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OFFICE OF FINANCIAL SERVICES

2022 Budget Presentation

October 13, 2021

Agenda

- OFS Overview
- 2022 Proposed Budget
- Department Updates



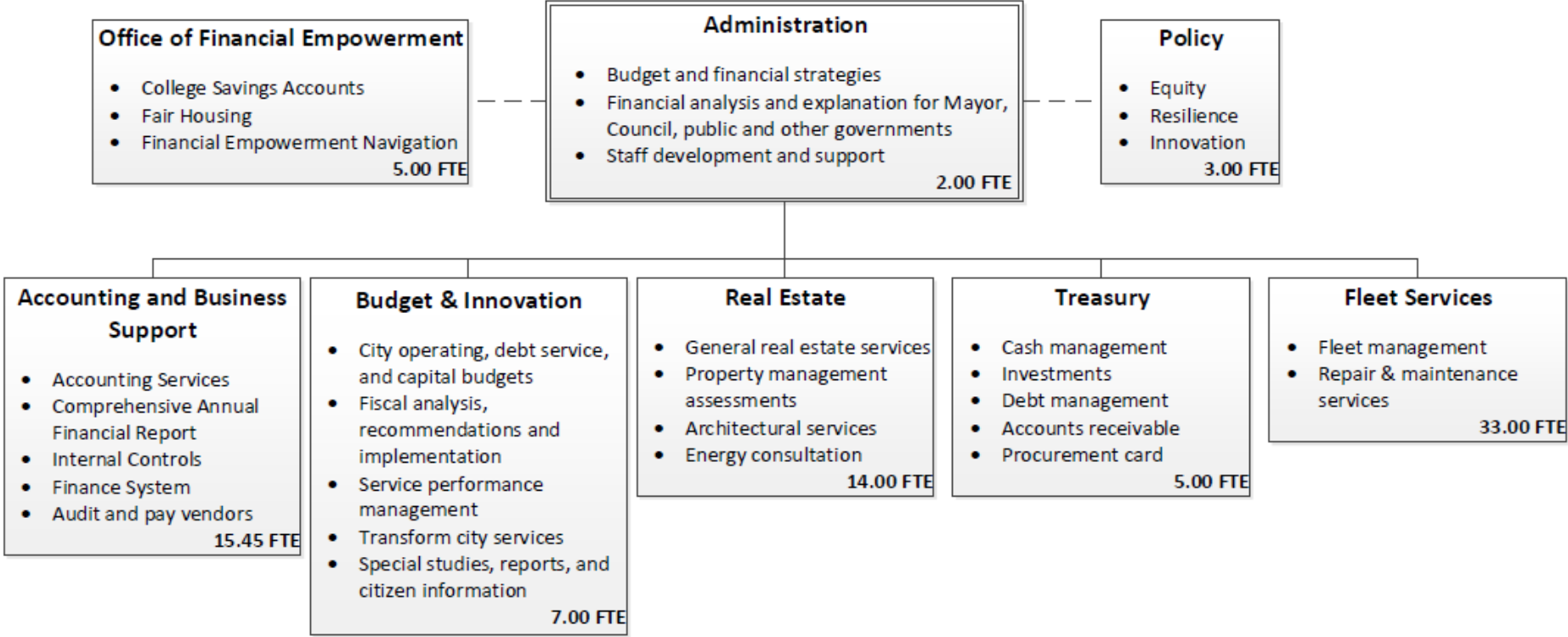


OFS Strategic Objectives

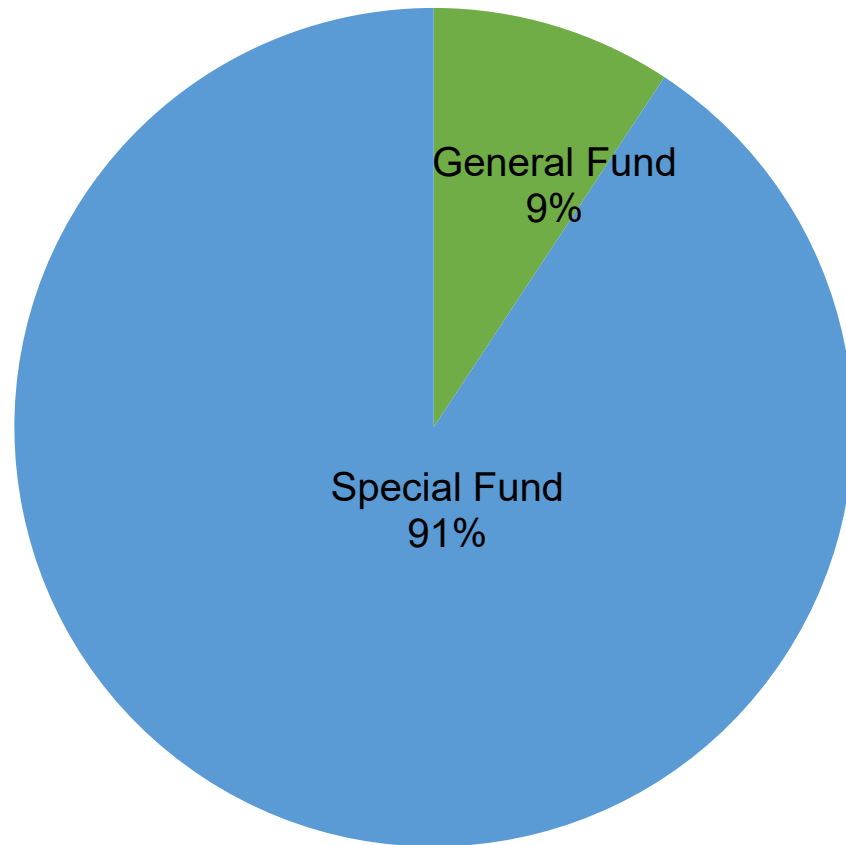
1. Ensure effective stewardship of the financial and physical assets of the City and its residents
2. Provide excellent service to internal and external customers, collaborating with other departments to deliver quality public services
3. Foster a caring, supportive, and inclusive workplace that reflects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



