# Legislation Details (With Text)

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**Title:** Amending Chapter 2.02 of the Administrative Code by creating the Office of Financial Empowerment.

**Sponsors:** Amy Brendmoen, Mitra Jalali, Dai Thao, Kassim Busuri, Jane L. Prince, Rebecca Noecker, Chris Tolbert

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| 12/11/2019 | 1 | City Council | Laid Over to Third Reading/Public Hearing | |
| 12/4/2019 | 1 | City Council | Laid Over to Second Reading | |

Amending Chapter 2.02 of the Administrative Code by creating the Office of Financial Empowerment.

WHEREAS, many residents in the City of Saint Paul experience profound financial insecurity; and

WHEREAS, 16% of Saint Paul residents experience income poverty where they earn income under the federal poverty threshold; and

WHEREAS, 40% of households in Saint Paul experience liquid asset poverty where they do not have sufficient liquid assets to subsist at the poverty level for at least three months in the absence of income; and

WHEREAS, 22% of Saint Paul residents live in zero or negative financial net worth households; and

WHEREAS, 37% of all Saint Paul households are housing cost-burdened, spending at least 30% of their monthly income on rent or mortgage; and

WHEREAS, Saint Paul is renter-majority household city, and 51% of renters are housing cost-burdened; and

WHEREAS, the City of Saint Paul recognizes these realities are often rooted in historic disinvestment by public and private institutions that must be undone; and

WHEREAS, Mayor Carter has established economic justice as a core pillar of his vision for creating a city that works for everyone; and

WHEREAS, the City of Saint Paul establishes the Office of Financial Empowerment to advance an economy that extends prosperity to all Saint Paul residents; and

WHEREAS, the Office of Financial Empowerment is being created with the following goals: to help Saint Paul residents achieve financial health; to help Saint Paul neighborhoods achieve community wealth; to ensure Saint Paul residents live in stable, accessible, fair, and equitable communities; and to ensure Saint Paul community members are engaged in community and public decision-making; and

WHEREAS, the Office of Financial Empowerment will improve resident financial health and community wealth through integrated financial empowerment programs and policies, including college savings accounts, banking access, financial counseling and education, savings and asset building, consumer financial protection, cooperative economic approaches, among other approaches; and

WHEREAS, the Office of Financial Empowerment will address housing as an economic justice issue by creating a strong fair housing strategy that protects tenants' rights, removes barriers to accessing housing, prevents housing and neighborhood displacement, and roots out discrimination from the housing market; and

WHEREAS, establishing an Office of Financial Empowerment serves as a tangible expression of the City's commitment to its residents; now, therefore, be it

RESOLVED, that the Council of the City of Saint Paul does hereby ordain:

SECTION 1

Section 2.02 of the Saint Paul Administrative is hereby amended to read as follows:

Sec. 2.02. - Administration.

(A) *Functions:* To provide for the maximum efficiency of operation, the office of the mayor shall be responsible for the coordination of the administrative heads of each department of city government and for the review and analysis of the operation and administration of all departments, boards and commissions established by administrative ordinance.

(B) *Inspection:* In order to carry out the duties and functions provided for herein, the office of the mayor shall have the power to inspect such books, papers and records of all city departments, boards and commissions as may be necessary for the proper discharge of the duties and responsibilities imposed upon such office.

(C) *Reports:* The office of mayor shall have the power to require all appointed administrative officers and administrative employees of the city to furnish any information connected with or related to their official or assigned duties.

(D) *Official Reports:* Annually, at the request of the mayor, all heads of departments, boards and commissions of the City of Saint Paul shall provide the mayor with a comprehensive report analyzing the conditions and operations of the department, shall recommend measures, and shall project needs for the ensuing fiscal year.

(E) *Executive Assistant to the Mayor:*

(1) *Duties.* In order to properly and efficiently carry out the required functions and duties of this section, the mayor shall, with the consent of the city council, appoint an executive assistant who shall be in the unclassified service of the city. S/he shall be responsible for:

(a) The actual day-to-day supervision and coordination of administration under the direction of the mayor;

(b) The compilation and preparation of necessary data to aid the mayor in administrative decisions; and

(c) Coordinating the mayor's supervision of and instructions to the heads of the various departments of the city.

(2) *Qualifications.* The executive assistant to the mayor shall have a professional degree in public

administration, business administration or related management field, plus a minimum of five (5) years professional experience in high level public or private management/administrative positions, and demonstrated knowledge of public policy and finance issues, planning, urban affairs or related matters. Education requirements may be waived with the consent of the council, when there is evidence of ten (10) years of responsible supervisory work in a high level administrative capacity.

