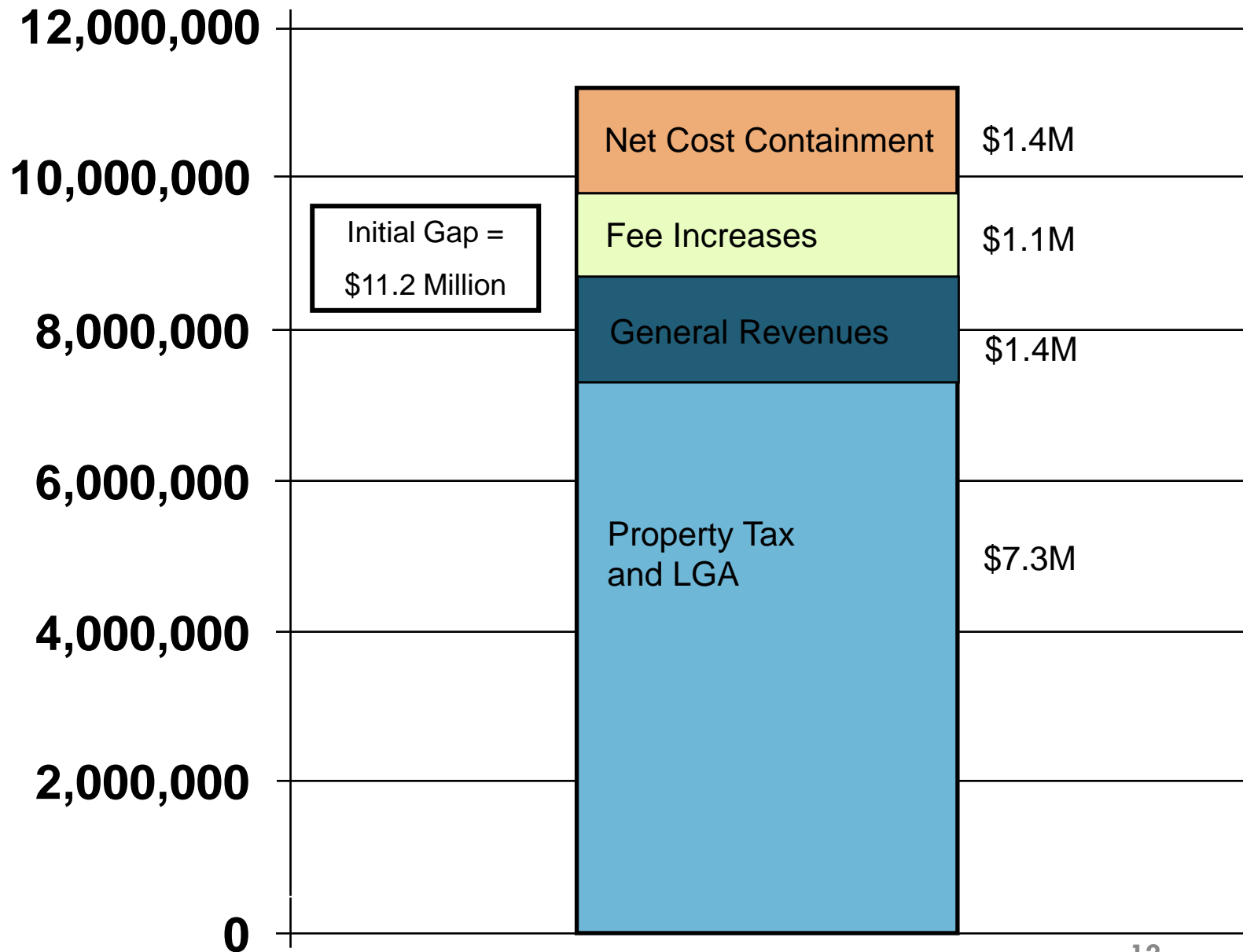
What if revenues grew at the rate of inflation?



