

Special Funds

Special Funds

2009 Adopted Budget

Highlights:

The City has 55 special funds totaling over \$256 million in budgeted spending. This excludes Regional Water Services, St. Paul Public Library Agency, and RiverCentre funds, which are submitted as separate budgets. Major changes included in the 2009 adopted budget are indicated below:

Property Code Enforcement (Fund #040): This fund includes the activities of Truth-In-Sale of Housing, nuisance housing abatement and part of the fire certificate of occupancy program for one and two unit rentals. Over \$600,000 is recycled back into the nuisance building demolition program in 2009 to help address vacant building challenges throughout the city, consistent with budget changes that occurred mid-year for 2008.

Risk Management Retention Fund (Fund #060): This fund was created during the 2005 budget process to account for workers' compensation costs and to identify and charge these expenses to departments. It also includes other risk-related activities. 2009 spending for this fund is up \$89,000, 3.8% over the 2008 adopted budget. This increase is due in part to the rising costs associated with workers' compensation, and in part to increased employee participation in the flexible spending accounts program.

Major Events (Fund #080): The Major Events fund was created in 2007 to account for spending and financing related to major events. This fund was specifically used in 2008 to manage the \$50 million federal security grant for the Republican National Convention. That spending has been removed from the 2009 budget.

Information Services (Fund #164): In 2008 an Enterprise Technology Initiative activity was established in this fund. Revenue for this activity is collected from all funds and is used for enterprise-wide technology improvements. The 2009 adopted budget is \$495,329. It includes \$393,380 to plan for the adoption of an integrated finance, payroll and human resources business

management system (actual implementation will be an amendment to this budget, if adopted); and \$101,949 for LanDesk Suite, which will better manage the efficiency of city PCs.

Cable Communications (Fund #166): The City receives a franchise fee from Comcast Cable, which is based on five percent of the company's gross revenues for cable services. Although overall subscriber numbers continue to slowly decline, the current revenue projection shows an increase based on increased costs to subscribers from the cable operator. These funds support City-wide cable communications and the general fund. The adopted budget includes an increase in the general fund transfer of \$551,898 over the 2008 adopted transfer. A portion of the transfer increase is paid for through a one-time use of fund balance, and the remainder comes from new franchise revenue. Of this transfer, \$350,000 is budgeted in a contingency account for future allocation.

Right of Way Maintenance Fund (Fund #225): This fund manages and supports the right-of-way assessment function by processing public improvement assessments as well as annual operations and maintenance service charges. The 2009 budget includes increased right-of-way assessments for seven different property categories that range from 8% to 21%. The varying increases are intended to more closely align rates with actual expenditures by category. This increase provides additional revenue to help withstand increased spending due to inflation factors, and supports tree boulevard maintenance and a portion of sidewalk maintenance at a base level and provides additional funding for neighborhood cleanup. In addition to expenses, the fee increases will help achieve structural balance and improve stability in this fund.

Sewer Service Enterprise (Fund #260): Three-fourths of the spending for this fund is determined by Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The long-term financing program for residential upgrades of sanitary sewer

connections continues for 2009. This fund includes the continued repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s and is increased by \$1,000,000 for 2009. Additionally, the adopted budget includes increases in Storm Sewer System Charges (12.5%) and Sanitary Sewer Rates (10%) to offset increasing costs.

License and Permit Special Fund (Fund #320): This fund accounts for revenue received from business licenses, building permits and other fees related to ensuring public safety by monitoring business and construction activity. The budget includes a significant reduction in spending totaling \$1,951,493, primarily due to building permit revenue decreases related to the economic downturn in the construction industry. Spending reductions include shifting 15 staff to the general fund vacant building program and eliminating 4 vacant positions. City Council adopted fee increases for building permits (10%) and business licenses (3.5%), which are expected to generate additional revenue totaling approximately \$750,000.

Parks and Recreation Supply & Maintenance (Fund #370): This fund provides maintenance services throughout the Park system as well as contracted services for maintenance of PED property and exterior summary nuisance abatement orders. The 2009 budget includes a one-time transfer of fund balance to the Parks & Recreation Administration activity to account for parks administration's share of overhead costs that have accumulated in fund balance over the last several years. An ongoing overhead transfer of approximately \$175,000 will continue on an annual basis to assist with administrative costs within the park system.

