



CITY OF SAINT PAUL
Randy C. Kelly, Mayor

2006 Adopted Budget Summary



City of Saint Paul
2006 Adopted Budget

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Description of Saint Paul's Form of Government

The city charter provides for a municipal corporation governed by an elected chief executive, the mayor, and an elected legislative body, the city council. The form of government is commonly referred to as "strong mayor-council." Elections are held in November of odd-numbered years, with a four-year term for the mayor and four-year terms for councilmembers. Each of the seven councilmembers is elected from a separate ward; the seven wards are approximately equal in population.

The mayor recommends appointments for department/office directors and members of boards and commissions for council approval, and is responsible for the direction and control of departments and offices. The mayor recommends policies and budgets to the city council. The mayor exercises all powers and performs all executive duties given by the city charter, city ordinances and state laws. The mayor has the authority to veto council actions. The council can override the mayor's veto with a minimum of five votes.

The council is the legislative body, setting policies by enacting ordinances and resolutions. It can monitor and maintain liaison with community groups to assure adequate citizen participation. The council analyzes, adopts and monitors the city budget. Councilmembers prepare and promote the city's legislative program. They serve on boards and commissions of certain intergovernmental agencies.

Elected Officials

Office	Name	Term Expires
Mayor	Randy C. Kelly	01-01-2006
Councilmembers:		
District 1	Debbie Montgomery	01-01-2008
District 2	Dave Thune	01-01-2008
District 3	Patrick Harris	01-01-2008
District 4	Jay Benanav	01-01-2008
District 5	Lee Helgen	01-01-2008
District 6	Daniel Bostrom	01-01-2008
District 7	Kathy Lantry	01-01-2008

Appointed Officials

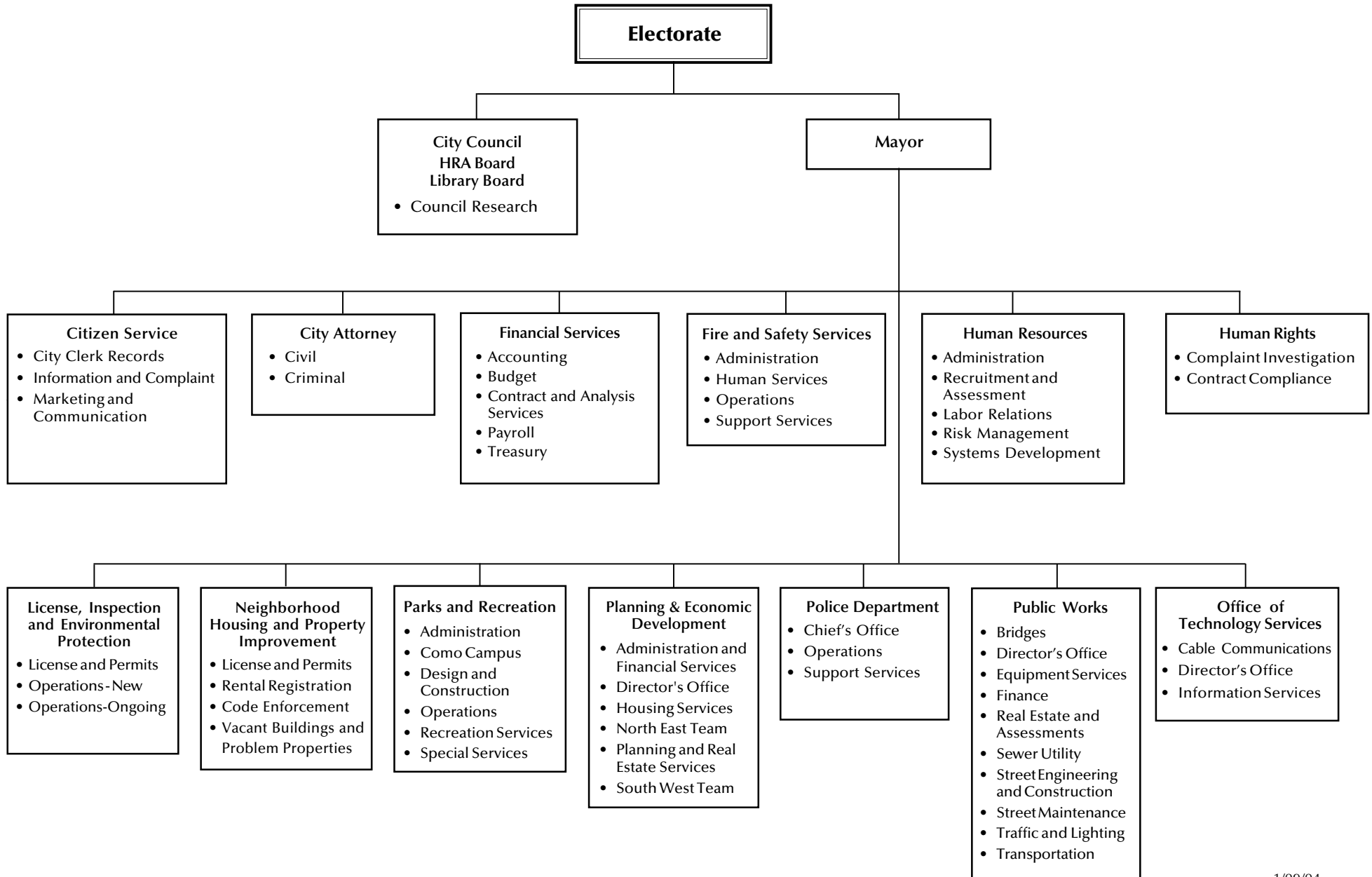
Department/Office	Director's Name	Term Expires
Citizen Services	Shari Moore (Acting)	*
City Attorney	Manuel Cervantes	*
Financial Services	Matt Smith	*
Fire and Safety Services	Doug Holton	2009
Human Rights	Tyrone Terrill	*
Human Resources	Angie Nalezny	*
License Inspec. Env. Protection	Janeen Rosas	*
Mayor's Chief of Staff	Dennis Flaherty	*
Neighbhd Housng/Prop. Imprvmt	Andy Dawkins	*
Parks and Recreation	Bob Bierscheid	*
Planning and Econ. Development	Susan Kimberly	*
Police	John Harrington	2010
Public Libraries	Kathleen Flynn (Acting)	*
Public Works	Bob Sandquist	*
Technology	Karen Johnson	**
Regional Water Services	Steve Schneider	**

* Serves at pleasure of the Mayor

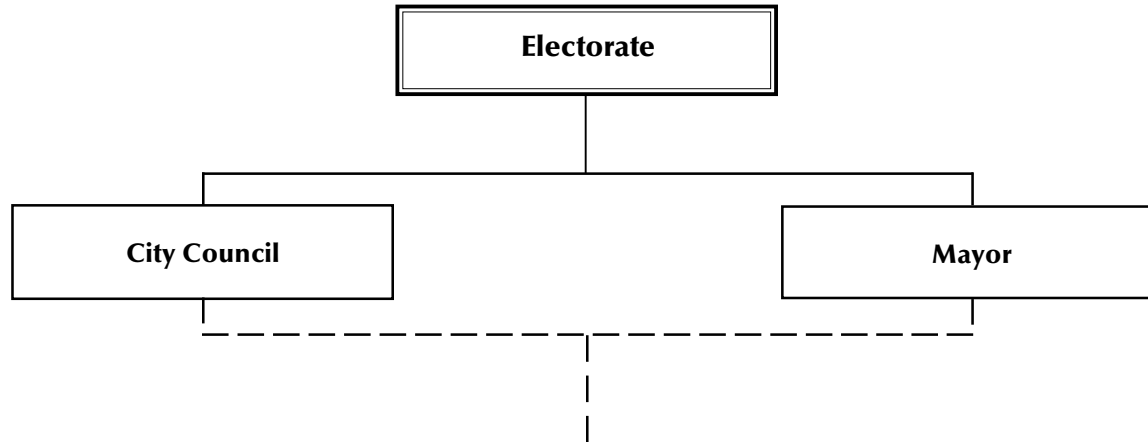
** Serves at pleasure of the Regional Water Services Board of Directors

City of Saint Paul, Minnesota

(Form of Government: "Strong" Mayor, with Seven Councilmembers Elected by Ward)



City-Appointed Boards and Commissions



- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Advisory Committee On Aging • Saint Paul Airport Relations Council • Bicycle Advisory Board • Business Review Council (BRC) • Cultural Capital Investment Program (Cultural Star Board) • Police Civilian Review Commission • Saint Paul Civil Service Commission • Saint Paul Civil Service Commission Alternates • Fair Housing Council • Saint Paul-Ramsey County Health Services Advisory Committee | <ul style="list-style-type: none"> • Heritage Preservation Commission • Ramsey County / City of Saint Paul Homeless Advisory Board • Housing Authority • Saint Paul Human Rights Commission • Long-range Capital Improvement Budget (CIB) Committee of Saint Paul • Mayor’s Advisory Committee For People With Disabilities • Neighborhood Advisory Committee (Hubert H. Humphrey Job Corps Center) • Saint Paul Neighborhood Network (SPNN) • Neighborhood Sales Tax Revitalization (STAR Program) | <ul style="list-style-type: none"> • Saint Paul Parks and Recreation Commission • Saint Paul Planning Commission • Saint Paul Port Authority • Saint Paul Public Housing Agency (PHA) • Rivercentre Authority • Truth in Sale of Housing Board of Evaluators • Board of Water Commissioners • City-County Workforce Investment Board • Saint Paul-Ramsey County Health Services Advisory Committee • Youth Fund Board • Board of Zoning Appeals |
|--|--|--|

Budget Process

The budget process is designed to conform with state law, the city charter, and the legislative code. The process to develop the budget commences in February.

January - March

The budget for 2005 is finalized during this time. This includes preparing, printing and distributing books reflecting the 2005 adopted budget. The accounting section of the Office of Financial Services prepares the annual financial report for the previous year (2004). During this time, the "base budget" for the upcoming year (2006) is identified.

April - June

Forms, instructions, printouts and the mayor's guidelines are distributed to departments. These tools are used to plan for and develop operating budgets. Department management and staff identify objectives, performance indicators and the resources needed to accomplish goals. Services are reviewed to determine purpose, need and cost-saving ideas.

Department requests for the 2006 budget are submitted to the Office of Financial Services in June. After that, each department's budget is analyzed by the OFS budget staff. The mayor meets with the department directors to discuss their needs, and to ensure that budgets meet the service level and taxing objectives that have been established for the city.

July - September

The budget staff finalizes the mayor's recommendations and produces the mayor's proposed budget. The mayor then submits the recommended budget to the city council by August 15, as required by the City Charter.

In August, the city council begins reviewing the mayor's proposed 2006 budget. The council holds meetings with department directors, management and staff to obtain a clear understanding of the department's goals, service priorities and objectives that are represented in the proposed budget. As required by state law, the city council sets the *maximum* property tax levy in September. Governmental units can adjust budgets, resulting in property taxes that are less than, but not more than, the maximum levy.

October - December

The city council holds public hearings on the budget. Ramsey County mails property tax statements to property owners indicating the *maximum* amount of property taxes that the owner will be required to pay. These statements also indicate when the "Truth in Taxation" public hearings will be held. State law requires the city to hold a joint meeting with the county and school district. This meeting is held in early December. The city council then adopts a budget and tax levy for the city. The adopted budget represents changes made by the city council to the mayor's proposed budget. The mayor has line-item veto authority over the council-adopted budget.

Highlights and Important Features

2006 Adopted Budget

The 2006 adopted budget for the City of Saint Paul is \$536,153,830. This is the total of the budgets of all City funds: general fund, special funds, debt service funds and capital improvement funds. This is a 6.5% increase from the 2005 adopted budget, with the much of the growth occurring in the capital improvement budget with moderate growth in general and special funds operating budgets. If transfers from one fund to another and subsequent year debt are excluded, the City budget is \$461,221,525. The RiverCentre and Water Utility operating and capital budgets, like the HRA and Library Agency budgets, are submitted separately. Therefore, they are not included in this book.

General Highlights:

Property Taxes. The 2006 adopted tax levy increases financing by \$1,880,214, or 3%.

Service Charges and Fees. This budget contains a 1.5% increase in the sanitary and storm sewer fees, as well as a 2.5% increase in right-of-way maintenance assessments. Additionally, in response to a change in Federal reimbursement regulations and to minimize the resulting negative revenue impact on the city, the paramedic transport rate structure is being realigned with a 5% increase in the ALS transport rate; and a Basic Life Support (BLS) transport rate equal to the current 2005 ALS rate is being established. The budget includes an extension of the enforcement hours for parking meters from 4:30 p.m. to 6:00 p.m., Monday through Saturday, resulting in an additional \$350,000 in revenue.

Capital Improvement Funding: The adopted 2006 capital improvement budget (CIB) of \$95,747,000 provides funding for all capital projects financed with local, state, federal or other revenues received by the City for this purpose.

Significant Department Changes:

Introductions to the general fund (pages 23-33), special funds (pages 35-41), and general obligation debt service funds (pages 43-52) sections of this document detail important features of financing and spending within each of those areas. Significant features of the overall budget are highlighted in those sections.

The Independent Library Agency: State legislation passed during the 2002 session provided the authority to allow the Saint Paul Public Library to become an independent unit, separate from Saint Paul City government. In 2003, the City Council adopted an ordinance creating the independent agency, effective for 2004. In accordance with the ordinance, the Saint Paul Public Library Agency submitted its 2006 budget request to the Mayor, the Mayor presented the Library Agency budget to the City Council, and the Library Board and City Council have adopted the 2006 Library Agency budget. The Library budget is no longer a part of the City budget, and, as such, is not reflected in this book.

Content and Other Publications

Information Included

This publication contains information on City of Saint Paul budgets, that is, the operating budgets and debt service budgets. Operating budgets include the general fund and 51 special funds. The capital improvement budget (CIB) is included in a separate document. The Housing and Redevelopment Authority (HRA), Water Utility, RiverCentre, Library agency, and Port Authority budgets are not included because they are separate entities.

Purpose

The goal of this report is to provide taxpayers with an easy-to-use guide to city spending. We have tried to answer the question, "Where does the money go?" by providing tables and graphs to display this information. As a staff, we constantly struggle with what level of detail to show. If we show too little detail, our publications will not answer the questions people most commonly ask. If we show too much detail, the budget documents become extremely large and expensive to print. Pouring through them can be daunting, tedious and time consuming.

We hope that this summary will help make taxpayers aware of where the city's resources come from and where they go. By looking at the information, we hope they will see how state revenues and decisions on property tax classification affect local property taxes. They will better understand how the property tax base affects property taxes. And they will see how difficult it is for decision makers to make cuts in the budget without including some of the services taxpayers tell us they hold most dear, such as police, fire, libraries and parks. These services make up such a large portion of the budget, they are difficult to ignore. We believe heightened taxpayer awareness of city programs will increase the quality of public debates on spending and taxes and, ultimately, the quality of public policy.

Budgets, Not Spending

Unless otherwise noted, the numbers in this document are *budget* amounts, not actual spending. Actual spending amounts for past years can be found in a publication called the "Comprehensive Annual Financial Report" published in the spring of each year (see information following).