OFS Divisions



Total 84.45 FTEs



OFS is 1.2% of the General Fund, and 5.6% of the total City budget

Special Fund Operations:

- Fleet Services
- Real Estate
- Assessments
- Treasury Division
- Internal Borrowing

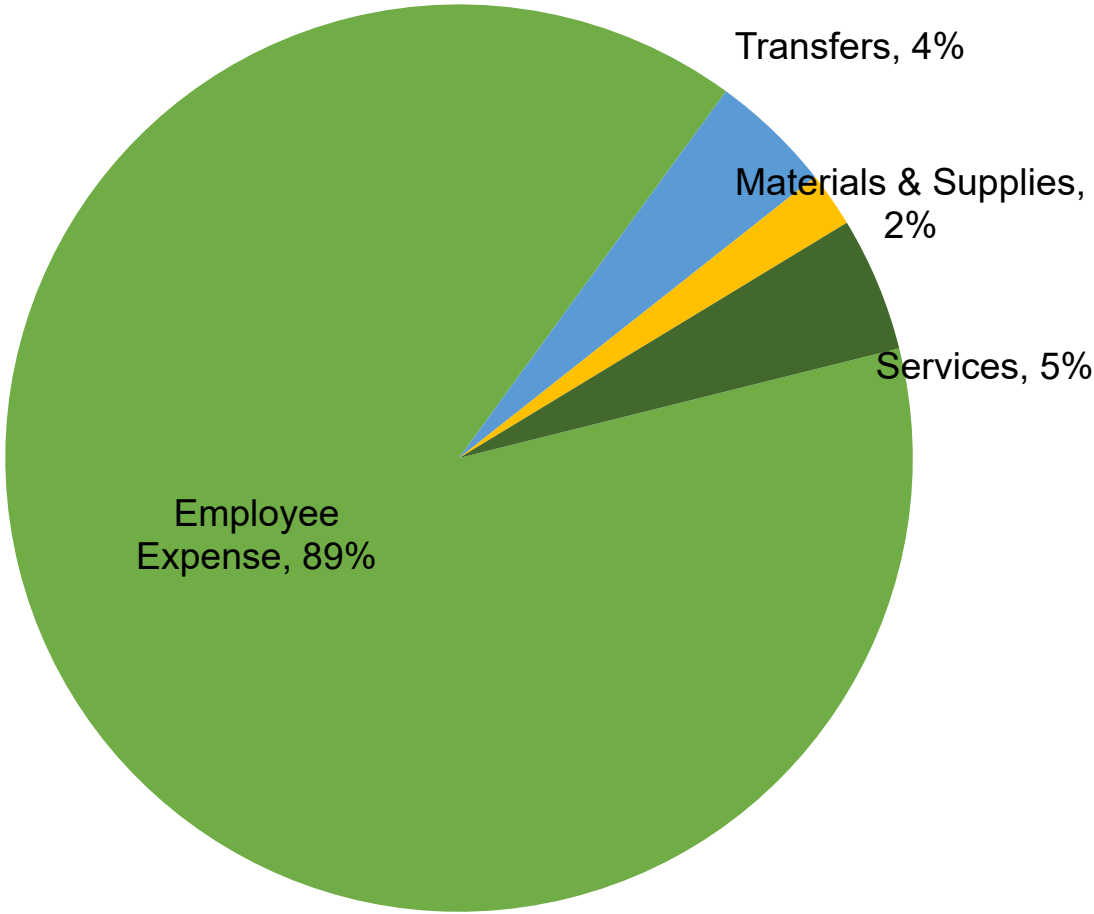
General Fund Operations:

- Accounting
- Budget
- Business Support
- Innovation

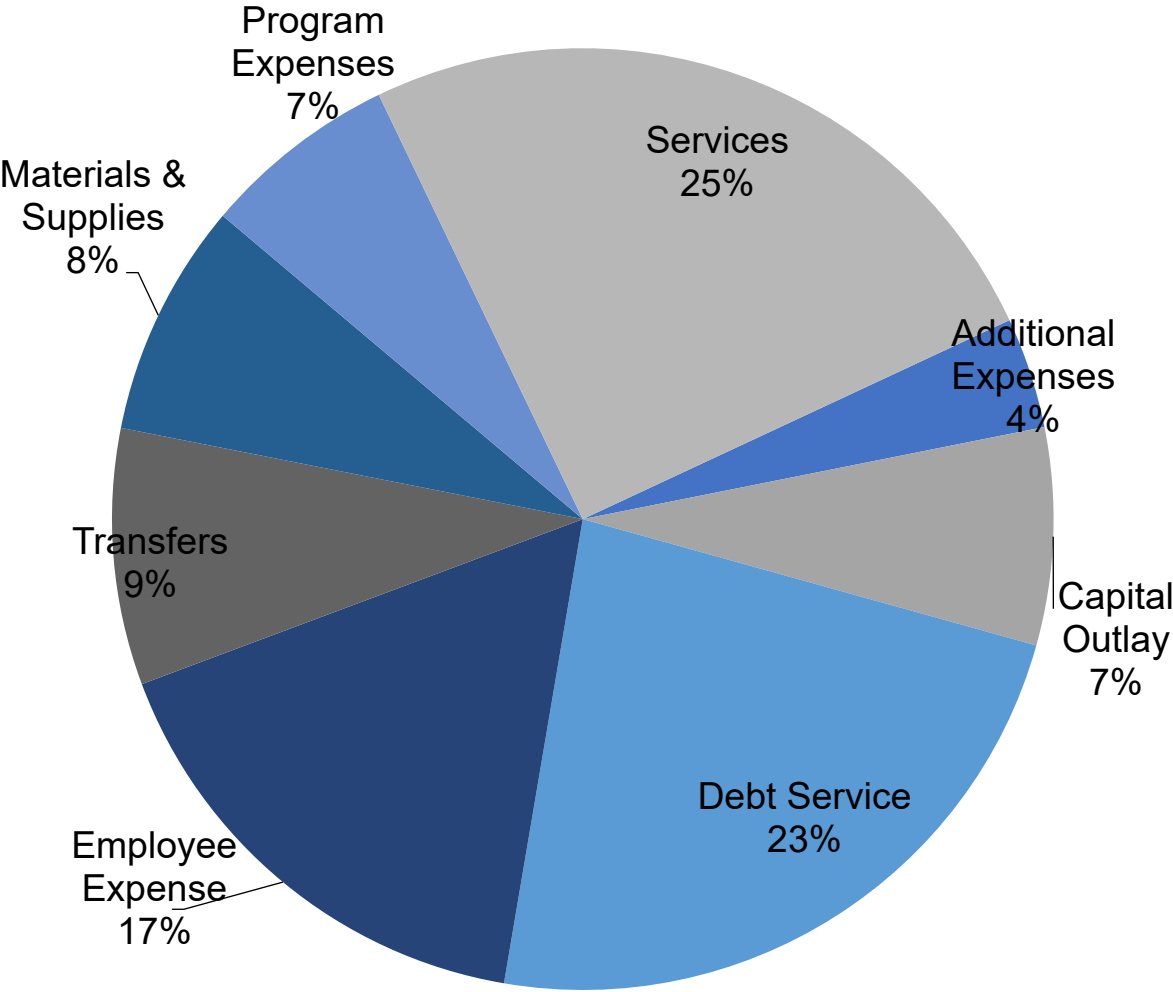


OFS Spending by Major Category

General Fund



Special Fund





Financial Summary – General Fund

	2020 Actuals	2021 Adopted	2022 Proposed	% Change 21 vs. 22	FTE
General Fund	\$4,857,042	\$4,184,409	\$4,067,098	-2.8%	28.75

Significant General Fund Changes in Previous Budgets

2021	Staffing adjustments (-4.15 FTEs): 1 vacant Deputy Director, 1 vacant Cash Analyst, 1 vacant Senior Innovation Analyst, 1 vacant Innovation Manager, and a partial reduction (0.15 FTE) of an Accountant IV	(\$592,860)
2021	Non-staffing adjustments: General professional services and database expenses	(\$84,128)
2021	OFE: One-time funding for Tenant Protections	\$75,000