(F) *Assistants to the Mayor:*

(1) *Duties.* The mayor shall appoint, with the consent of the council, assistants who shall be in the unclassified service of the city. Such appointments shall be made as the need may be determined by the mayor and the council. They shall work under the mayor and assist the mayor in carrying out the duties and responsibilities required in the administration of city government.

(2) *Qualifications.* Assistants to the mayor shall be chosen on the basis of executive and administrative qualifications and shall have experience and knowledge in the area of government or business administration or shall be educationally qualified in government or business administration, and shall have such other qualifications as may be provided by ordinance.

(G) *Budget and Financial Services:*

(1) *Office of financial services-director of financial services-appointment and qualifications.* There is hereby established an office of financial services. The office of financial services will be responsible for the management and control of the budgets and of other financial services as hereto after described. The mayor shall appoint, with the consent of the city council, a director of the office of financial services, who shall be in the unclassified service of the city.

(2) *Same-Duties.* The office of the mayor, through the office of financial services, shall be responsible for the preparation, compilation, analysis and presentation of a complete financial plan for the City of Saint Paul, as contemplated by the City Charter, which shall include, but not be limited to, an annual general revenue fund budget, debt service budget, and capital improvement budget, which are to be forwarded to the city council for review, revision if deemed appropriate, and adoption. The office of financial services shall also be responsible for the preparation of other budgets, on a calendar-year basis, considered essential to the operation and control of the city's financial plan, including, but not necessarily limited to, budgets relating to enterprise, intragovernmental, special assessment and special revenue funds. Except as otherwise provided by law, all departments, boards, offices and commissions of city government shall submit requests and other pertinent information to the office of financial services for inclusion in the financial plan in accordance with the budget calendar established by administrative ordinance.

The office of financial services shall be responsible for the preparation, review and presentation of budgets for special revenue funds which require adoption by the city council.

The budgets shall be in such form as will comply with all applicable provisions of law and shall be appropriately divided into funds and accounts services.

The office of financial services shall assist the mayor in the preparation of an annual budget message to be submitted to the city council with the complete financial plan.

The office of financial services shall assist departments in the preparation, review and evaluation of all city grants-in-aid applications and the corresponding budgets and in the ongoing evaluation of existing programs in terms of compliance with objectives established by the mayor and council.

The office of financial services shall maintain a uniform system of accounts for all city money matters, and a system for receipt, deposit and recording of all moneys received by the city.

<u>The office of financial services shall advance citywide financial empowerment and community wealth building strategies.</u>

(3) *Standard accounting practices.* The director of the office of financial services shall keep controlling accounts with every department, agency and bureau of city government, and with all activities whatever owned or controlled by the city or in which the city has any pecuniary interest. The director of the office of financial services is hereby authorized and directed, from time to time, to prepare forms of accounts, vouchers, reports, bills, orders, receipts, checks and other necessary forms to be used by the several city departments, agencies and bureaus in the transaction of all parts of public business as concerns the city's finances. The director shall prescribe and issue the forms herein named to all city departments, agencies and bureaus to be used in the parts of public business which



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concern the city's finances.

(4) *Accounting section:* Within the office of financial services there shall be an accounting section. Under the supervision of the director, the accounting section's responsibilities shall include, but not be limited to:

a. Developing and maintaining a central system of accounts for all departments and agencies of city government.
b. Developing and maintaining a system of auditing of all city expenditures.
c. Developing and maintaining a system of recording all city receipts and deposits.
d. Establishing and maintaining such accounting programs as may be necessary for the maintenance of county, state and federal aids, grants and loans.
e. Serving as the official custodian of all documents, agreements, contracts and bonds, except as they relate to real estate.
f. Certifying availability of funds for all departmental expenditures.
g. Assisting the director in the preparation and management of the city budget, including required periodic checks on departmental budgets and periodic estimates for all departments and agencies of the city.
h. Maintaining a system of inventory control of all city departments.
i. Developing such systems as are necessary to assure that the city accounts are kept in accordance with generally accepted accounting principles for governmental units.
j. Preparation of the city's comprehensive annual financial report to include statements comparing budgeted appropriations and estimated revenues to actual expenditures and revenue using the following reporting levels:
    1. The city's general fund will be reported at the major functional level.
    2. All other governmental fund types with annual budgets will be reported at the fund level.
    3. In accordance with governmental accounting standard board standards there will be no actual reporting of expenditures and receipts to budget plan for proprietary fund types and any governmental funds with a multiyear budget.