Other Publications and Information

The Office of Financial Services (OFS) publishes other documents. Each year we publish this summary document to display the council-adopted budgets. However, to keep printing costs down, it is only available on a limited-distribution basis. OFS also publishes a brochure which contains budget data and demographic information. As time permits, we update a statistical summary with trend information over longer periods of time. These publications are available for viewing in Saint Paul Public Libraries, Government Documents Section, or by calling the Office of Financial Services at 651-266-8797. Our website is www.ci.stpaul.mn.us. Some budget documents are available on this web site.

Other publications are listed below. Most of them are also available in Saint Paul Public Libraries. We encourage you to use library copies whenever possible to obtain information, but if you cannot, we have listed publications and contact persons for you.

- "Capital Allocation Policy."
Contact Allen Lovejoy at 651-266-6576.
- "Comprehensive Annual Financial Report."
Contact Lori Lee at 651-266-8822 or Jose Jovellana at 651-266-8820
- "General Obligation Debt Overlapping on the Saint Paul Tax Base: Five Year Debt Management Strategy, 2001-2005."
Contact Todd Hurley at 651-266-8837.
- Housing and Redevelopment Authority (HRA) annual budget and the "Comprehensive Annual Financial Report."
Contact Tom Meyer at 651-266-6667.
- Public Library Agency
Contact Susan Cantu at 651-266-7076.
- Port Authority financial statements and the report of independent public accountants.
Contact Tom Collins at 651-224-5686.
- Regional Water Services.
Contact Ruth O'Brien at 651-266-6322.
- RiverCentre
Contact Eric Willems at 651-265-4822.



Overview of Combined City and Library Agency Budgets

Overview of Combined City and Library Agency Budgets

With the creation of the independent Saint Paul Public Library Agency beginning with the 2004 budget year, detailed information about library budgets and activities is now presented in a separate document, and is generally excluded from the City budget information contained in this publication.

The information provided in this section is intended to give a high-level overview of the combined City and Library Agency budgets and permit overall year-to-year comparisons to be made more easily. Detailed information about the Library Agency budget will be made available in a separate publication published by the Agency.

Total Combined City and Library Agency Budgets: 2005 Adopted and 2006 Adopted

	<u>2005</u> <u>Adopted</u>	<u>2006</u> <u>Adopted</u>	<u>Change</u>	
			<u>Amount</u>	<u>Percent</u>
City operations	366,917,734	383,063,895	16,146,161	4.4%
Library operations	<u>14,513,374</u>	<u>14,647,444</u>	<u>134,070</u>	0.9%
<i>Total operations</i>	<u>381,431,108</u>	<u>397,711,339</u>	<u>16,280,231</u>	4.3%
City debt service	54,706,536	57,342,935	2,636,399	4.8%
Library debt service	<u>3,094,965</u>	<u>3,042,988</u>	<u>-51,977</u>	-1.7%
<i>Total debt service</i>	<u>57,801,501</u>	<u>60,385,923</u>	<u>2,584,422</u>	4.5%
City capital improvements	81,719,000	95,747,000	14,028,000	17.2%
Library capital improvements	<u>0</u>	<u>201,607</u>	<u>201,607</u>	NA
<i>Total capital improvements</i>	<u>81,719,000</u>	<u>95,948,607</u>	<u>14,229,607</u>	17.4%
Total combined budgets:	<u>520,951,609</u>	<u>554,045,869</u>	<u>33,094,260</u>	6.4%

Workforce Summary, City and Library Agency Combined

	<u>2005</u> <u>Adopted</u>	<u>2006</u> <u>Adopted</u>	<u>Change</u>	
			<u>Amount</u>	<u>Percent</u>
City FTEs (All Funds)	2,748.5	2,772.2	23.7	0.9%
Library FTEs (All Funds)	<u>180.8</u>	<u>189.3</u>	<u>8.5</u>	4.7%
<i>Total Combined FTEs</i>	<u>2,929.3</u>	<u>2,961.5</u>	<u>32.2</u>	1.1%

**Property Tax Financing and State Aid: City, Library Agency and Port Authority Combined
2005 Adopted vs. 2006 Adopted**

	Property Tax Levy*					
	<u>2005 Adopted</u>	<u>2006 Adopted</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 05 Total</u>	<u>Pct of City 06 Total</u>
City of Saint Paul						
General Fund	45,642,975	47,264,337	1,621,362	3.6%	72.9%	73.2%
General Debt Service	6,653,277	6,653,277	0	0.0%	10.6%	10.3%
Saint Paul Public Library Agency	10,318,836	10,615,292	296,456	2.9%	16.5%	16.4%
Total (City and Library combined)	62,615,088	64,532,906	1,917,818	3.1%	100.0%	100.0%
Port Authority	1,312,175	1,312,608	433	0.0%		
Overall Levy (City, Library & Port)	63,927,263	65,845,514	1,918,251	3.0%		

* This is the total property tax levy used to determine tax rates. Actual financing available to support the budget is less, due to a 2% "shrinkage" allowance for delinquent taxes. The State pays a portion of the tax levy through the Market Value Homestead Credit, which is included in these numbers.

Local Government Aid Financing

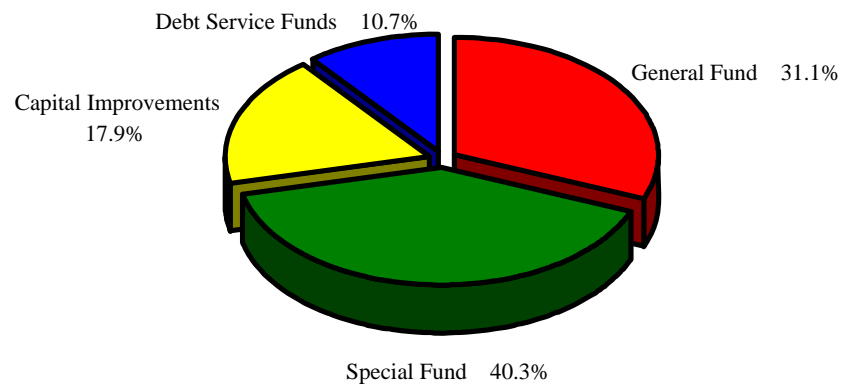
	<u>2005 Adopted</u>	<u>2006 Adopted</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct. Of 05 Total</u>	<u>Pct. of 06 Total</u>
City of Saint Paul						
General Fund	48,184,944	54,577,670	6,392,726	13.3%	90.7%	91.7%
General Debt Service	0	0	0	N.A.	0.0%	0.0%
Saint Paul Public Library Agency	4,966,891	4,966,891	0	0.0%	9.3%	8.3%
Total (City and Library combined)	53,151,835	59,544,561	6,392,726	12.0%	100.0%	100.0%

City Composite Summary

Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2004 Actual Budget	2005 Adopted Budget	2006 Adopted Budget
General Fund (Operating)	156,884,438	158,348,049	166,824,455
Special Fund (Operating)	178,889,482	208,569,685	216,239,440
Capital Improvements	73,498,059	81,719,000	95,747,000
Debt Services Funds	35,556,831	54,706,536	57,342,935
Total Budgets (Unadjusted)	<u>444,828,810</u>	<u>503,343,270</u>	<u>536,153,830</u>
Less Transfers	(44,348,269)	(46,978,777)	(53,946,751)
Less Subsequent Year Debt	<u>0</u>	<u>(20,826,175)</u>	<u>(20,985,514)</u>
Adjusted Financing Plan	<u>400,480,541</u>	<u>435,538,318</u>	<u>461,221,565</u>

Composite Summary - Total Budget 2006 Adopted Budget



Composite Summary - Workforce

City of Saint Paul: All Funds Full Time Equivalent (FTEs)			
Department	2004 Adopted Budget	2005 Adopted Budget	2006 Adopted Budget
Attorney	65.8	66.8	68.2
Citizen Services	9.0	8.5	7.5
Council	25.5	27.7	26.7
Debt Service Fund	2.4	2.0	2.3
Financial Services (c)	44.2	44.2	44.8
Fire and Safety Services	459.6	464.6	474.6
General Government Accounts	1.1	0.1	0.1
StP-RC Health	64.1	60.1	59.9
Human Resources	31.2	32.9	32.4
Human Rights	7.0	7.2	7.2
License, Inspection and Env. Protection	107.6	107.5	107.5
Mayor's Office	14.8	15.0	15.0
Neighborhood Housing & Property Improvement	32.2	34.2	34.6
Parks and Recreation	472.0	532.1	538.9
Planning and Economic Development	91.5	92.2	86.1
Police	745.9	744.6	760.1
Public Works	434.3	435.9	431.6
Office of Technology	<u>68.2</u>	<u>72.9</u>	<u>74.7</u>
Total	<u><u>2,676.4</u></u>	<u><u>2,748.5</u></u>	<u><u>2,772.2</u></u>
Total General Fund	<u>1,658.6</u>	<u>1,684.8</u>	<u>1,725.5</u>
Total Special Fund	<u>1,017.8</u>	<u>1,063.7</u>	<u>1,046.7</u>

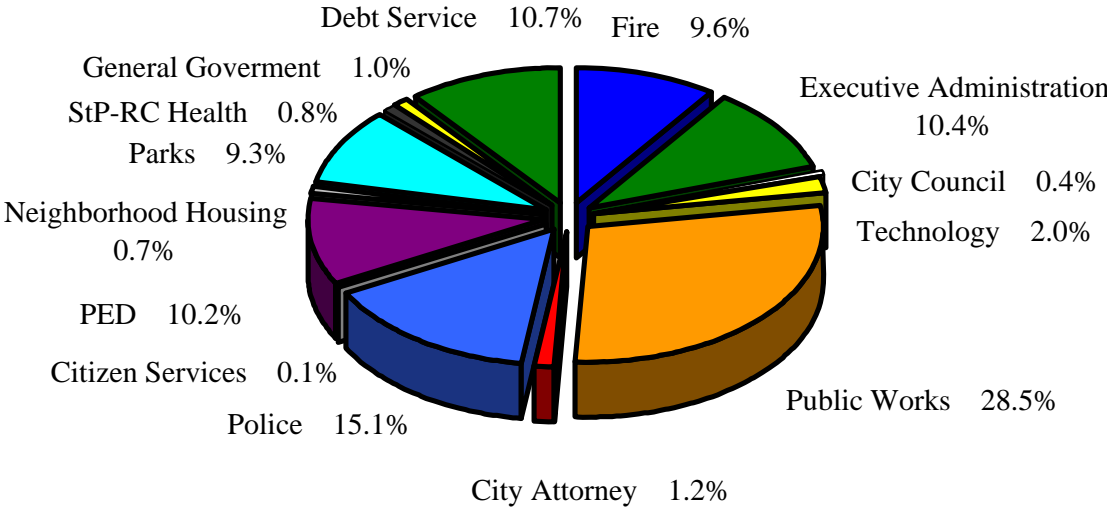
Composite Spending - By Department

2006 Adopted Budget (By Department and Fund Type)					
Department	General Fund	Special Funds	Debt Service	Capital Budget	Total All Budgets
Attorney	5,441,370	1,042,110			6,483,480
Citizen Services	639,130	0			639,130
Council	2,310,493	94,499			2,404,992
Debt Service	0		57,342,935		57,342,935
Financial Services	1,873,159	13,159,096		20,334,000	35,366,255
Fire and Safety Services	44,327,239	7,053,674		350,000	51,730,913
General Government Accounts	5,340,436				5,340,436
StP-RC Health	0	4,095,050			4,095,050
Human Resources	3,043,864	1,862,742			4,906,606
Human Rights	527,205	67,944			595,149
Libraries (a)	0	0			0
License, Inspection, and Environ. Prot.	740,066	11,846,479			12,586,545
Mayor's Office	1,421,239	643,589			2,064,828
Neighborhood Housing & Property Impr.	2,816,246	772,008		200,000	3,788,254
Parks and Recreation	23,203,241	20,195,335		6,411,000	49,809,576
Planning and Economic Development	0	20,121,419		34,800,000	54,921,419
Police	66,380,718	12,942,113		1,775,000	81,097,831
Public Works	1,632,469	119,258,933		31,877,000	152,768,402
Technology	7,127,580	3,084,449			10,212,029
Total	<u>166,824,455</u>	<u>216,239,440</u>	<u>57,342,935</u>	<u>95,747,000</u>	<u>536,153,830</u>

(a) Saint Paul Libraries became independent (the Library Agency) effective in 2004 and is no longer a part of the City of Saint Paul's operating and debt service budgets.

Composite Spending - By Department

2006 Adopted Budget



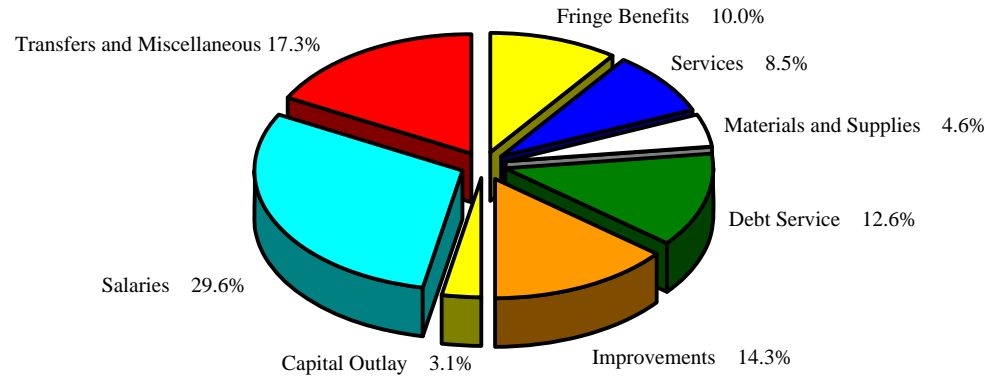
Composite Summary - Spending and Financing

Adopted Spending Summary (2006 Adopted Spending by Major Object)					
Object	General Fund	Special Fund	Debt Service	Capital Budget	Total
Salaries	102,461,091	55,871,327	137,302		158,469,720
Services	14,371,925	30,937,548	81,982		45,391,455
Materials and Supplies	7,827,582	16,796,270	6,793		24,630,645
Fringe Benefits	34,693,380	19,135,440	42,089		53,870,909
Transfers and Miscellaneous	4,491,595	65,372,726	780,000	22,323,000	92,967,321
Debt Service	1,055,618	10,406,060	56,294,769		67,756,447
Improvements	5,329	3,078,600		73,424,000	76,507,929
Capital Outlay	1,917,935	14,641,469			16,559,404
TOTAL	166,824,455	216,239,440	57,342,935	95,747,000	536,153,830

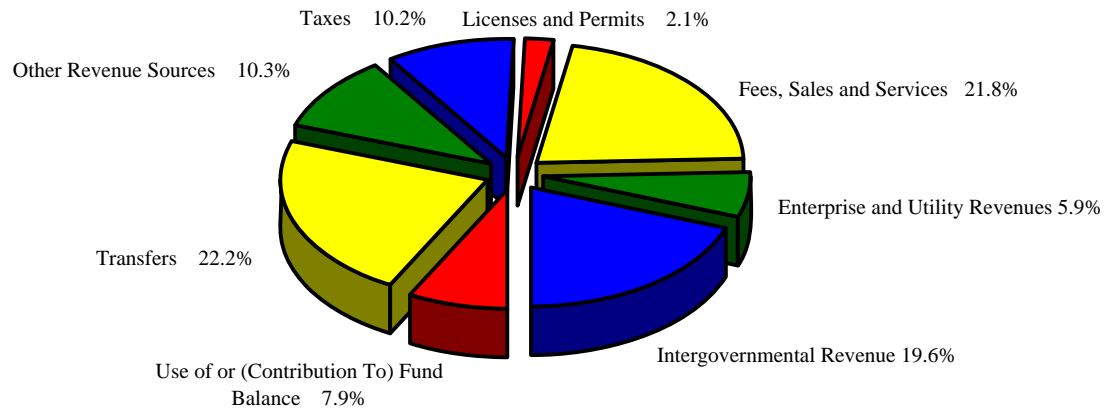
Financing Summary (2006 Adopted Revenue By Source)					
Source	General Fund	Special Fund	Debt Service	Capital Budget	Total
Use of or (Contribution to) Fund Balanc	0	15,062,499	27,343,326		42,405,825
Transfers	18,045,174	11,552,669	11,233,636	78,429,000	119,260,479
Taxes	45,961,254	2,334,380	6,246,510		54,542,144
Licenses and Permits	993,443	10,311,718			11,305,161
Intergovernmental Revenue	64,170,300	27,305,396	376,311	13,175,000	105,027,007
Fees, Sales and Services	15,638,879	100,876,289			116,515,168
Enterprise and Utility Revenues	18,907,348	12,096,603	880,000		31,883,951
Other Revenue Sources	3,108,057	36,699,886	11,263,152	4,143,000	55,214,095
TOTAL	166,824,455	216,239,440	57,342,935	95,747,000	536,153,830

Summary - Spending and Financing

2006 Adopted Spending By Major Object



2006 Adopted Revenue By Source





General Fund

General Fund

2006 Adopted Budget

Purpose: One of four major budget categories, the general fund is the principal financial support for such basic city services as the police and fire departments, parks and recreation, and general government operations (i.e., Mayor and City Council, human resources, finance and other support services). The major financing sources for this fund are property taxes, local government aid, franchise fees, and other revenues not dedicated to a specific purpose. The tables and graphs on the following pages detail the General Fund's adopted 2006 spending and financing plan.