Police Special Projects (Fund #436): This adopted budget reflects decreased spending associated with several expiring grants.

Firefighting Equipment Trust (Fund #735): Financial activity has declined in this fund. Spending for fire apparatus is now financed under the provisions of the City's sales tax law, and is carried in the new STAR City Capital Project. Expenditures for 2009 anticipate the use of remaining funds still available. 2009 marks the final year of spending within this fund with expectations that the fund will be closed out before the 2010 budget year.

CPL Operating (Fund #802): Adopted spending for 2009 decreases by \$39,475 for a total of \$3,710,204. This fund collects assessment revenues and passes them on to various other funds which use assessment financing.

Special Fund Budgets

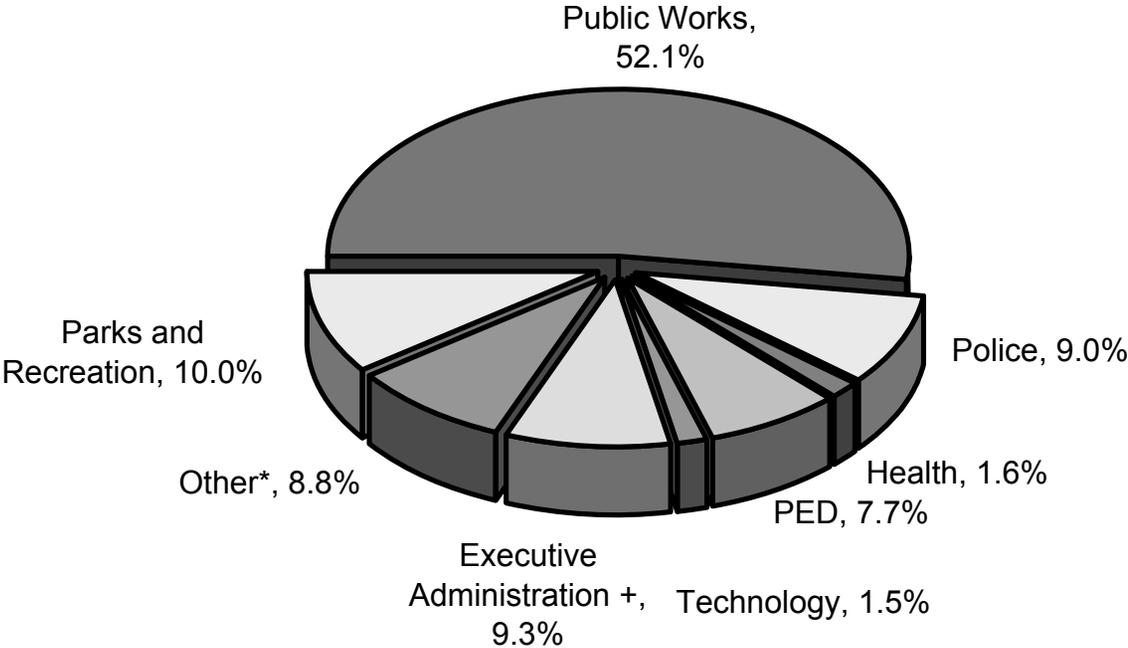
Special Fund Spending (By Department)			
Department	2007 Actual	2008 Adopted Budget	2009 Adopted Budget
Attorney	1,036,875	1,104,652	1,193,682
Council	61,622	81,044	82,306
Financial Services Office	13,620,691	65,105,265	18,888,850
Fire and Safety Services	5,432,669	4,054,909	4,841,779
StP-RC Health	3,789,730	4,236,131	4,115,828
HREEO (a)	0	0	3,498,777
Human Resources	2,145,374	2,348,000	2,437,000
Human Rights	60,434	50,688	0
Mayor's Office	464,667	536,455	2,569,763
Parks and Recreation	21,505,613	22,967,998	25,422,557
Planning and Economic Development	19,557,086	19,314,585	19,720,043
Police	15,286,203	23,556,515	23,127,576
Public Works	115,281,497	137,544,762	133,497,934
Safety and Inspection	11,961,768	14,140,361	12,944,015
Office of Technology	<u>2,749,938</u>	<u>2,970,866</u>	<u>3,744,473</u>
Total	212,954,167	298,012,231	256,084,583