2017 Budget Roadmap



Solving the 2017 Budget Gap



Solving the 2017 Budget Gap

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Starting Gap	\$ 11.2 million
Cost containment	\$ (2.4) million
Revenue –new/increased fees	\$ (1.1) million
Revenue – volume increases	\$ (1.4) million
LGA	\$ (3.2) million
Property tax levy	\$ (4.1) million
New spending	<u>\$ 1.0 million</u>
Remaining Gap	\$ 0

2017 Budget Highlights

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- Sound financial management principles
- Commitment to equity
- Focus on economic development and growing jobs
- Investments public safety, infrastructure & innovation
- \$4.2 million levy increase and prudent fee increases

Modest Spending Growth

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Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2016 Adopted Budget	2017 Proposed Budget	
City General Fund	242,019,427	250,997,108	
Library General Fund (a)	17,028,586	17,465,606	
General Fund Subtotal:	259,048,013	268,462,714	
Less Transfers	(1,600,618)	(2,576,844)	
Net General Fund Subtotal:	257,447,395	265,885,870	
General Fund Total Change 2016-2017		8,438,475	3.3%
City Special Funds	288,540,386	292,005,600	
Library Special Funds (a)	1,373,110	1,322,406	
Special Fund Subtotal:	289,913,496	293,328,006	
Less Transfers	(49,673,282)	(46,563,402)	
Net Special Fund Subtotal:	240,240,214	246,764,604	
City Debt Service Funds	69,677,088	129,040,639	
Less Subsequent Year Debt	(12,854,838)	(13,023,448)	
Debt Service Subtotal	56,822,250	116,017,191	
Less Transfers	(6,231,984)	(67,034,871)	
Net Debt Service Subtotal:	50,590,266	48,982,320	
Net Spending Total:	548,277,875	561,632,794	
Net Spending Total Change 2016-2017		13,354,919	2.4%

One Time Investments

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<u>Description</u>	<u>All Funds</u>
Firefighter test and recruitment	510,813
Fire health & wellness pilot	200,000
Fire strategic analysis	100,000
Ambassadors program	50,000
Public safety fleet	1,306,326
Asphalt plant upgrades	615,000
Public safety facility buildout	500,000
Emerald ash borer - Parks trees	798,355
Coin meter replacement	621,000
Recycling carts	4,600,000
Automatic Vehicle Location (AVL)	200,000
Technology and innovation investments (<i>including ECLIPS replacement</i>)	1,300,000



Stable Workforce

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Composite Summary - Workforce			
City of Saint Paul and Saint Paul Public Library Agency Full Time Equivalents (FTEs)			
Department	2016 Adopted Budget	2017 Proposed Budget	FTE Change
City FTE (All Funds)	2,749.10	2,757.17	8.07
Library Agency	174.50	174.40	(0.10)
Total	<u>2,923.60</u>	<u>2,931.57</u>	<u>7.97</u>

2017 Budget Details

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Police

- ❑ 5 Sworn Officers – Complement to 620 (\$202,000)
- ❑ Ambassador Program (\$150,000/\$50,000)
- ❑ LPR Auditor – per state law (\$73,000)
- ❑ Community Engagement Unit -- 3.0 civilian outreach specialists (\$228,000)
- ❑ Fleet – One-time increase (\$620,000)

2017 Budget Details

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Fire

- Equity
 - ▣ Fire Medic Cadets (\$194,000)
 - ▣ Firefighter test and recruitment (\$452,000)
- Strategic Investments
 - ▣ Fleet replacement (\$686,000)
 - ▣ Health and wellness pilot (\$200,000)
 - ▣ Response data analysis (\$100,000)

2017 Budget Details

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Parks

- Emerald Ash Borer:
 - ▣ Ongoing within ROW (\$892,000)
 - ▣ One-time funding within Park property (\$798,000)
- Capital Investments
 - ▣ Capital Maintenance and Energy Retrofits of Parks facilities (\$1,500,000)
 - ▣ Rice Park -- City match to grant funds (\$500,000)

2017 Budget Details

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DSI

- ▣ One-time resources to replace licensing data system (821,000)

Human Resources

- ▣ Employee recruitment (\$140,000)

HREEO

- ▣ Buyer (\$116,000)

Library Agency

- ▣ Rondo Library Capital Improvements (\$500,000)

2017 Budget Details

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PED/HRA

- Economic Development
 - ▣ \$2.0M Targeted job creation fund
 - ▣ Business assistance fund (\$100,000)
 - ▣ Commercial Vitality Zones (\$750,000)
- STAR
 - ▣ Sales tax collections continue to grow (\$500,000)
 - ▣ Continue \$1,000,000 for economic development
 - ▣ Neighborhood STAR program at \$1.9M
- HRA Levy Increase (\$268,000)