Financing Highlights:

The major financing sources for this fund are:

- Property taxes - 26.2%
- State aids (incl. Local Government Aid) - 38.1%
- Franchise fees - 10.9%
- Other revenues, aids, and user fees - 24.8%

From 1994 through 2005, the City property tax levy has been kept equal to or less than the levy of the prior year, so other revenues, aids and user fees have financed a slightly larger portion of the general fund budget. In 1994, property taxes contributed 32.4 percent of the budget and other revenues and fees supplied 12.2 percent. From 1994 through 2002, state aids, at about 45 percent, and franchise fees, at 10 percent, had stayed fairly consistent with respect to their level of general fund financing. Proportions changed radically in 2003 when significant reductions in State-paid aids occurred. Major sources for the growth since 1994 in other revenues have been interest earnings, fine revenues, paramedic fees, and the use of fund balances. The adopted 2006 financing breaks from this trend, with the first property tax levy increase since 1993 and no use of General Fund fund balance.

Certified Local Government Aid (LGA): After three years of substantial decreases in the City's LGA, the Legislature appropriated additional aid to Minnesota cities that greatly benefits St. Paul. Reductions in State paid aids began in 2003, when Saint Paul's aid was reduced from \$76,129,865 to \$63,082,264. The 2004 and 2005 reductions decreased the City's LGA to \$53,151,835. Initially scheduled to lose another \$1.1 million of aid in 2006, the 2005 Legislature provided an additional \$6.4 million instead. St. Paul's 2006 aid is \$59,544,561. This increase greatly assists the City in maintaining current service levels. Since 2004, LGA has been allocated between the City budget and the Independent Library Agency.

Property Tax Levy: The budget includes a levy increase of \$1.9 million (3%), the first levy increase since 1993, in order to fund budget priorities. With this increase, the proposed 2006 levy of \$65.8 million would remain under the amount levied in 1995 (\$66.5 million).

Fund Balance: Historically, dollars from the City's fund balance have been used to finance past budgets and avoid an increase in the City's property tax levy. In 2005, the City's bond raters cautioned against further use of fund balance to finance current services, as the City was approaching a benchmark statistic for percent of fund balance on hand compared to the General Fund budget. The proposed budget prudently eliminates fund balance as a financing source. A formal fund balance policy was recommended by Mayor Kelly, and adopted by the City Council, to guide decisions in the future.

City Franchise Fees: The estimated 2006 financing level will be \$17.5 million. The Mayor's proposed budget reflected 2004 actual collections, and the City Council added \$196,458 based on more recent trends.

General Fund Interest Earnings: Interest earnings are budgeted at \$2.9 million, \$292,135 more than the 2005 estimate. Revenue estimates are based on assumptions of investment balances and interest rates.

Other General Fund Financing: The adopted budget for 2006 includes additional revenues as a result of extending parking meter enforcement to 6:00 p.m. It also includes a 5% increase in some paramedic fees that does not provide additional revenue to the City, but offsets federal reimbursement changes.

Spending Highlights:

Rate of Growth: Saint Paul's general fund budget will increase by \$8,476,406, or 5.3%, from \$158,348,049 in 2005 to \$166,824,455 in 2006. If approximately \$1.4 million in spending, a simple shift of staff from the special funds budget to the General Fund in the Office of Technology described below, is adjusted out, the increase in the General Fund is \$7,076,406, or 4.5%.

Wage Increases: Salaries and benefits are the most significant cost in the City's operating budgets. The 2006 budget includes planned salaries and the anticipated growth in the city costs of employee insurance and other fringes, including increased PERA employer pension contribution rates adopted by the 2005 State Legislature.

Retiree Insurance: A city wide budget adjustment was made late in the process to reflect a revised estimate for the cost of retiree insurance for 2006. This adjustment affected many general fund budgets.

City Council: The adopted budget for 2006 is \$2,310,493, which is a \$48,449 increase from the \$2,262,044 adopted 2005 budget.

Citizen Services Office: The budget for the Citizen Services Office is \$639,130, a 23% reduction from the 2005 adopted budget of \$834,862. Reductions are mainly in Marketing and Promotions and the elimination of a position in Records Management.

City Attorney: The adopted budget is \$5,441,370, a 3.5% increase from the 2005 adopted budget. The budget reflects the addition of 1.5 FTE due to a change made by the State in court calendaring which is supported by additional revenues.

Financial Services: The adopted budget for the Office of Financial Services is \$1,873,159, which is a decrease of \$7,355 from the adopted 2005 budget. Reductions for spending restraint and vacancy savings were absorbed by non-personnel adjustments and shifting of some costs to special funds. General Fund FTEs decreased by 0.5.

Fire Department: Fire's adopted general fund budget for 2006 is \$44,327,239, and is up \$2,104,253, or 5.0% from the adopted 2005 budget of \$42,222,986. The budget increases the adopted 2005 staff complement by nine firefighters from the same level in 2005, and adds funding for an emergency medical services chief. The budget will include a 5% increase in paramedic transport rates, offsetting in part a reduction in Medicare payments for medic services. The additional investments in apparatus replacement begun in 2005 have continued into 2006, to help accelerate the turnover of fire trucks and equipment, and reduce the age of the fleet.

Human Resources: The general fund budget for Human Resources for 2006 is \$3,043,864, and is down \$79,639, or 2.5% from the 2005 budget of \$3,123,503. Overall, staff position FTEs have increased from 31.2 in 2003 to 32.4 in 2006, a change of 1.2 for Human Resources.

Human Rights: The budget totals \$527,205, and maintains the same staffing level as in 2005.

License, Inspection, and Environmental Protection (LIEP): LIEP's Animal Control Division is its only general fund activity. Animal Control's proposed 2006 budget is \$740,066, and supports the same staffing level as in 2005.

Mayor's Office: The Mayor's Office budget for 2006 is \$1,421,239, which is a 4.4% increase from the 2005 adopted budget of \$1,361,039.

Neighborhood Housing and Property Improvement (NHPI): The budget for Neighborhood Housing and Property Improvement is \$2,816,214. It includes an annual \$78,483 repayment to the Community Development Block Grant fund that was previously in the Planning and Economic Development budget.

Parks: The Parks and Recreation General Fund budget is \$23,203,241, and is \$767,867 or 3.4% more than the 2005 adopted budget. The budget includes costs to open the Wellstone Center and \$170,000 for its operations contract. The City Council restored \$46,000 funding for a plan to close recreation centers, for short periods of time in the summer, for building maintenance. The Council also added \$350,392 to bring the Parks utility budget closer to actual spending levels. The budget includes a savings target of \$151,603, which was assigned based on current vacant positions. Parks' General Fund FTE complement increased by 1.6 compared to 2005.

Planning and Economic Development: In 2004, the City's general fund was eliminated as a financing source to support the PED operations fund. In 2006, the remaining two General Fund expenditures have been moved to other departments. An annual \$78,483 repayment to the Community Development Block Grant fund is now in the NHPI budget. \$30,600 for the Historic Preservation Commission is now budgeted in the General Government Accounts.

Police Department: The general fund budget for the Police Department is \$66,380,718 for 2006, compared with \$60,589,972 for 2005. This is an increase of \$5,790,746, or 9.6%, in the 2006 police general fund budget from the 2005 adopted budget. The budget allows for full funding of regular salaries and fringes for 576 sworn personnel in 2006, including 25 new officers to be hired in mid May, 2006. The number of sworn positions budgeted in the general fund is 540.6 FTEs, up from 526 in 2005. The budget also includes full funding of the contract settlement package in 2005 and an additional \$1,000,000 for overtime, which will ensure a fully staffed complement of sworn personnel. An amount of just under \$500,000 was also added to the budget for the City employer share of the recent PERA Police pension rate increase enacted by the State legislature. Other increases also included in this budget are: \$251,449 more for maintaining the records management system, \$125,000 more for vehicle fuel, \$40,000 more for fire insurance, and \$114,326 more for telecommunications costs.

To accommodate these increases, a number of other spending and financing adjustments have been adopted. These include shifting appropriate training-related costs to the POST Training special fund, applying resources from other Police special funds, deferring lease of

additional squad cars to January, 2007, and recognizing an appropriate amount of savings to reflect turnover (not vacancies) from senior- to entry-level officers due to normal retirement patterns. Fees at the Police Impound Lot will be raised by \$25 per instance, generating an additional \$325,000 per year.

Public Works Department: The 2006 general fund budget adopted for Public Works is \$1,632,469, a 27.7% decrease from the 2005 adopted budget of \$2,257,436, and maintains the same level of service. This budget reflects a transfer in traffic signal maintenance costs, as well as traffic engineering, to the department's special fund. This budget also includes \$51,000 in additional revenue from a 5% increase in right-of-way permit fees.

Office of Technology: The adopted budget is \$7,127,580, a 23.4% increase from the 2005 adopted budget of \$5,776,348. This significant increase is the result of moving 18.5 FTEs and \$1,405,132 from the special fund to the department's general fund. The additional spending is supported by revenues from city departments receiving service from the Information Services division.

The Independent Library Agency: 2002 State legislation provided the authority to allow the Saint Paul Public Library to become an independent unit, separate from Saint Paul City government. In 2003, the City Council adopted an ordinance creating the independent agency, effective for 2004. In accordance with the ordinance, the Independent Library Agency submitted its 2006 budget request to the Mayor, and the Mayor presented the Library budget to the City Council. The Library budget is no longer a part of the City budget, and is not reflected as part of the 2006 City budget in this book.

Budget Issues and Challenges

Property Tax Base

Saint Paul has a local property tax base that largely consists of residential properties—both owner-occupied and rental units. In total, 80% of the City's total local property tax levy (excluding fiscal disparities) falls on residential property. This is due to a variety of reasons, some longstanding and others more recent. Historically, as the home to many tax-exempt educational, medical, and state government institutions, a quarter to a third of the city's property (depending on the measures used) has been exempted entirely from helping to pay the city property tax levy. More recently, inflation in home values, while a welcome sign of a healthy local economy, has pushed up the share of taxes falling on homeowners and renters (through their rent payments).

State policy decisions taken in recent years have added to the shift in property tax burden toward city residents. Changes in the state property tax classification system in 2001 changed the weighting system that distributes the property tax burden among business, residential, and other types of property, pushing a larger proportion of the tax onto residents even as overall tax levies were reduced. The state limited market value (LMV) law, which was enacted in the 1990's in a (temporary) effort to shield homeowner tax bills from the effects of market value inflation, is now being phased out, adding a backlog of previously untaxed value to residents' tax bills. LMV is now scheduled to be completely eliminated by 2010.

Pressure on Property Tax payers

Growth in market values, state tax law changes, and tax decisions by the school district and county in recent years have put considerable pressure on Saint Paul residents' property tax bills, even though the City did not increase its own property tax levy between 1994 and 2005. In 2006 the LMV phase out, shifts in the metro fiscal disparities program, and school tax levy increases enacted by the 2005 State Legislature will all add to homeowners' and businesses' tax bills, independent of any other decisions by the City.

State Budget Instability and Unpredictability of LGA and Other Policies

Local Government Aid is a significant revenue source for the City's general fund. Almost 33 percent of general fund revenue comes from this source. While the total share of the city budget dependent on state payments has dropped since 2003, the future of state Local Government Aid (LGA) remains a key variable in the City's ability to have resources to provide basic services. Although the City's 2006 aid amount increased over 2005, the new LGA formula has created instability and unpredictability in annual aid payments. The City anticipates losing \$1.6 million of LGA in 2007 under the current formula.

State policymakers have an opportunity to help create a more stable budget environment for the City and its residents. Enacting measures at the state level to ensure more balanced and predictable state revenues overall would reduce fluctuations in local aid appropriations and help make future local budget planning and service delivery more predictable for both citizens and City officials. As a complement or alternative, state authorization of broader local authority for deciding how to raise revenue and what to use it for, would help to better insulate city services from state budget fluctuations, and allow for better local decision-making.

Cost Pressures

The costs the City bears as an employer (wages, benefits, workers' compensation, etc.) compete for service delivery dollars. The City must continue to find ways to prudently and responsibly manage these costs in order to maintain service delivery levels and maintain the integrity of the City's finances.

The single largest General Fund expense is employee wages and benefits—nearly 83% of all general fund spending is for personnel costs. Negotiated cost of living increases and health and retirement benefit increases added approximately \$4 million to the General Fund budget. A 2005 State law increasing the City's share of employee retirement contributions added over \$1 million to the 2006 budget.

Maintaining Adequate Financial Reserves

Since 1994, the City has allocated resources from its General Fund balance to finance a share of the annual operating budget as a means to avoid the need for an increase in the property tax levy. This has been a planned management strategy to hold down property taxes and bring the city property tax burden back into line with surrounding communities, and it has been successful. Saint Paul's property tax ranking among metro cities dropped from first in 1991 to as low as 55th in the most recent survey.

This practice has also resulted in a gradual reduction of the General Fund fund balance from its peak of \$49.4 million in 1998 to approximately \$33.8 million at the end of 2004. The relatively gradual drop in fund balance over time, despite annually appropriating money from it, was the product of conservative revenue forecasting and holding actual spending somewhat under the budgeted amount in most departments in most years. At the current level of reserves, prudent management does not permit the use of fund balance to finance the 2006 operating budget.