(5) *Treasury section:* Within the office of financial services there shall be a treasury section. Under the supervision of the director, the treasury section's responsibilities shall include, but not be limited to:

a. Performing all functions as collector of any and all city taxes.
b. Receiving all moneys due the city for fees, permits, fines and other bills.
c. Receiving funds entrusted to any city department or agency.
d. Controlling and supervising the deposit of money and the related banking activities of the city.
e. Developing and maintaining a cash management program, including the purchase and sale of city investments.
f. Maintaining custody of all city investments and funds including bonds and notes.
g. Providing for the disbursement of city funds.
h. Coordinating the plan for, and issuance of, city debt.
i. Establishing and maintaining control and administrative records for the management of outstanding debt.
j. Assisting the director in the preparation and management of the city budget.
k. Requiring financial institutions to disclose certain information for public review.
    1. Under the direction of the treasurer, the city shall:
        a. Attach a community presence and responsibility in banking questionnaire to the city's general banking request for proposal ("RFP"); and
        b. Require all respondents to the city's general banking request for proposal ("RFP") to provide the information requested.
        c. It is the public policy and the purpose of this section:
            (1) To require all financial institutions which desire to participate in the provision of banking services for the city programs and which make home mortgage, small business, home improvement or rehabilitation loans of any type to disclose information concerning their lending policies and practices so that public officials and members of the public can determine whether said financial institutions are

fulfilling their obligations to serve the needs of the communities and neighborhoods in which they are located, and to assist public officials in determining how to distribute public funds in a manner best calculated to improve the private real estate investment environment in the city. In addition, the disclosure of lending information provides greater transparency to the public regarding decisions made by the city about its vendors.

(2) To recognize that the products and practices of financial institutions have a measurable impact on the city's tax base, quality of life and overall economic viability and competitiveness.

(3) To recognize and declare that the city needs information on mortgage lending activity to assist it in carrying out its planning and financial assistance programs. Financial institutions engaged in real estate lending activity within the city have unique access to such lending information; therefore, all such financial institutions are encouraged to disclose the information set out in this section in order to assist the city in its efforts to combat the problem of urban decay.

(4) To promote the long term economic well-being of the city and its residents and to ensure economic growth by encouraging fair lending practices and equitable provision of banking services throughout the city.

(6) *Contract and analysis services section:* Within the office of financial services there shall be a contract and analysis services section. Under the supervision of the manager, the contract and analysis services section shall:

a. Make all purchases of materials, supplies, equipment and services, including construction, for the City of Saint Paul, Ramsey County, the Saint Paul Water Utility, and any other entities as may be mutually agreed upon from time to time. The contract and analysis services functions shall include, but not be limited to the following:
   1. Prepare or assist customers in preparing all specifications for the purchase of materials, supplies, equipment and services.
   2. Review all contract specifications for conformance to existing statutes ordinances, resolutions, and executive orders, and approve prior to issuance.
   3. Obtain bids, price quotes, or proposals and place orders in accordance with existing statutes, ordinances, resolutions and executive orders using open, legal and predictable procedures.
   4. Disseminate and monitor requests for proposals for services that are not subject to traditional competitive bidding procedures.

b. Maintain records of all purchases processed through the division, including all bids and other pricing solicitations, specifications and purchase orders.

c. Purchase jointly with other governmental units and provide purchasing services to other governmental units through joint power agreements as approved by the city council.

d. Perform research and analysis services for division customers.

e. Provide such other central services as authorized by the mayor for the common use of all city departments and division customers, which can include but is not limited to, professional and technical graphic arts assistance and printing services.

f. Sell or dispose of all materials, supplies and real property declared as surplus by the contract and analysis services division for the city or declared as surplus by other division customers.

g. Disposal of city surplus shall be in accordance with the policies in this section. Disposal of other surplus shall be in accordance with the policies of the applicable division customers.
   1. An employee of the city or other governmental entity using the services of the division may bid for surplus materials, supplies, real property to be sold, in accordance with applicable law.
   2. All sales of surplus property conducted through a competitive bidding process shall be to the highest bidder and conducted by the division under such procedures and by such means as shall give no individual or corporate bidder an advantage not available to all.
   3. Upon the request of a bona fide charitable, educational, religious or fraternal nonprofit organization, as determined by the council, surplus materials and supplies, excluding real property, may be transferred to such charitable, educational, religious or fraternal

organization for a nominal or no consideration upon a resolution of the council determining that said transfer of surplus and/or obsolete materials and supplies is related to the function of government, serves a public purpose, and is for the benefit of the community as a whole.

4. This section shall not apply to any surplus and/or obsolete materials and supplies whose sale is directed by other applicable law with the proceeds of such a sale being pledged specifically to the city or other entity.