Financial Summary – Special Funds

	2020 Actuals	2021 Adopted	2022 Proposed	% Change	FTEs
200 - City Grants	\$835,510	\$988,883	\$400,000	-59.6%	1.00
211 - General Gov't Special Projects	\$1,619,563	\$2,563,147	\$2,072,045	-19.2%	
215 - Assessment Financing	\$4,096,137	\$7,156,874	\$8,116,572	13.4%	
700 - Internal Borrowing	\$770,880	\$8,613,194	\$8,260,030	-4.1%	
710 - Central Service Fund	\$6,628,962	\$7,609,105	\$8,157,576	7.2%	20.25
731 - Fleet Services	\$9,649,564	\$13,406,076	\$12,786,085	-4.6%	32.00
Total:	\$25,848,697	\$40,337,279	\$39,792,308	-1.4%	53.25
Net Debt Service Subtotal:	\$73,201,663	\$57,909,605	\$52,284,212	-9.7%	2.45

Significant Special Fund Changes in Previous Budgets

2021	Fleet investment funded by new debt issuance	\$1,385,000
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2022 Budget Changes

Program	2022 Change
Spending:	
Adjust personnel budget for attrition (-0.2 FTE)	(\$35,455)
Downgrade vacant Accountant IV to Accountant III	(\$20,422)
HVAC upgrades	\$17,778
Total Spending Changes:	(\$38,099)
Revenue:	
Payment Process Improvement Revenue	(\$59,000)
ARP (in citywide grant budget):	
ARP Admin positions 13 FTEs	\$1,627,469



Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	(0.2)	No
(\$55,877)					

Description
<ul style="list-style-type: none">• Business Support: Backfill lead position with new Business Analyst role• Business Support: Business Support Analyst from 1.0 to 0.8 FTE• Accounting: Downgrade vacant Accountant IV to Accountant III

Service Impact
<ul style="list-style-type: none">• Business Support: Allows more flexibility in growing demands for optimization of Infor finance system• Accounting: Succession planning for key financial reporting roles with pending retirements



Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	N/A	No
\$17,778					
Description					
<ul style="list-style-type: none">Funding will help maintain upgraded air purifier systems installed in 2020 and 2021.					
Service Impact					
<ul style="list-style-type: none">Protect health and safety of employees and visitors to OFS managed facilities, including City Hall, City Hall Annex, and the Municipal Garage.					



Virtual Payment Revenue

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	N/A	No
	\$59,000				
Description					
<ul style="list-style-type: none">OFS is planning for an early 2022 launch of a virtual payment card product offered by our banking partner to generate additional rebate revenue.Allows the City to earn rebate revenue when paying bills via a virtual credit card, instead of paper check.					
Service Impact					
<ul style="list-style-type: none">Will reduce the number of paper checks issued annually.No anticipated changes to existing department entry and approval processes.Future revenue could support additional efforts to streamline payment processes citywide.					



Federal Funds Administration

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	13.0	For duration of grant assignment
		\$1,627,469	\$1,627,469		
Description					
<ul style="list-style-type: none">• 1 FTE Program Administrator• 4 FTE Accountants and Accounting Clerk• 5 FTE Grants Manager and specialists• 3 FTE Management Assistants					
Service Impact					
<ul style="list-style-type: none">• Temporary positions and reassignments to manage federal grants, track spending, monitor grant regulation compliance, and implement grant funded programs.					

Program Updates



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Green Energy Loan Program

	Total Project Cost	Total Projected Yearly Savings	Total Xcel Energy Rebates	Simple Payback
18 Fire Stations Projects	\$318,460	\$53,655	\$97,010	4.3 years
10 Libraries Projects	\$292,155	\$36,655	\$58,633	6.4 years
23 Parks Projects	\$158,530	\$20,100	\$24,650	7.9 years
4 Rec and Community Centers	\$286,584	\$44,725	\$53,568	5.2 years
Dale Street Campus	\$149,927	\$20,738	\$23,142	6.3 years

\$3M spent/encumbered for energy savings and sustainability projects, primarily LED lighting upgrades from both the energy loan fund and CIB project funding.



Fleet Updates

- Fleet passenger vehicle conversion to Hybrid/EVs
 - 20% complete in 2021
 - Fully electrify/hybridize passenger vehicles by 2024
- Increased equipment replacement in 2021 through debt financing
- Public Safety fleet centralization work continues; SPPD to hire professional fleet manager in 2022
- Right Track student promoted from Trainee to full-time journeyman Vehicle Technician



Other Finance Updates

- Budget and Business Support divisions to begin replacement of budget software in fall of 2021; go-live planned for 2023 budget process.
- Treasury executed bond refinancing transactions resulting in present value debt service savings of more than \$4M.
- Continued transition of high-volume vendors from paper check to ACH payments, including Eureka, MCES, Medica, and other benefit providers.
- Awarded the GFOA for award for excellence in financial reporting for the for the 44th year in a row.

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