Various overhead expenditures in the general fund can indirectly be related to special fund programs which receive their own revenue. For 2006, transfers from select special revenue funds will be made to help support some of these expenditures.

General Fund Budget

General Fund Balances (Revenues & Sources and Expenditures & Uses of Funds)					
	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Adopted Budget	Adopted Budget
Beginning Balance:	43,723,326	40,989,467	37,844,895	33,840,385	26,895,532
Revenues and Sources					
Transfers In	6,127,135	9,924,973	10,101,003	13,971,909	18,045,174
Property Taxes	40,234,966	40,107,165	39,235,087	42,086,653	43,658,825
Other Taxes	1,019,448	860,608	838,565	1,158,460	2,302,429
Licenses and Permits	825,604	918,350	872,106	864,443	993,443
Intergovernmental	87,171,712	76,195,713	65,260,620	57,574,719	64,170,300
Fees, Sales and Services	10,894,816	12,381,517	12,922,433	14,236,716	15,638,879
Franchise Fees	17,839,903	17,576,898	17,983,406	17,840,511	18,179,867
Interest Earned:					
On Investments	3,858,336	2,580,966	3,537,138	2,631,365	2,923,500
On Securities Lending Transactions - (a)	1,195,386	1,026,717	1,775,821	0	0
Inc (Dec) in Fair Market Value of Investments	1,501,900	(855,330)	(819,998)	0	0
Miscellaneous	701,956	609,142	1,173,740	1,038,420	912,038
Total	<u>171,371,162</u>	<u>161,326,719</u>	<u>152,879,924</u>	<u>151,403,196</u>	<u>166,824,455</u>
Expenditures and Uses (b)					
Attorney	4,680,207	5,030,828	5,063,378	5,258,531	5,441,370
Citizen Services	3,633,061	3,522,843	1,039,178	834,862	639,130
Council	2,107,493	1,963,116	2,217,733	2,262,044	2,310,493
Fire and Safety Services	37,735,550	38,843,171	40,330,000	42,222,986	44,327,239
General Government Accounts - Miscellaneous	7,935,087	7,334,619	8,324,821	6,273,396	5,340,436
Libraries	11,051,469	11,316,692	0	0	0
Executive Administration - (c)	8,039,215	6,456,537	7,214,764	7,618,274	7,605,533
Neighborhood Housing and Property Improvement	0	0	2,791,828	2,709,743	2,816,246
Parks & Recreation	24,427,975	21,853,684	22,443,561	22,435,374	23,203,241
Planning and Economic Development	1,097,105	793,278	84,358	109,083	0
Police	55,356,250	54,885,619	57,257,577	60,589,972	66,380,718
Public Works	9,723,848	4,984,208	5,003,457	2,257,436	1,632,469
Technology and Management Services - (d)	7,673,403	7,527,730	5,113,783	5,776,348	7,127,580
Fringe Benefits - (e)	0	0	0	0	0
Interest on Securities Lending Transactions - (a)	0	0	0	0	0
Total (d)	<u>173,460,663</u>	<u>164,512,325</u>	<u>156,884,438</u>	<u>158,348,049</u>	<u>166,824,455</u>
Ending Balance					
Reserved	5,613,140	5,334,613	4,340,815	5,100,000	5,100,000
Designated	35,145,424	32,172,784	29,109,596	21,325,000	21,570,000
Undesignated	847,768	337,502	389,974	470,532	225,532
Total (f)	<u>41,606,332</u>	<u>37,844,899</u>	<u>33,840,385</u>	<u>26,895,532</u>	<u>26,895,532</u>

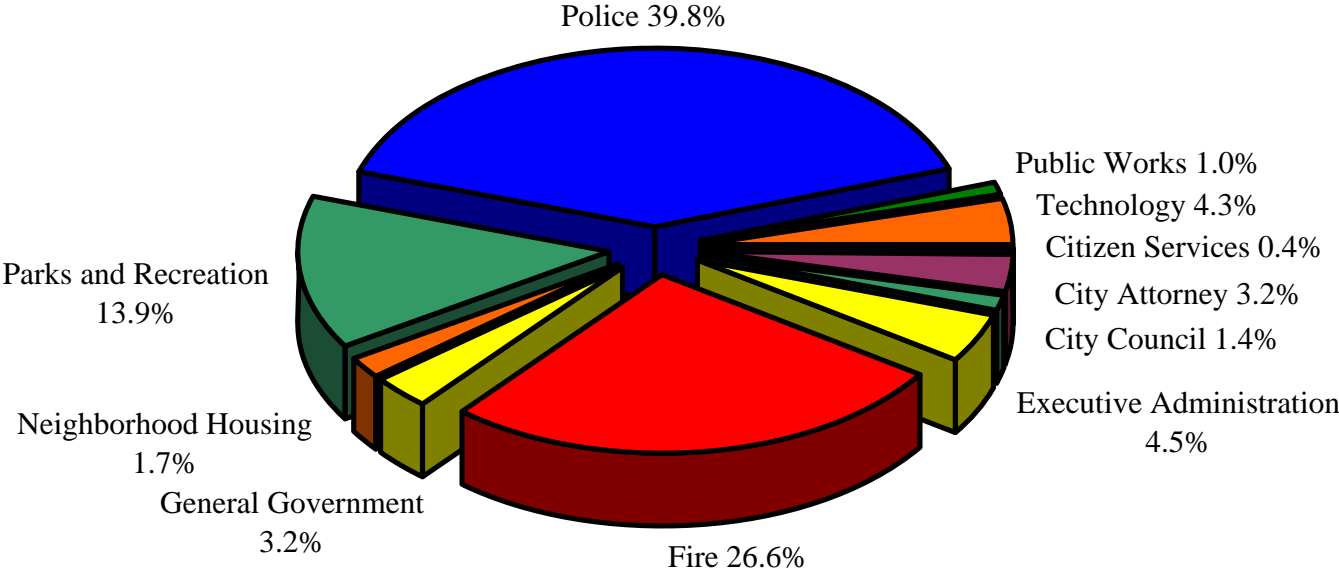
- a) The 2005 adopted financing and spending budgets for Securities Lending Transactions will be amended when the actual amounts are known and available.
- b) For 2001 - 2005, no adjustments have been made to the historic expenditures and uses data to reflect any movement of organizational units among and between departments.
- c) Executive Administration includes: Financial Services, Human Resources, Human Rights, License Inspection and Environmental Protection, and Mayor's Office.
- d) The 2005 and 2006 Budget columns on this page do not include "Advances to Other Funds" and "Petty Cash Advances."
- e) Based on the 2001 - 2004 experience, the actual ending total balance for 2005 - 2006 will be greater than the listed budget ending total balance.

General Fund Budget

General Fund Spending (By Department)			
Department/Office	2004 Actual	2005 Adopted Budget	2006 Adopted Budget
Attorney	5,063,378	5,258,531	5,441,370
Citizen Services	1,039,178	834,862	639,130
Council	2,217,733	2,262,044	2,310,493
Financial Services	1,849,559	1,880,514	1,873,159
Fire and Safety Services	40,330,000	42,222,986	44,327,239
General Government Accounts	8,324,821	6,273,396	5,340,436
Human Resources	2,877,735	3,123,503	3,043,864
Human Rights	504,108	520,361	527,205
Independent Library Agency (budget is published separately)			
License, Inspection, and Environmental Protection	714,386	732,857	740,066
Mayor	1,268,976	1,361,039	1,421,239
Neighborhood Housing and Property Improvement	2,791,828	2,709,743	2,816,246
Parks and Recreation	22,443,561	22,435,374	23,203,241
Planning and Economic Development	84,358	109,083	0
Police	57,257,577	60,589,972	66,380,718
Public Works	5,003,457	2,257,436	1,632,469
Technology	5,113,783	5,776,348	7,127,580
Total	156,884,438	158,348,049	166,824,455

General Fund Budget

2006 Adopted Spending by Department



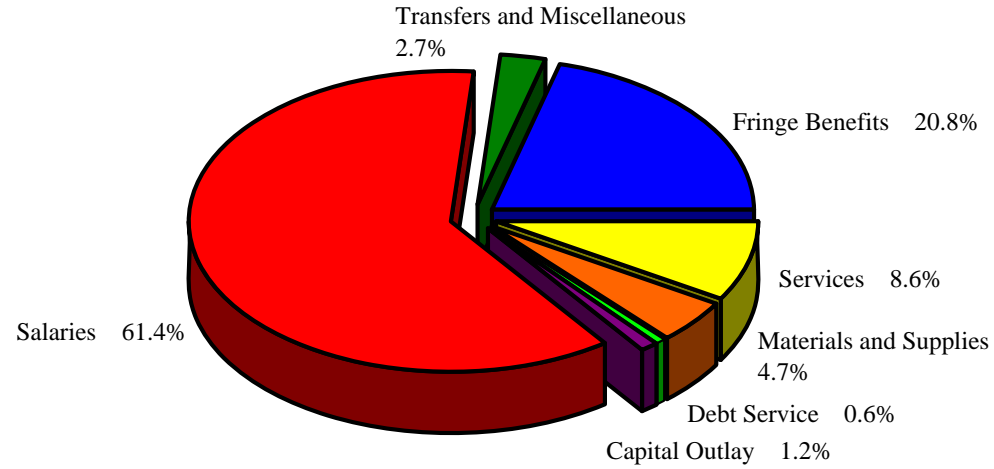
General Fund Budget

General Fund Spending (By Major Object)			
	2004 Actual	2005 Adopted Budget	2006 Adopted Budget
Object			
Salaries	93,572,984	96,009,819	102,461,091
Services	16,159,749	14,358,446	14,371,925
Materials and Supplies	8,004,853	7,327,070	7,827,582
Fringe Benefits	29,135,736	31,999,414	34,693,380
Transfers and Miscellaneous	5,945,865	5,591,032	4,491,595
Debt Service	2,754,726	1,255,618	1,055,618
Street, Sewer, Bridge Improvement	0	5,329	5,329
Capital Outlay	<u>1,310,525</u>	<u>1,801,321</u>	<u>1,917,935</u>
Total	156,884,438	158,348,049	166,824,455

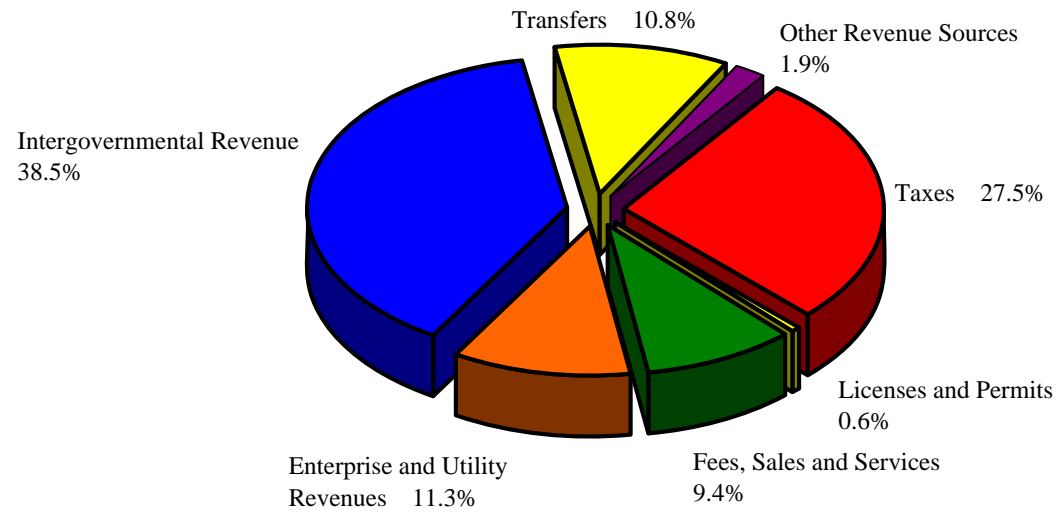
General Fund Financing (Revenue By Source)			
	2004 Actual	2005 Adopted Budget	2006 Adopted Budget
Source			
Use of Fund Balance	4,004,514	6,944,853	0
Transfers	10,101,003	13,971,909	18,045,174
Taxes	40,073,652	43,245,113	45,961,254
Licenses and Permits	872,106	864,443	993,443
Intergovernmental Revenue	65,260,620	57,574,719	64,170,300
Fees, Sales and Services	12,922,433	14,236,716	15,638,879
Enterprise and Utility Revenues	17,983,409	18,532,296	18,907,348
Other Revenue Sources	<u>5,666,701</u>	<u>2,978,000</u>	<u>3,108,057</u>
Total	156,884,438	158,348,049	166,824,455

General Fund Budget

2006 Adopted Spending By Major Object



2006 Revenue By Source





Special Funds

Special Funds

2006 Adopted Budget

Highlights:

The City has 51 special funds totaling \$216 million in adopted spending. The total excludes Regional Water Services, the St. Paul Public Library Agency, and RiverCentre special funds, which are submitted as separate budgets. Significant changes are indicated as follows:

Retiree Insurance: A city wide budget adjustment was made late in the process to reflect a revised estimate for the cost of retiree insurance for 2006. This adjustment affected many special fund budgets.

City Attorney Outside Services (Fund #025): A one-time expenditure of \$80,000 exists as a result of shifting \$80,000 from the City Attorney's general fund to their special fund. This provides the department with sufficient time to restructure and permanently reduce general fund costs associated with civil enforcement.

Property Code Enforcement (Fund #040): The budget recognizes that the City will continue to actively enforce the registration of rental properties as required by the legislative code to ensure that one and two family non-owner occupied rental properties do not become problem properties.

Special Projects: General Government Accounts Fund (Fund #050): Among its many functions, this fund's budget transfers approximately \$4.7 million of special funds' central service revenue to the General Fund.

Risk Management Retention Fun (Fund #060): This fund, new in 2006, was created based on decisions made in the 2005 budget process to account for the costs of Workers' Compensation, and to identify and charge workers' compensation costs to department budgets. The fund also includes other risk-related activities that were accounted for in other funds prior to 2005.

Community Development Block Grant (Fund #100): The adopted community development block grant fund is \$11.4 million, reflecting a potential \$500,000 reduction from the federal government. This reduction for 2006 is based on the actual reduction to the City's 2005 grant.

Cable Communications (Fund #166): The City receives a franchise fee from the cable operator, which is based on five percent of the cable company's gross revenues. Although there continues to be a small decline in overall subscriber numbers, the current revenue projection shows an increase based on historical receipts and increased costs to subscribers from the local cable operator. This fund's adopted budget includes a fund balance transfer of \$704,000 to the General Fund.

Engineering Fund (Fund #205): This fund's adopted budget includes a fund balance transfer of \$500,000 to the General Fund.

Parking Meter Collection and Fines (Fund #230): This fund is responsible for the collection and accounting of all meter and fine revenues. Transfers from this fund are made to the Police Department's special fund for Surface Parking Enforcement and to the City's General Fund. An additional \$350,000 in revenue is reflected based on a proposal to increase parking enforcement hours to 6:00 p.m.

Street Repair and Cleaning (Fund #225): The 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 2006 adopted budget includes a slight increase in the right-of-way assessment rates over those which were ratified for 2005. Savings, due to lower than expected spending in 2005, were used in part to fund deferred maintenance projects. It also includes a fund balance transfer of \$100,000 to the General Fund related to prior year transfers from the general fund which remained unspent.