(7) *Real estate section:* Within the office of financial services there shall be a real estate section. Under the supervision of the director, the real estate section shall:

a. Maintain a compilation of all city-owned real estate to include a system indexing all property and property interests of the city.

b. Administer the sale or acquisition or lease of real property by the city including, but not limited to, the acquisition of property, when necessary, through eminent domain proceedings and the vacation of streets and public ways.

c. Administer the assessment program relative to the assessment of benefits in connection with the construction of local improvements, pursuant to policy as established by the council of the city.

d. Process public hearings to be held by the city council relative to assessments, condemnations, demolition of dangerous buildings, sewer repairs, service charges, and summary abatements.

e. Administer the collection, receipt and maintenance of assessment receivable accounts, advance payments for sewer charges. Assist other city departments and divisions in the collection and receipt of receivables. Upon request to the section, a person shall be permitted to inspect and copy records concerning assessment receivable accounts and the estimated costs of pending local improvement assessment projects. Access to these records shall be provided at a reasonable time and place and without charge to the individual. If the section is asked to provide copies of the data, the actual costs of providing the copies will be borne by the individual making the request. If the section is requested to calculate, compile or make copies of assessment data concerning properties not owned by the requesting party, the section shall provide the appropriate service within a reasonable time of the request and require the requesting party to pay the actual costs of making, certifying and compiling the information requested. The procedures used to process these requests and the calculation of the actual costs of compiling and copying this information shall be determined by the section and approved by administrative order.

f. Perform city-wide real property administration, including, but not limited to, facility maintenance practices, capital improvements, space allocation planning, property insurance coverage for city buildings and equipment, and environmental impact and liability.

g. Administer all properties assigned to be under the control of the real estate section.

h. Administer all annual maintenance assessments and service charges including, but not limited to, right-of-way maintenance, above-standard street lighting, and storm sewer system charges pursuant to policy as established by the council of the city.

i. Supervise the erection and alteration of public buildings through the: preparation of all designs, plans, specifications and estimates for public buildings to be erected or altered by the city or any department or agency thereof; and inspection of construction sites to ensure compliance with contract terms and design specifications.

(8) *Office of financial empowerment section:* Within the Office of Financial Services, there will be an Office of Financial Empowerment section (OFE). The manager of the OFE will be the director of financial empowerment (DOFE). The DOFE administers the affairs of the OFE. The DOFE has general authority and control over all OFE staff and oversees the proper fulfillment of all tasks and duties assigned to the OFE. The DOFE designs policies and procedures for the proper operation of the OFE. The functions of the OFE are:

*a.* *Financial Empowerment Programs*. The OFE may create and administer educational programs regarding financial capability, financial consumer protection, community wealth and



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asset building, and fair housing for residents of the City; and

*b.* *Partnerships*. OFE may partner with city departments and external organizations to execute such financial empowerment programs; and

*c.* *Research*. OFE may conduct and/or commission research studies to inform OFE program selection and implementation; and

d. College Savings *Accounts*. OFE may develop and administer a College Savings Account Program and related policies and procedures; and

*e.* *Fair Housing program*. OFE may develop and administer a Fair Housing program related to economic justice and tenants' rights, and may collaborate with other city departments on Fair Housing strategies, policies and procedures; and

*f.* *Other Programs.* Oversight and administration of such other programs the City Council may enact that delegate responsibility to the department.

(9) There is hereby established a Financial Empowerment Community Council (FECC) under the supervision and management of the OFE. The Mayor will appoint the members of the FECC with the consent of City Council.

*a.* *Membership*. The FECC shall consist of seventeen (17) members. One member will be selected from each city ward for a total of seven (7) members, and each individual must live and/or work in that designated ward. The remaining 10 members will be selected from the financial, housing, tenants' rights advocacy, and consumer protection industries; and

*b.* *Terms*. To provide for staggered appointments, eight (8) members will serve an initial term of two (2) years, and nine (9) members will serve an initial term of three years. After the expiration of the initial terms, all members shall serve two-year terms. No person may serve more than three (3) terms; and

*c.* *Chair and Vice Chair*. The FECC will have a Chair and Vice-Chair who will be selected by the Mayor from the FECC membership. The Chair facilitates all meetings of the FECC. In the Chair's absence, incapacity, death or resignation, the Vice-Chair performs the duties of the Chair until a new Chair is appointed by the Mayor. For FECC matters which are put to a vote, the Chair shall only vote to break a tie vote. The Chair serves a 1-year term and may serve up to 2 consecutive years as Chair; and

*d.* *Meetings*. The FECC will establish its own rules to conduct its business. The FECC will meet up to four (4) times per year, and members will receive a $50-dollar stipend per meeting;

*e.* *Staffing*. The OFE will assign department personnel to staff and present information to the FECC.

f. The FECC charge includes the following:

1. Monitor citywide financial empowerment metrics and indicators; and

2. Provide feedback and advice on OFE's partnerships, community engagement, policy



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platform, research agenda, and potential grant opportunities; and

3. Review the effectiveness of OFE activities and initiatives.

SECTION 2

This Ordinance shall become effective thirty (30) days after its passage, approval, and publication in the official newspaper of the City.



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