Special fund budgets are designed to track revenues and expenditures for specific designated purposes. With some exceptions, special fund budgets are not supported by property taxes. Rather, special fund spending is supported by user fees, assessments, and grants, which are generally restricted in some way. The restrictions require accounting in separate funds, which include operating funds, project funds, debt service funds, and trust funds.

a) In 2009, the Contract Analysis and RiverPrint components of the Office of Financial Services, the Equal Employment program in the Planning and Economic Development department, and the Human Rights department will be merged to create the Human Rights and Equal Economic Opportunity (HREEO) department.

Special Fund Budgets

2009 Adopted Budget



* Other includes City Attorney, City Council, Safety and Inspection, Fire, and HREEO.
+ Executive Administration includes Financial Services, Mayor's Office, and Human Resources.

Special Fund Budgets

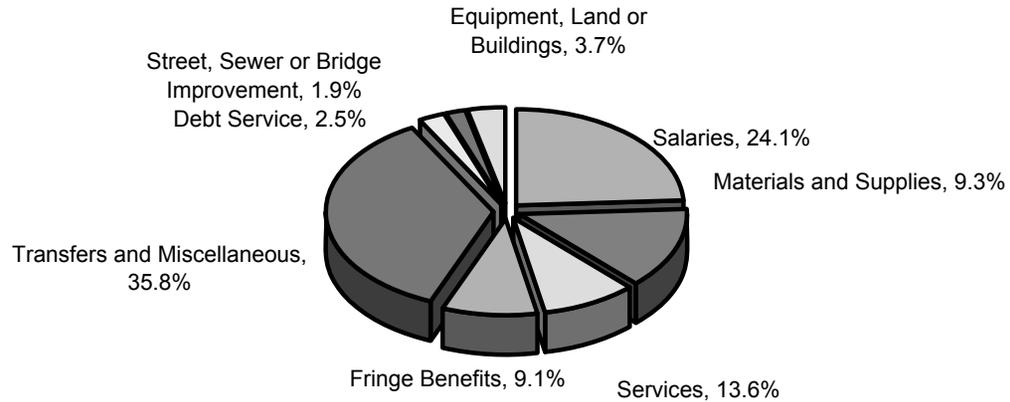
Special Fund Spending (By Major Object)			
Object	2007 Actual	2008 Adopted Budget	2009 Adopted Budget
Salaries	54,198,249	63,803,110	61,770,686
Services	32,230,629	83,823,446	34,930,200
Materials and Supplies	23,128,540	20,138,127	23,895,077
Fringe Benefits	22,648,956	23,556,860	23,326,486
Transfers and Miscellaneous	62,611,545	85,167,222	91,597,128
Debt Service	9,663,074	7,926,181	6,412,945
Street, Sewer or Bridge Improvement	3,856,435	4,855,864	4,793,864
Capital Outlay	<u>4,616,739</u>	<u>8,741,421</u>	<u>9,358,197</u>
Total	212,954,167	298,012,231	256,084,583

Special Fund Financing (Revenue By Source)			
Source	2007 Actual	2008 Adopted Budget	2009 Adopted Budget
Use of Fund Balance	0	17,176,470	6,232,900
Transfers	14,585,774	14,187,515	16,668,289
Hotel and Motel Taxes	2,032,612	1,791,505	1,807,000
License and Permits	9,901,747	11,767,602	10,643,731
Intergovernmental Revenue	24,257,162	78,175,488	31,463,947
Fees, Sales and Services	102,123,093	113,144,636	119,993,849
Enterprise and Franchise Revenue	9,274,184	11,970,540	12,016,462
Assessments and Other Revenue Sources	<u>36,502,074</u>	<u>49,798,475</u>	<u>57,258,405</u>
Total	198,676,646	298,012,231	256,084,583

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2009 Spending By Major Object



2009 Revenue By Source