Solid Waste & Recycling (Fund #232): This fund's adopted budget includes a fund balance transfer of \$200,000 to the General Fund.

Public Works Administration (Fund #255): This fund's adopted budget includes a fund balance transfer of \$500,000 to the General Fund.

Sewer Service Enterprise (Fund #260): Almost three-fourths of the spending for this fund is determined by the Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The program of long-term financing for residential upgrade of sanitary sewer connections continues for 2006. This fund includes the continuation of the repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s. Additionally, the adopted budget includes increases in Storm Sewer System Charges (1.5%) and Sanitary Sewer Rates (1.5%) to offset increasing costs.

License and Permit Special Fund (Fund #320): The adopted budget continues the same level of services as the 2005 budget. The number of FTEs remains the same as in 2004 and 2005. Additionally, \$1 million in fund balance is transferred to the General Fund to support planning and development-related costs incurred in Public Works traffic engineering and Fire Inspections.

Parks and Recreation Special Services Enterprise (Fund #325): Adopted spending decreases by \$446,550, primarily due to the \$400,568 shifting of the S'more Fun activity to Fund 391. The fund includes anticipated debt service payments for the pending sale of Highland 18 golf course revenue bonds. The fund is primarily supported with golf course revenues.

Rice and Arlington Sports Dome (Fund #326): Spending and Financing for this fund have been deleted for 2006 because the dome bonds were refunded in the 2005 bond sale for the Highland 18 golf course.

Parks and Recreation Street Tree Maintenance (Fund #375): This fund increased by \$127,078. The increase is partially due to the addition of money for tree stump removal, which would be paid for by directly assessing homeowners for ½ the cost, and the other half would come from citywide right-of-way assessment transfers from Public Works Fund #225. In addition, the City Council added \$113,734 for deferred maintenance, using fund balance as the financing source.

Parks and Recreation Como Campus (Fund #380): Spending increased by \$639,071. This is primarily due to annualizing costs for the Visitor's Center and Tropical Encounters exhibit opening. FTEs increase for facility operation and the provision of educational programs to schools.

Parks and Recreation Special Recreation Fund (Fund #391): Spending increased by \$719,885. This is primarily due to the shift of the S'More Fun activity from Fund 325.

Police Services (Fund #400): This fund was created to track the receipt and use of the Police Public Employee Retirement Association (PERA) pension assets returned to the City under 1999 State legislation. The 2006 budget reflects year seven of a ten-year spending plan. Costs associated with direct police services, including the compensation for police officers and some overtime, are planned for in the 2006 budget.

Police Impounding Lot (Fund #435): This fund tracks the fiscal experience related to the towing and reclaiming of all towed or abandoned vehicles left on city streets. Some vehicles are sold at auction and some are reclaimed by their owners once the owner pays the appropriate fine. For 2006, fees at the Police Impound Lot will be raised by \$25 per instance, raising \$325,000.

Police Special Projects (Fund #436): This fund's adopted budget reflects an increase in spending due to expectations on turnover of grants. Several grants expire in 2006 that were received in 2005, including the Value Based Initiative grant, the NIBRS Project grant, and the Juvenile Accountability grant. Spending also fluctuates due to the unpredictability of some grants, including the Homeland Security Program grants and the Urban Based Initiatives grant. New grants for 2006 include: COPS MORE, Law Enforcement Terrorism grants, the Buffer Zone grant, ARE grant, funding for Secure Our Schools, and the Human Trafficking grant. Spending in this fund also increases to reflect the shift of some costs from the general fund, and the use of special funds' fund balances in 2006.

Equipment Services Fire-Police (Fund #505): This fund's adopted budget includes a fund balance transfer of \$200,000 to the General Fund.

Firefighting Equipment Trust (Fund #735): The 2006 budget essentially maintains the funding level of 2005. In the past, the department's equipment replacement plan typically shows the replacement of one major piece of equipment every other year. With some added funding from the general fund beginning in 2005 and carried forward into 2006, the number of replacements should go up and the age of the fleet will begin to decrease.

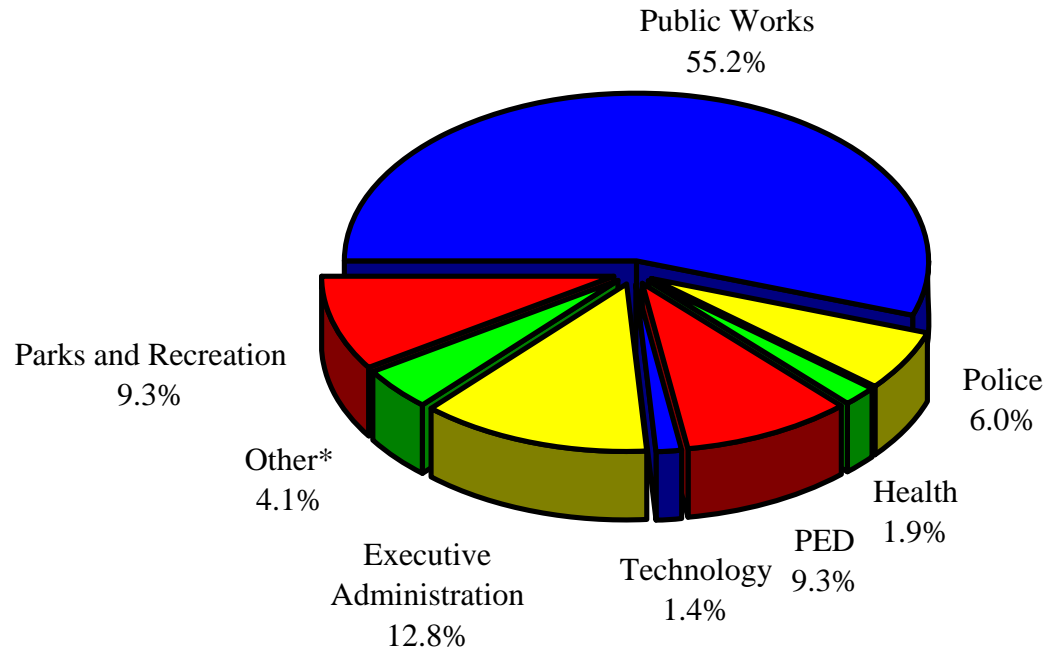
Special Fund Budgets

Special Fund Spending (By Department)			
Department	2004 Actual	2005 Adopted Budget	2006 Adopted Budget
Attorney	841,095	971,928	1,042,110
Citizen Services	0	0	0
City Council	65,161	62,005	94,499
Financial Services Office	12,203,567	13,216,676	13,159,096
Fire and Safety Services	2,770,592	3,864,764	7,053,674
StP-RC Health	3,831,616	3,997,722	4,095,050
Human Resources	0	50,000	1,862,742
Human Rights	89,512	79,119	67,944
License, Inspection, and Environmental Protection	9,636,967	10,399,339	11,846,479
Mayor's Office	351,021	623,730	643,589
Neighborhood Housing & Property Improvement	529,848	821,010	772,008
Parks and Recreation	16,529,343	19,172,278	20,195,335
Planning and Economic Development	19,773,300	20,829,468	20,121,419
Police	9,516,381	11,888,177	12,942,113
Public Works	95,860,012	118,264,162	119,258,933
Office of Technology	<u>6,967,945</u>	<u>4,329,307</u>	<u>3,084,449</u>
Total	178,966,360	208,569,685	216,239,440

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.

Special Fund Budgets

2006 Adopted Budget



* Other includes City Attorney, City Council, Neighborhood Housing and Property Improvement, and Fire.

Special Fund Budgets

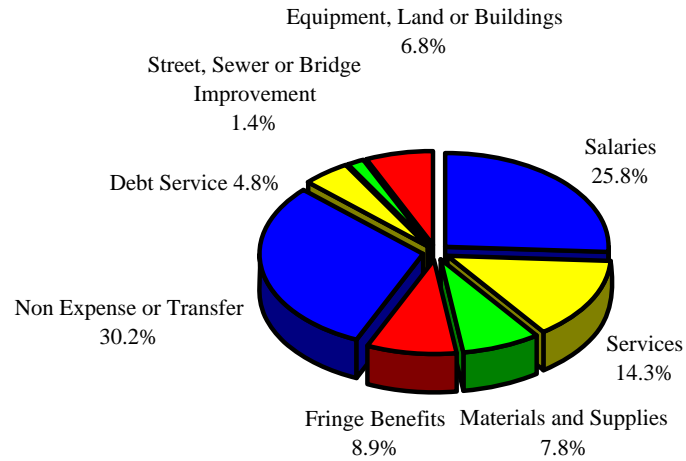
Special Fund Spending (By Major Object)			
Object	2004 Actual	2005 Adopted Budget	2006 Adopted Budget
Salaries	47,776,137	54,470,131	55,871,327
Services	30,240,240	31,609,177	30,937,548
Materials and Supplies	13,559,749	15,869,367	16,796,270
Fringe Benefits	16,136,791	18,052,578	19,135,440
Transfers and Miscellaneous	54,750,968	62,592,409	65,372,726
Debt Service	9,472,567	9,959,168	10,406,060
Street, Sewer or Bridge Improvement	2,717,208	3,175,089	3,078,600
Capital Outlay	<u>4,312,700</u>	<u>12,841,766</u>	<u>14,641,469</u>
Total	178,966,360	208,569,685	216,239,440

Special Fund Financing (Revenue By Source)			
Source	2004 Actual	2005 Adopted Budget	2006 Proposed Budget
Use of Fund Balance	0	12,179,067	15,062,499
Transfers	11,979,796	11,363,629	11,552,669
Hotel and Motel Taxes	1,992,638	1,773,700	2,334,380
License and Permits	11,102,618	10,045,459	10,311,718
Intergovernmental Revenue	19,561,682	25,872,467	27,305,396
Fees, Sales and Services	94,495,182	100,008,435	100,876,289
Enterprise and Franchise Revenue	7,870,394	11,978,665	12,096,603
Assessments and Other Revenue Sources	<u>33,653,655</u>	<u>35,348,263</u>	<u>36,699,886</u>
Total	180,655,965	208,569,685	216,239,440

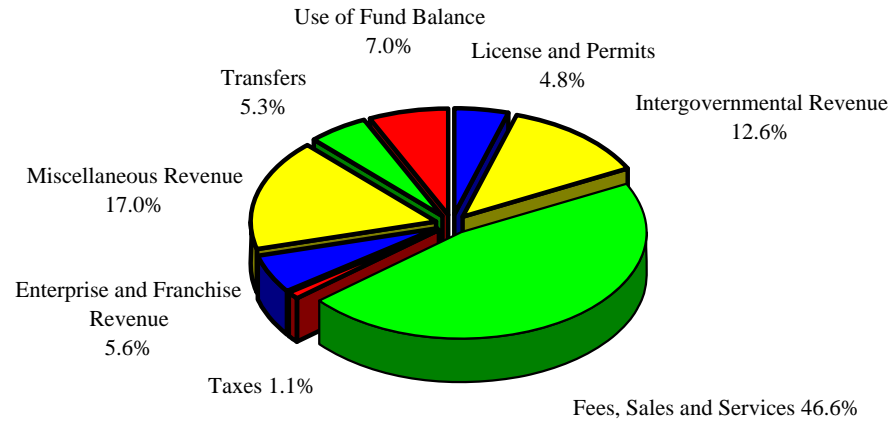
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Special Fund Budgets

2006 Spending By Major Object



2006 Revenue By Source





Debt Service

General Obligation Debt Service Funds Budget

Debt Service Spending (By Major Object)			
	2004	2005	2006
Object	Actual	Adopted Budget	Adopted Budget
Salaries	150,896	131,302	137,302
Services	34,213	81,982	81,982
Fringe Benefits	49,897	40,372	42,089
Other	1,816,472	433,780	786,793
Debt Service	33,505,353	54,019,200	56,294,769
Equipment, Land, and Buildings	<u>0</u>	<u>0</u>	<u>0</u>
Total	35,556,831	54,706,636	57,342,935

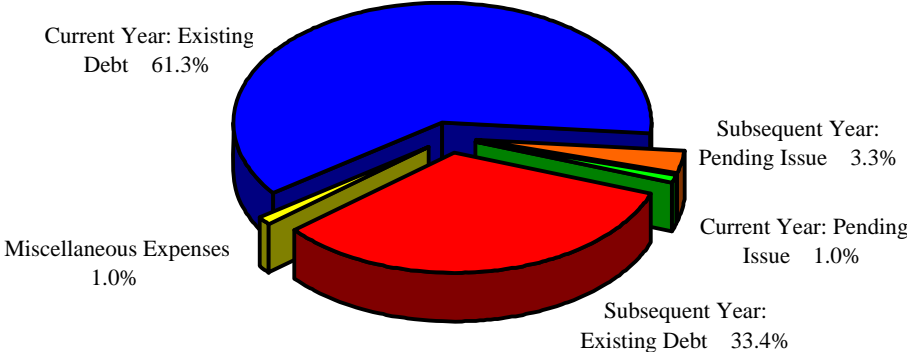
Debt Service Financing (Revenue By Source)			
	2004	2005	2006
Source	Actual	Adopted Budget	Adopted Budget
Use of (Contribution to) Fund Balance	1,785,945	23,026,279	27,343,326
Transfers	11,557,118	13,238,587	11,233,636
Taxes	9,592,085	6,271,783	6,246,510
Licenses and Permits	0	0	0
Intergovernmental Revenue	675,357	426,038	376,311
Fees, Sales and Services	0	0	0
Enterprise and Utility Revenue	1,030,475	880,000	880,000
Other Revenue Sources	<u>10,915,851</u>	<u>10,863,849</u>	<u>11,263,152</u>
Total	35,556,831	54,706,536	57,342,935

The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the first half of the following year. Therefore, the amount appropriated for general debt service exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. The city receives state aids and property taxes mid-year and at the end of the year. If the city did not budget for subsequent year debt service payments, it would lack the cash to make the debt service payments due before the city receives its major cash infusions each year.

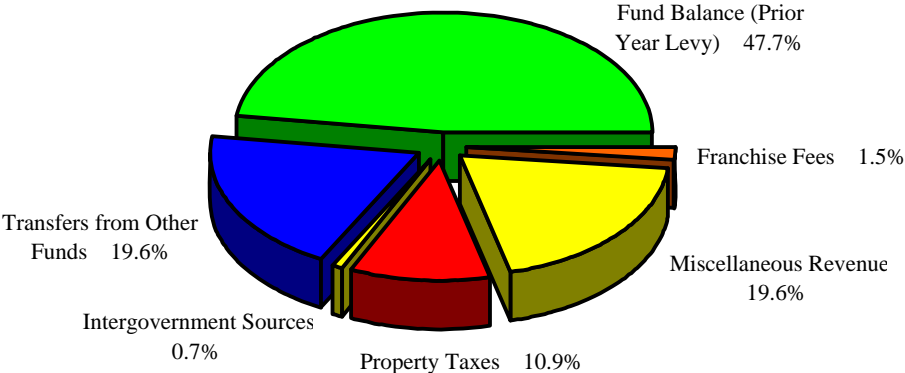
The total 2006 debt service budget is \$57,342,935. \$36,357,421 is for debt service obligations in 2006 (the budget year), and \$20,985,514 is debt service obligations in the first half of 2007 (the subsequent year).