2017 Budget Details

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Public Works

- General Fund
 - ▣ Pedestrian Coordinator (\$109,000)
- Right-of-Way
 - ▣ Annual bridge maintenance program (\$200,000)
- Recycling services
 - ▣ Pending 5-year recycling contract
 - ▣ Begin wheeled, lidded recycling cart alleyway collection (\$4.6 million)

2017 Budget Details

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- Sewer Utility
 - ▣ 3.5% volume rate increase
 - ▣ Second Year of Base Fee Implementation
 - Maintain 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

2016-2017 Major CIB Financing Sources

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	2016 Adopted	2017 Proposed
G.O. Capital Improvement Bonds	11,000,000	11,000,000
G.O. Street Improvement Bonds*	12,500,000	14,500,000
Public Safety Bonds	-	15,000,000
Municipal State Aid	7,400,000	8,400,000
Community Development Block Grants	4,000,000	4,000,000
Sewer Revenue Bonds **	8,000,000	8,000,000

*Street Reconstruction bids for 2016 came in lower than the estimated budgets leaving unused bond authority that can be applied to 2017 budget for new projects

** Budgeted in Sewer operating budget

2016-2017 CIB Highlights

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	2016 Adopted	2017 Proposed
Fire Station 19 Expansion	1,340,000	-
New Police Training Facility	1,000,000	15,750,000
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	2,025,000
Rice Park Revitalization	-	500,000
Rondo Branch Library Capital Improvements	-	500,000
Rondo Commemorative Plaza	250,000	-
Saint Paul Street Vitality Paving Program	12,500,000	14,500,000
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
Scheffer Area Strategic Plan	250,000	1,037,000

Property Tax Levy Distribution

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	<u>2016 Adopted</u>	<u>2017 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 16 Total</u>	<u>Pct of City 17 Total</u>
City of Saint Paul						
General Fund	74,439,438	76,746,355	2,306,917	3.1%	71.7%	71.0%
General Debt Service	12,393,448	13,651,009	1,257,561	10.1%	11.9%	12.6%
Saint Paul Public Library Agency	16,961,357	17,621,116	659,759	3.9%	16.3%	16.3%
Total (City and Library combined)	103,794,243	108,018,480	4,224,237	4.1%	100.0%	100.0%
Port Authority	1,811,700	1,811,700	-	0.0%		
Overall Levy (City, Library & Port)	105,605,943	109,830,180	4,224,237	4.0%		

City Fees on a Typical Household

\$161,200 home with a 6.4% increase in value over 2016

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	Adopted 2016	Proposed 2017
Payment to the City:		
City share of property tax	\$545	\$567
<i>Tax Shifts</i>		\$6 decrease
<i>Levy (4%)</i>		\$28 increase
Right of way maintenance assessment	\$203	\$217
Sanitary sewer charges	\$339	\$359
<i>Base Fee (\$1 per month increase- residential)</i>		\$12
<i>Volume Fee (3.5% increase)</i>		\$8
Storm sewer charges (3.5% Increase)	\$88	\$91
Recycling fee	\$54	\$58
Total direct billing for city services	\$1,229	\$1,292
Net Change Direct Billing		\$63
Water Charges (SPRWS)	\$304	\$324
Grand Total for All City Services	\$1,533	\$1,616
Net Change Grand Total		\$83

2017 Fee Changes

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Name	Change		Total Amount
Property Tax Levy	4.0%	\$	4,139,753
Right of Way	7.0%	\$	1,947,075
Sewer			
Sanitary Base Fee	\$2 per month	\$	1,126,943
Sanitary and Storm Fee	3.5%	\$	1,789,878
Recycling Fee	7.0%	\$	390,363
Parking Meters	\$0.25 per hour	\$	430,000
DSI	2.0%	\$	306,102
Alarm Fee	\$28 to \$55	\$	282,565

Key Dates

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- Late Sept. – Adopt max tax levy
- Oct 5 – 2016 ROW rates
- Nov. 2 – 2017 rates public hearing
- Dec. 7– Truth in Taxation hearing
- Dec. 14 – 2017 budgets adopted

Additional Information

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- Open Budget Portal:
 - ▣ New interactive budget visualization tool is now live at:
 - ▣ <http://budget.stpaul.gov>
- Budget document pdfs available at:
 - ▣ <http://www.stpaul.gov/budget>