Impact of the Governor’s 2010-11 biennial budget on the City of Saint Paul

Prepared by the Office of Financial Services
Impact of the Governor’s Budget on the City

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2008-10</th>
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<tbody>
<tr>
<td>Governor’s 2008 unallotment</td>
<td>(5.7)</td>
<td></td>
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<tr>
<td>Governor’s proposed cuts</td>
<td>(7.7)</td>
<td>(17.0)</td>
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<tr>
<td>Add’l 2010 budget pressure (inflation)</td>
<td></td>
<td>(9.9)</td>
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<tr>
<td>Add’l 2010 budget pressure (debt)</td>
<td></td>
<td>(3.5)</td>
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<td>Total challenge</td>
<td>(13.4)</td>
<td>(30.4)</td>
<td>(43.8)</td>
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LGA History and Trend

Saint Paul LGA 1994-2010

- Certified
- Adjusted
Timing of City Response—sooner vs. later

✓ While the Governor’s budget is only the starting point, legislative deliberations could last into the summer
✓ If cuts to LGA occur, we are spending money we don’t have
✓ Postponing actions requires deeper cuts later
✓ We will continue to advocate the importance of LGA to city services
Be prepared for difficult decisions

- The Mayor will make strategic decisions that are long-term and sustainable
- Anticipate park and library closures, and public safety reductions
- Government services in Saint Paul will look different a year from now
Context:
State aids and local property taxes comprise two-thirds of General Fund revenues

2009 GF Revenue By Source

- Intergovernmental Revenue: 35.2% (Mostly LGA)
- Taxes: 30.1% (mostly property tax)
- Transfers: 10.5%
- Other Revenue Sources: 2.0%
- Enterprise and Utility Revenues: 12.2%
- Licenses and Permits: 0.5%
- Fees, Sales and Services: 9.5%
Context:
Police and Fire services comprise two-thirds of GF spending
Context: Personnel costs account for 82% of the GF budget

General Fund Budget

2009 Proposed Spending By Major Object

- Salaries: 59.5%
- Fringe Benefits: 22.0%
- Transfers and Miscellaneous: 2.9%
- Services: 10.2%
- Materials and Supplies: 5.1%
- Debt Service: 0.0%
- Capital Outlay: 0.3%
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- Capital Outlay: 0.3%
Context:
How do we get to $30 million?

- Library operating budget--$18 million
- City’s Attorney Office--$8 million
- Park and Rec centers (34)--$8 million
- Fire Dept’s GF budget--$51 million
- Police Dept’s GF budget--$76 million