General Obligation Debt Service Funds Budget

2006 Spending by Major Category



2006 Financing by Major Source



General Obligation Debt

Allocation of Revenue to Type of Debt as of December 31, 2004								
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Other Sources	Self Supporting Total	Total
Capital Improvements	102,000,000					3,815,000	** 3,815,000	105,815,000
Library Bonds	12,280,000						-	12,280,000
Street Improvements			23,175,000				23,175,000	23,175,000
Tax Increment:							-	-
Riverfront Development				8,550,000			8,550,000	8,550,000
Midway Marketplace				5,240,000			5,240,000	5,240,000
Block 39 Project				15,885,000	21,255,000		37,140,000	37,140,000
Koch Mobil				3,950,000			3,950,000	3,950,000
Water Pollution Abatement		380,000					380,000	380,000
Sewer Bonds		3,675,000					3,675,000	3,675,000
Sewer Loan (PFA *)		16,708,614					16,708,614	16,708,614
Water Loan (PFA*)		2,946,242					2,946,242	2,946,242
TOTAL	114,280,000	23,709,856	23,175,000	33,625,000	21,255,000	3,815,000	105,579,856	219,859,856
Percent of Total	52.0%	10.8%	10.5%	15.3%	9.7%	1.7%	48.0%	100.0%

* PFA is the Public Facilities Authority.

** Other Sources are Gross Earnings Franchise Fees.

General Obligation Debt Service

To prepare financing plans and pay the annual principal and interest on the City's general obligation debt.

About General Obligation Debt Service

What We Do (Description of Services)

- Sell City debt instruments at the lowest borrowing cost.
- Ensure that principal and interest is paid accurately and on time.
- Identify and implement various debt financing alternatives for the City of Saint Paul.

Statistical Profile

- City Bond Ratings: AAA (Standard & Poor's) and Aa2, with a positive outlook (Moody's).
- Maximize returns on the City's portfolio, subject to the City's investment policy.

2004-2005 Accomplishments

- Developed balanced operating, capital and debt budgets for 2005 and 2006.
- Maintained the City's AAA (Standard & Poor's) and Aa2 (Moody's) bond ratings, with Moody's upgrading the outlook to positive.
- Developed a capital lease financing program for ongoing replacement of parks and public safety equipment.
- Issued the City's Capital Improvement bonds at an all-time low interest rate of 2.52% in 2004, and 3.54% in 2005.
- Adjusted the structure of the 2005 Capital Improvement bonds to pay principal semi-annually to better match property tax cash flows.
- Executed the City's first ever variable-to-fixed interest rate swap to provide interest saving for the City's 1999 Sales Tax Revenue Bonds.

Debt Service Key Performance Measures

Performance Objective: Preserve the City's AAA and Aa2 bond ratings by promoting prudent financial, spending and reserve policies.				
Performance Indicator: Bond rating outcomes				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Actual	Projected
Moody's	Aa2	Aa2	Aa2	Aa2
Standard and Poor	AAA	AAA	AAA	AAA

Performance Objective: Observe prudent budget and financial management policies to maintain fund balance within an acceptable range.				
Performance Indicator: Fund balance as a percent of the next year's General Fund expenditures (2003-2005) and combined next year's General Fund and selected Library Agency expenditures (2006) -- Budget is planned fund balance in the adopted budget and Actual is actual fund balance at year-end.				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Budget	19.0%	23.1%	20.2%	15.0%
Actual	23.36%	24.50%	21.37%	--

Performance Objective: Ensure the integrity of citywide financial practices				
Performance Indicator: Receive an unqualified opinion from the State Auditor, which means that there are no significant audit findings.				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Unqualified state auditor opinion	Yes	Yes	Yes	Yes

Performance Objective: Maximize returns on the city's portfolio, subject to the city's investment policy.				
Performance Indicator: Average yield on city cash portfolio.				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Benchmark	3.99	3.25	4.00	4.50
Actual	4.31	4.04	-	-

Debt Service

Department/Office Director: **MATTHEW G SMITH**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
960 GENERAL DEBT SERVICE FUND	27,912,707	26,166,836	40,244,438	39,732,344	39,685,792	-46,552	-558,646
961 CITY REV BONDS, LONG TERM DEBT	8,312,125	9,795,360	7,172,768	7,671,813	8,171,813	500,000	999,045
963 G.O. SPEC ASSM DEBT SERV FUND	2,802,566	3,264,953	6,111,334	8,074,195	8,074,195		1,962,861
967 CITY REVENUE NOTES DEBT SERVICE	705,837	888,200	1,177,996	1,411,135	1,411,135		233,139
Total Spending by Unit	39,733,235	40,115,349	54,706,536	56,889,487	57,342,935	453,448	2,636,399
<u>Spending By Major Object</u>							
SALARIES	139,957	150,896	131,202	137,302	137,302		6,100
SERVICES	14,947	34,213	81,982	81,982	81,982		
MATERIALS AND SUPPLIES	6,085	6,270	6,793	6,793	6,793		
EMPLOYER FRINGE BENEFITS	44,931	49,897	40,372	43,641	42,089	-1,552	1,717
MISC TRANSFER CONTINGENCY ETC	1,408,057	1,799,713	426,987	280,000	780,000	500,000	353,013
DEBT	33,526,886	33,519,015	54,019,200	56,339,769	56,294,769	-45,000	2,275,569
STREET SEWER BRIDGE ETC IMPROVEMENT	1,442,372	1,257,533					
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	36,583,235	36,817,537	54,706,536	56,889,487	57,342,935	453,448	2,636,399
Percent Change from Previous Year		0.6%	48.6%	4.0%	0.8%	0.8%	4.8%
<u>Financing By Major Object</u>							
GENERAL FUND							
SPECIAL FUND							
TAXES	18,411,855	10,622,561	7,151,783	7,126,510	7,126,510		-25,273
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,334,090	675,358	426,038	376,311	376,311		-49,727
FEES, SALES AND SERVICES	15,000						
ENTERPRISE AND UTILITY REVENUES	114,660	114,660					
MISCELLANEOUS REVENUE	13,816,682	14,103,070	10,863,849	11,263,152	11,263,152		399,303
TRANSFERS	11,445,160	12,786,436	13,238,587	11,233,636	11,233,636		-2,004,951
FUND BALANCES			23,026,279	26,889,878	27,343,326		4,317,047
Total Financing by Object	45,137,447	38,302,085	54,706,536	56,889,487	57,342,935	453,448	2,636,399
Percent Change from Previous Year		-15.1%	42.8%	4.0%	0.8%	0.8%	4.8%

2006 Budget Plan

2006 Priorities

- Maintain or improve the City's Aa2 (Moody's) and AAA (Standard & Poor's) ratings assigned to the City's general obligation debt.
- Strengthen the organizational understanding of the best uses of the general obligation bonding authority.
- Provide alternate debt financing plans through recommendations for both current and future bond issues. Alternatives to the use of tax levy as financing for general obligation debt of the City will continue to be explored and recommended where prudent. Review proposals in search of the solutions that serve the City in the long-term, ever mindful of the short-term needs.
- File continuing disclosure requirements electronically through use of Central Post Office.
- Work to establish a policy addressing levels of fund balance and use of fund balance as a budget financing source.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utility object codes.

Mayor Recommendations

- The 2006 proposed spending in the General Debt Service Fund (fund 960) is \$39,732,344, a decrease of \$512,094 compared to 2005. The 2006 budget proposes issuing \$11,000,000 of capital improvement bonds (CIB) in 2006, and assumes an estimated interest cost of 5% for the bonds in 2006. The \$8,000,000 reduction of CIB bonding is a result of moving the RSVP portion of the bond sale to the General Obligation Special Assessment Debt Service Fund (fund 963). The financing plan has not changed significantly. The only material change is the use of a larger amount of fund balance to fund debt service. The 2003 and 2004 amounts reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2005 and 2006.

2006 Budget Explanation (Continued)

- Spending for the City Revenue Bonds Long-term Debt fund (fund 961), increased by \$499,045 for 2006. This fund is financed with facility lease payments, Minnesota Wild hockey team revenues (payments in lieu of taxes) and ½¢ sales tax. These bonds are secured by sales tax revenues. The \$499,045 increase is due to a \$250,000 increase in the state loan repayment and a \$249,045 increase in debt service due on the arena bonds. This is financed by \$373,983 in payments in lieu of taxes, and \$126,017 in use of fund balance.
- Spending for General Obligation Special Assessment Debt Service (fund 963) increased by \$1,962,861 in 2006 compared to 2005. This increase is due to the proposed issuance of bonds in the amount of \$12,500,000 in 2006 to provide funding for the City's RSVP program and for its subsequent year budget, and a \$994,207 increase in the fund's subsequent year budget requirement. The 2003 and 2004 amounts reflect only the amount actually spent and do not reflect the subsequent year debt that is included in the 2005 and 2006 budgets.
- For funds 960 and 963, the budget includes appropriations for both the amount needed to meet the debt service obligations in the budget year (2006), and an amount needed to meet the obligations of the first half of the following year (the subsequent year, 2007). Therefore, the amount appropriated in the budget exceeds the amount actually spent in the budget year. This additional budgeted amount is not spent in the budget year and remains in fund balance at year end to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. If this practice was not employed, the city would lack the cash to make the debt service payments due before receiving its major cash infusions each year.
- City Revenue Note Debt (fund 967) provides funds for a Science Museum note, which is paid by cultural sales tax (STAR) monies; the people connection, which is funded by contributions from the Convention & Visitors Bureau, the RiverCentre Authority and hotel tax receipts; and two police vehicle leases, funded by the general fund.

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

Council Actions

The City Council adopted the Debt Service budget and recommendations as proposed by the Mayor, and approved the following changes:

- revised the interest rate expected for the 2006 bond sale and adjusted the planned debt service for interest and principal accordingly,
- substituted a \$500,000 surety bond as security for the RiverCentre Arena Bonds, releasing \$500,000 of reserve from the RiverCentre Debt Service Escrow to the RiverCentre, and
- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs.

The 2006 adopted budget is \$39,685,792 for the general debt service fund, and \$17,657,143 in the other debt funds.

Property Taxes and Revenues

Factors Affecting Your City Property Tax Bill

The four most important factors affecting how much a property owner pays in city property taxes are:

- amount of city spending;
- availability of revenues other than property taxes;
- size of the tax base; and
- composition of the tax base

The first two factors, spending and other revenues, affect the total tax dollars that must be levied. The remaining two factors determine the tax levy's distribution among all property tax payers.

City Spending:

The first factor affecting city property tax levels is city spending. It is the only factor that the mayor and city council directly control. Saint Paul must maintain a balanced budget, so all proposed spending must be covered with a financing source. If city spending were the only factor affecting taxes, tax rates would mirror spending exactly.

Other Revenues:

City reliance on property taxes depends on other revenues available to the city. The other dominant revenues are state aids, such as Local Government Aid (LGA), utility fees collected for the use of the city streets and by-ways, transfers from other city funds, collections of motor vehicle-related fines, and interest earnings from cash balances. After three years of significant decreases, the state increased the City's LGA, from \$53.2 million to \$59.5 million. LGA is the City's largest general fund revenue source and an important factor in Saint Paul's ability to control property taxes.

Size of the Property Tax Base:

The tax base size can be measured as the sum of the market value of all taxable properties. Yearly changes in market values are attributable to many factors, the most important of which are demand for residential property and mortgage interest rates, and business property lease and occupancy rates. The larger the base, the broader the distribution of the tax burden and the lower the tax rate required.

Composition of the Tax Base:

The composition of the base affects the relative share of the tax levy. The taxable property value, or tax capacity, is not the same on different classes of property. Minnesota's class rate system allocates differing shares of tax burden based on the use of the property. Apartments, residential homes, and commercial/industrial properties have different taxable value (tax capacity). One dollar of commercial/industrial property has a greater tax capacity than one dollar of residential property, due to the class rate structure.

Taxable Market Value

Payable in 2003	\$ 12,644,215,800
Payable in 2004	\$ 14,214,708,900
Payable in 2005	\$ 16,403,703,100
Payable in 2006	\$ 18,567,000,100

Net Tax Capacity

Payable in 2003	\$ 160,526,186
Payable in 2004	\$ 176,760,767
Payable in 2005	\$ 201,059,389
Payable in 2006	\$ 225,841,494

Since 2001, when the legislature made significant adjustments to the class rates for payable 2002 taxes and subsequent years, class rates have stabilized. The creation of a new class for low-income rental property is the only significant change for 2006. The payable 2006 class rates are compared to the payable 2005 rates below.

Property Class Rates **

	Pay 2005	Pay 2006
Homestead Residential \$0-\$76,000 EMV	1.00%	1.00%
Homestead Residential \$76,000-\$500,000 EMV	1.00%	1.00%
Homestead Residential over \$500,000 EMV	1.25%	1.25%
Non-Homestead Resid. low-income	N/A	0.75%
Non-Homestead Resid. single unit up to \$500,000	1.00%	1.00%
Non-Homestead Resid. single unit over \$500,000	1.25%	1.25%
Non-Homestead Residential 2 or 3 units	1.25%	1.25%
Non-Homestead Residential 4 or more units	1.25%	1.25%
Commercial/Industrial < \$150,000	1.50%	1.50%
Commercial/Industrial > \$150,000	2.00%	2.00%

EMV: estimated market value

** Class rate percentages are applied to the Estimated Market Values of property to reach Taxable Values. The tax rate (formerly mill rate) is applied against the taxable values to determine the gross payable tax.

If the total value in one property class grows faster than the other classes, those property owners' tax share increases.

2006 Adopted Budget and Levy

The 2006 adopted City levy is \$65.85 million, a \$1.92 million increase over 2005's \$63.93 million levy. This results in a 3% increase in the total city property tax levied in Saint Paul.

Of the proposed \$65.85 million levy, \$47.26 million is for city operations, \$6.65 million is for debt service, and \$1.31 million is levied on the Port Authority's behalf. The remaining \$10.63 million levy is for the St. Paul Public Library Agency's operations and debt service. This levy reflects a shift of levy from City operations and debt service to the independent Library Agency.

Tax Dollars and the Services They Buy

Taxpayers often wonder what happens to the property taxes they pay. Here is an example for a typical home in Saint Paul in 2006:

The property tax bill is a combined statement covering the City of Saint Paul, School District 625, Ramsey County, and other "special taxing districts" such as the Metropolitan Council and local watershed districts. In 2006, a home with a taxable value of \$152,000 will have an estimated total property tax bill of \$1,577.

Of the total property tax bill, the single largest share goes to the county and then to the school district. The City receives about 25.6% of the total tax payment – \$403 in this example.

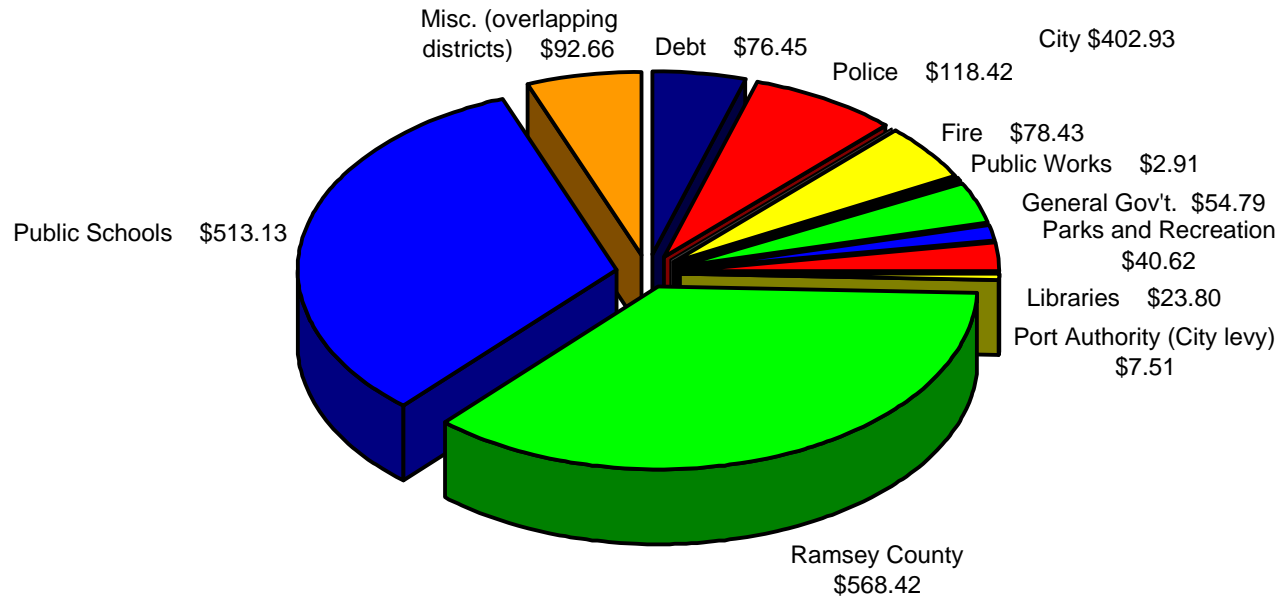
The property tax payment to the City of Saint Paul helps pay a share of the operating costs of city government. For the typical home in this example, the property tax payment would break down to the following amounts:

- \$126 per year for police services
- \$84 per year for fire and emergency medical services
- \$44 per year to operate and maintain the park and recreation system
- \$26 per year to operate and buy materials for the Saint Paul Public Libraries
- \$54 per year for capital debt service--the cost of building new libraries, recreation centers and playgrounds, and street construction
- \$69 per year for all other general government functions

Property taxes cover only a small part of the total cost of services. In total property taxes supply only about 13% of the City's total revenue and cover approximately 31% of the general fund budget. In comparison, the City's total adopted 2006 property tax levy for all purposes-- about \$66 million-- is less than the total adopted operating budget of the Police Department alone.

Estimated 2006 Saint Paul Property Taxes

2006 TNT Tax Rates Applied to a Typical Home Valued at \$152,000



City	25.6%
County	36.0%
Schools	32.5%
Other	5.9%
	<hr/>
	100%

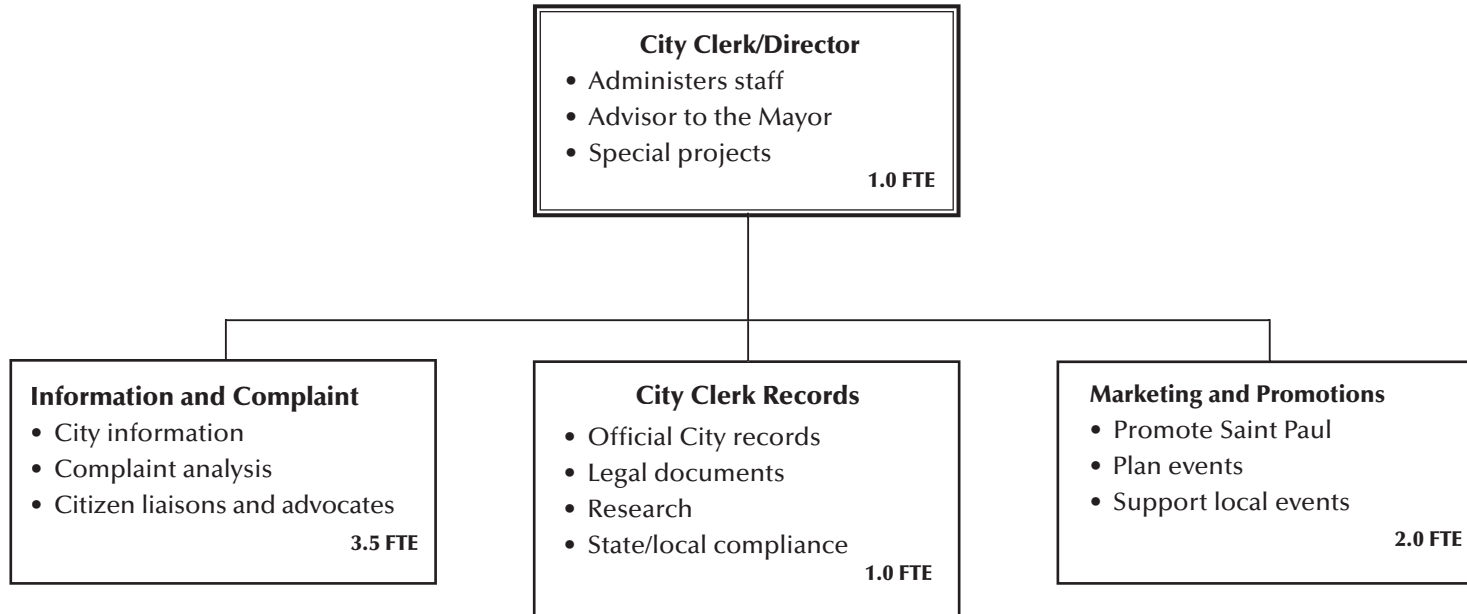


Department Summaries



Citizen Service Office

Together, the employees of the Citizen Service Office maintain Saint Paul's official recorded history, promote its vitality and diversity, and help resolve citizen issues related to city services by serving as advocates and liaisons.



(Total 7.5 FTEs)

About the Citizen Service Office

What We Do (Description of Services)

The Citizen Service Office maintains Saint Paul's official recorded history, helps resolve citizen issues, and promotes the city's vitality and diversity. The employees of CSO:

- Serve as advocates for citizens by responding to requests and complaints as they pertain to city services and ordinance violations.
- Maintain and preserve all the records of the Saint Paul City Council from 1854 to the present.
- Administer legal documents and follow city and state laws to ensure compliance by the city.
- Work in partnership with organizations to market the City as a great place to live, work and play.
- Perform simple and complex forms of research.
- Act as the Responsible Authority regarding the Data Practices Act.
- Attract events and festivals to Saint Paul.
- Act as the primary liaison for film crews and movie producers for permits, licenses, locations, promotions, and general questions and concerns.
- Streamline the event process and act as the liaison between city departments for major Saint Paul events like Music and Movies, Sommerfest, Hmong Soccer Fest, Flint Hills, and many more.

Statistical Profile

- Over 39,000 calls were handled by CSO in 2004.
- Almost 3000 letters were sent to violators of city ordinances regarding grass, snow, graffiti and alley debris.
- 1237 City Council files were processed and preserved.

2004-2005 Accomplishments

The Citizen Service Office employees are proud of the following accomplishments:

- The Saint Paul City Clerk was the host and local planning chair of the 2005 International Institute of Municipal Clerks 59th Annual Conference which brought an estimated \$1.3 million in revenue to the city and surrounding area.
- CSO maintained productivity while experiencing reductions in staffing levels.
- Successfully moved the office to a smaller space while continuing to serve the public and other city departments.
- Co-project manager of Ask Saint Paul, coordinating the questions/answers from all city departments.
- Negotiated a new election services contract with Ramsey County.
- Worked with NHPI to implement new policies for quicker removal of alley trash and junk.
- Successfully helped organizations with the planning and implementation of their public events.
- The Marketing Department co-produced Melaleuca Memorial Day which drew over 100,000 to the City of Saint Paul and made us a destination for this National Holiday.
- The Marketing Department developed a Saint Paul Summer Passport Promotion with the Convention and Visitors Bureau which will help promote Saint Paul as a summer destination.
- The Marketing Department successfully worked with the Production Company for the Prairie Home Companion Movie which is very high profile for Saint Paul and resulted in the attraction of dozens of additional films and movies and extensive media coverage.
- Worked with Selby Avenue Business Association for sponsorship and implementation of street pole banners in their branding effort and is beginning branding process with University Avenue and Midway United.

Citizen Service Office Key Performance Measures

Performance Objective: Respond to emails and phone messages on the same day as they are received.				
Performance Indicator: Citizens receive a response to inquiries in a timely manner.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Measures under development				

Performance Objective: Provide public information to callers, walk-ins and email regarding city services and events.				
Performance Indicator: Recorded in Amanda under CSO Information Request.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Recorded public information requests	13,869	18,973	13,000	13,000

Performance Objective: Respond to requests and complaints that pertain to city services and ordinance violations.				
Performance Indicator: Recorded in Amanda.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Recorded complaint requests.	18,066	20,185	20,000	20,000

Citizen Services

Department/Office Director: **SHARI A MOORE**

		2003	2004	2005	2006	2006	Change from	
		2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2005
		Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted
<u>Spending By Unit</u>								
001	GENERAL FUND	1,000,021	1,039,182	834,862	624,921	639,130	14,209	-195,732
	Total Spending by Unit	1,000,021	1,039,182	834,862	624,921	639,130	14,209	-195,732
<u>Spending By Major Object</u>								
	SALARIES	438,381	378,671	406,133	336,165	354,308	18,143	-51,825
	SERVICES	367,993	455,648	258,099	154,098	154,098		-104,001
	MATERIALS AND SUPPLIES	22,191	36,665	34,905	11,405	11,405		-23,500
	EMPLOYER FRINGE BENEFITS	134,648	126,350	130,817	118,345	114,411	-3,934	-16,406
	MISC TRANSFER CONTINGENCY ETC	36,808	35,477	700	700	700		
	DEBT							
	STREET SEWER BRIDGE ETC IMPROVEMENT			2,984	2,984	2,984		
	EQUIPMENT LAND AND BUILDINGS		6,371	1,224	1,224	1,224		
	Total Spending by Object	1,000,021	1,039,182	834,862	624,921	639,130	14,209	-195,732
	Percent Change from Previous Year		3.9%	-19.7%	-25.1%	2.3%	2.3%	-23.4%
<u>Financing By Major Object</u>								
	GENERAL FUND	1,000,021	1,039,182	834,862	624,921	639,130	14,209	-195,732
	SPECIAL FUND							
	TAXES							
	LICENSES AND PERMITS							
	INTERGOVERNMENTAL REVENUE							
	FEES, SALES AND SERVICES							
	ENTERPRISE AND UTILITY REVENUES							
	MISCELLANEOUS REVENUE							
	TRANSFERS							
	FUND BALANCES							
	Total Financing by Object	1,000,021	1,039,182	834,862	624,921	639,130	14,209	-195,732
	Percent Change from Previous Year		3.9%	-19.7%	-25.1%	2.3%	2.3%	-23.4%

2006 Budget Plan

2006 Priorities

- Continue to work with other city departments to make Saint Paul the best city in the nation for getting garbage off the ground the quickly.
- Continue to find ways to become more efficient and responsive to citizens.
- Develop innovative ways to preserve and research the city's official recorded history.
- Improve acquisition and implementation of films, festivals and public events.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities.

Mayor's Recommendations

The Citizen Service Office proposed budget for 2006 is \$624,921, a decrease of \$209,941 or 25.2% from the 2005 adopted budget. The proposed budget includes the elimination of a vacant full-time position in City Clerk Records and a general reduction of \$18,143 based on projected vacant positions. The balance of the decrease occurs as the result of eliminating all non-personnel spending, totaling \$131,415, in the Marketing and Promotions activity. These funds are proposed to be replaced by Cultural STAR grants.

Council Actions

The City Council adopted the Citizen Services Office budget and recommendations as proposed by the Mayor, and approved the following changes:

- Restore the general reduction of \$18,143 based on additional projected vacancies. The restored funding will enable CSO to fill a currently vacant .5 FTE Clerk-Typist III position.
- Decrease in fringe benefit costs resulting from retiree insurance savings.



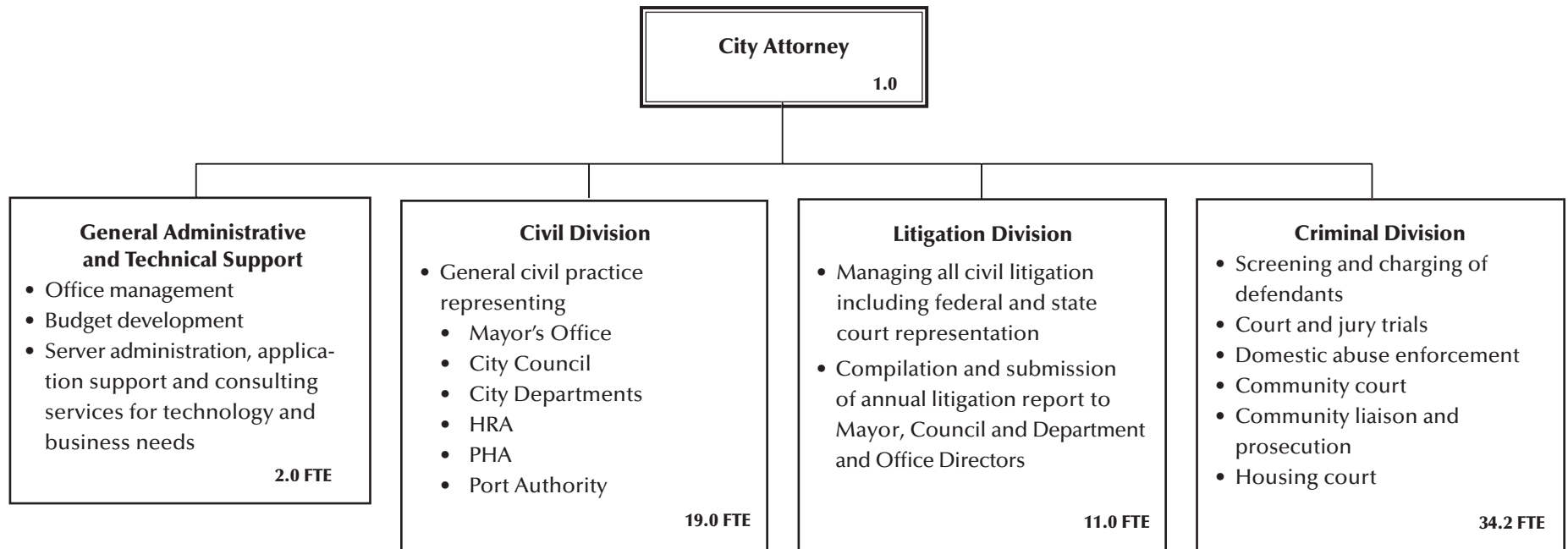
City Attorney's Office

The mission of the Saint Paul City Attorney's Office is to fulfill its duty to represent the city in its legal affairs with integrity, professionalism and collegiality.

Integrity means that we are loyal to the interests of the city and the laws under which it functions.

Professionalism means that we are thorough and creative in representing the interests of the city, respectful of the public process in which we function and courteous to all those with whom we interact.

Collegiality means working together, and with the elected and appointed officials of the city, to continuously seek improvements to the quality of legal services and the efficiency with which they are provided.



(Total 67.2 FTEs)

About the City Attorney's Office

What We Do (Description of Services)

CAO provides the highest level of legal services possible to the City and its clients, including the Mayor's Office, the City Council, HRA, PHA, RiverCentre Authority, Port Authority, Water Utility, Charter, Civil Service and Human Rights Commissions and each City department or office. Throughout the year, CAO staff:

- confer with and advise clients of the legal ramifications of their policy decisions,
- draft legal opinions,
- review and draft real estate documents, contracts, legislation, ordinances, and resolutions,
- negotiate labor-management agreements,
- represent City clients in labor-management disputes, arbitrations or other hearings,
- represent HRA in mortgage foreclosures,
- advise HRA as to bond issues,
- defend the city against law suits brought in federal and state courts,
- conduct investigations and file law suits against third parties on behalf of the City,
- prosecute thousands of criminal charges against defendants on behalf of the City and State of Minnesota,
- respond to citizen questions and complaints,
- file appellate appeals from decisions of the trial courts,
- conduct closed meetings, and
- attend Council meetings.

Statistical Profile

- Criminal Division staff handled 16,697 cases in 2004
- Community Court program has ordered offenders to serve at least 68,568 hours of community service since its inception in 1999.
- Handled 601 cases and the court ordered offenders to serve 12,568 hours of community service to the community.

2004-2005 Accomplishments

The CAO is proud of the following accomplishments in 2004:

- Criminal Division staff from the Domestic Abuse Team have worked successfully with St. Paul Intervention Project to encourage victim cooperation in prosecuting domestic abuse cases.
- Efforts are currently underway to create a Domestic Abuse Service Center in St. Paul that would serve as a one-stop-shop to assist victims of Domestic Abuse.
- Regular meetings have been held with the courts, the Ramsey County Attorney, and law enforcement personnel to improve cooperation among these agencies when dealing with criminal cases.
- In collaboration with the CAO, the Police Department made their Report Management System available to the CAO, eliminating the wait time and clerical staff time in faxing these reports to the CAO.
- An enhanced continuance for dismissal program in the Criminal Division, additional revenue was generated to support its current function and add revenues to the general fund budget.
- The CAO has continued to enhance the Community Prosecution Program. In June of 2004, a Spanish-speaking community prosecutor was added and expanded the program. Additionally, a female Hmong-speaking prosecutor was added.
- The Criminal Division has used interns and volunteers as law clerks where possible. This has been possible by working with William Mitchell Law School and the receipt of federal funding.
- An initiative exists to reduce public sexual activity in our City with a special focus on our city parks. In May of 2004, the Mayor announced an initiative to post photographs of those individuals convicted of indecent conduct on a web site maintained by the St. Paul Police Department.
- In collaboration with the district court, the CAO began work on a DWI court program established to address offenders with three or more DWI offenses.
- Placed into operation the Coordinated Traffic Court Calendar System.
- Exceeded its Affirmative Action hiring goals.

City Attorney's Office Key Performance Measures

Performance Objective: Continue to provide outstanding legal services to the Mayor, City Council, and City departments on legislation, housing, development, licensing zoning, labor, and other governmental operations.

Performance Indicator:

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Civil Legal Professional Hours	33,748	30,445	30,445	30,445
Civil Files Opened	511	356	350	350

Performance Objective: Make charging decisions on non-court screening cases within 30 days of assignment by clerical.

Performance Indicator:

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Project Start date: February 10, 2004:				
Cases sitting open more than 30 days without charges:		122		
As of June of 2005, cases sitting open more than 30 days without charges			41	?

Performance Objective: Manage all litigation with the CAO, identify the most significant cases, and prioritize resources to insure the litigation is handled effectively and efficiently.

Performance Indicator:

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Total litigation settlements and judgments	\$186,601	\$1,299,595	\$570,000	\$570,000
Concluded Cases	31	46	40	40
New Cases	39	45	40	40
Cases in which City Prevailed	17 (55%)	19 (59%)	20 (50%)	20 (50%)

Performance Objective: Screen, charge and manage criminal cases through disposition.

Performance Indicator:

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Number of Cases	17,618	16,697	17,000	17,000

City Attorney

Department/Office Director: **MANUEL J CERVANTES**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	5,030,829	5,063,375	5,258,531	5,425,062	5,441,370	16,308	182,839
025 CITY ATTORNEY:OUTSIDE SERVICES FUND	858,706	841,095	971,928	1,049,649	1,042,110	-7,539	70,182
Total Spending by Unit	5,889,535	5,904,470	6,230,459	6,474,711	6,483,480	8,769	253,021
<u>Spending By Major Object</u>							
SALARIES	4,034,210	4,054,023	4,397,835	4,580,635	4,626,080	45,445	228,245
SERVICES	460,299	432,080	409,599	394,866	394,866		-14,733
MATERIALS AND SUPPLIES	75,716	62,795	102,093	75,093	75,093		-27,000
EMPLOYER FRINGE BENEFITS	1,301,078	1,355,572	1,320,250	1,423,476	1,386,800	-36,676	66,550
MISC TRANSFER CONTINGENCY ETC	608		682	641	641		-41
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	17,624						
Total Spending by Object	5,889,535	5,904,470	6,230,459	6,474,711	6,483,480	8,769	253,021
Percent Change from Previous Year		0.3%	5.5%	3.9%	0.1%	0.1%	4.1%
<u>Financing By Major Object</u>							
GENERAL FUND	5,030,829	5,063,375	5,258,531	5,425,062	5,441,370	16,308	182,839
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	25,185						
FEES, SALES AND SERVICES	740,953	723,461	742,685	871,310	864,532		121,847
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	69,988	74,491	75,841	78,339	77,730		1,889
TRANSFERS	26,404	22,954	153,402	20,000	19,848		-133,554
FUND BALANCES				80,000	80,000		80,000
Total Financing by Object	5,893,359	5,884,281	6,230,459	6,474,711	6,483,480	8,769	253,021
Percent Change from Previous Year		-0.2%	5.9%	3.9%	0.1%	0.1%	4.1%

2006 Budget Plan

2006 Priorities

- Continue providing outstanding legal services to the Mayor, the City Council, and City departments on housing, development, licensing, zoning, labor, and other governmental operations.
- Continue training prosecutors to improve effectiveness and efficiency through inter-office opportunities with prosecutors from other jurisdictions and expanding the use of technological resources available to prosecutors.
- Continue to explore volunteer attorney and internship programs. Aggressively explore partnership with area law schools to add additional resources to our office.
- Continue to revise office policies dealing with charging decisions to ensure efficient and uniform screening of cases.
- Ensure that all victims and witnesses are contacted and informed of their rights.
- Work with Traffic Violations Bureau to increase efficiency of Traffic Court. Roll out coordinated scheduling system for petty court trials and develop a tool to analyze the effectiveness of the program on the reduction of Police over-time usage.
- Work with Ramsey County to strengthen the Community Prosecution program and find creative ways to solve livability crimes. Monitor results.
- Strengthen the Joint Prosecution Unit to help break the cycle of violence in families.
- Continue to work toward diversifying the office to reflect the community we serve.
- Review all litigation resolved during 2005 and prepare close-out memos to departments with suggestions for reducing the likelihood of similar suits.
- Work diligently to keep the Community Court cases current and continue to partner with Community Prosecutors and Housing Prosecutor to strengthen the services we provide to citizens.
- Track the results of initiatives such as the indecent conduct web site and the prostitution reduction project to determine how to best use our available resources to reduce crimes related to quality of life in our City.
- Obtain and implement a file management system for legal opinions and court filings.
- Continue to work with the Police Department to become more efficient in the electronic exchange of information.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. The allotted spending restraint for CAO in 2006 was \$59,068.

Mayor's Recommendations

The City Attorney's proposed general fund budget for 2006 is \$5,425,062, an increase of \$166,531 from the 2005 adopted. The budget increases staff by 1.5 FTEs which is funded with additional continuance for dismissal revenue, but does eliminate one vacant Clerk II position resulting in an overall increase of .4 FTEs. Included is a spending shift of \$80,000 from the City Attorney's general fund to their special fund. This shift will provide ample time to restructure and permanently reduce costs associated with civil enforcement.

The proposed special fund budget is \$1,049,649, an increase of \$77,721 from the 2005 adopted budget.

Continuance for dismissal (CFD) revenues continue to increase which provides much of the ability to support additional attorney staff time required for the court calendaring process.

Council Actions

The City Council adopted the City Attorney budget and recommendations as proposed by the Mayor, and approved the following changes:

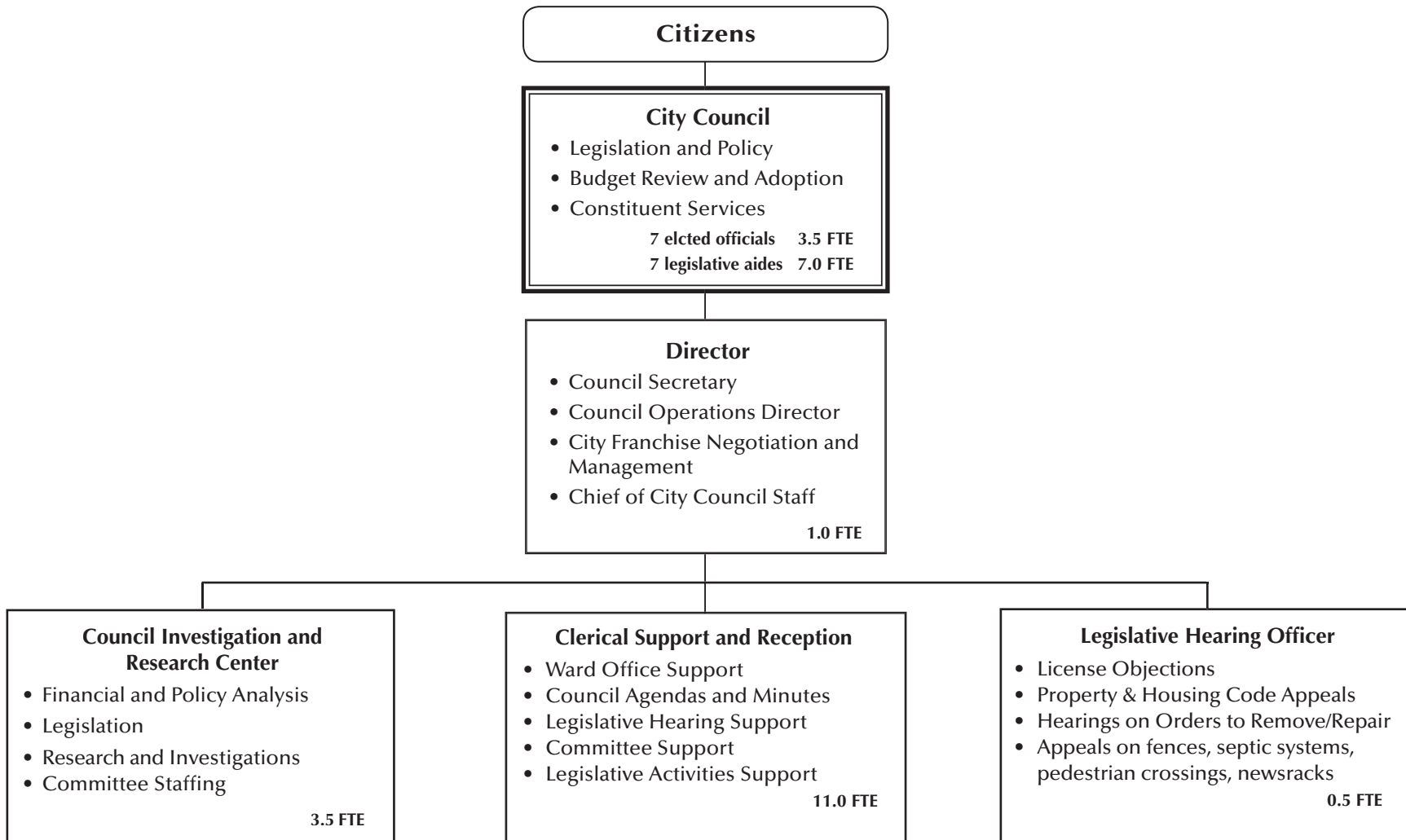
- Increase financing by \$59,889 for salary and fringes associated with hiring an Assistant City Attorney.
- Increase Continuance for Dismissal fees, which will generate an additional \$277,487 in General Fund revenue.
- Decrease in fringe benefit costs resulting from retiree insurance savings.

The 2006 adopted budget is \$5,441,370 for the general fund, and \$1,042,110 in special funds.



City Council

The City Council is the legislative, policy-making, budget approval and performance auditing body for Saint Paul city government. The seven member City Council is elected by wards by the residents of Saint Paul to provide for the health, welfare, safety, economic opportunity, quality of life, and common good of the people of Saint Paul.



(Total 26.5 FTEs)

About the Saint Paul City Council

What We Do (Description of Services)

- The City Council is the legislative, policy-making, budget approval and performance auditing body for Saint Paul city government. The seven member City Council is elected by wards by the residents of Saint Paul to provide for the health, welfare, safety, economic opportunity, quality of life, and common good of the people of Saint Paul.

Statistical Profile

- Considered and disposed of 1237 pieces of legislation in 2004
- Reduced FTE's from 27.7 in 2005 to 26.5 in 2006
- 7 elected officials = 3.5 FTE
- 7 legislative aides = 7 FTE
- Director of Council Operations and Research = 1 FTE
- Legislative Hearing Officer = 0.5 FTE
- Clerical Support and Reception = 11 FTE
- Council Investigation and Research Center = 3.5 FTE

2004-2005 Accomplishments

- The City Council considered and disposed of 1237 pieces of legislation in 2004.
- Council Research and Operations completed analyses and research in support of City Council legislative activities, including:
 - * Supported the work of the working group on Equal Access and facilitating citizen participation process issues;
 - * Organized and conducted policy sessions;
 - * Prepared memos and briefed Councilmembers on dozens of policy topics including the smoking ban and Metropolitan Council issues;
 - * Co-produced the monthly Council Matters cable-TV program;
 - * Supported the franchise work;
 - * Managed the Non Profit Performance Contract Program (NPPCP)
 - * Supported the work of the Ad Hoc Legislative Committee;
 - * Managed the daily operations of the City Council including agenda development.
- The Legislative Hearing Officer conducted legislative hearings involving hundreds of assessments, objections to license applications, nuisance properties and other matters;
- The Financial Analyst and consultant supported the Council's fall 2005 budget review process and conducted fiscal analyses of numerous financial plans and funding proposals.

City Council Key Performance Measures

Performance Objective: Provide timely information to councilmembers and the public regarding City Council meetings				
Performance Indicator: Timely provision of Council packets and approval of minutes				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Distribute Council packet prior to noon on the preceding Friday	96%	98%	98%	98%
Average # of weeks between Council meetings and approval of minutes	4	2	3	3
Performance Objective: Legislative Hearing Officer provides a fair, accessible and straight forward process for St. Paul citizens				
Performance Indicator: Evaluations of the Legislative Hearing Officer completed by individuals bringing appeals to legislative hearings.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
% of legislative hearing appellants reporting satisfaction.	95%	96%	96%	96%
Average ranking of legislative hearing officer on four point scale for license hearings using the following criteria: on time, respectful, attentive, provided opportunity to be heard, knowledgeable and fair	3.835	3.695	NA	NA
Average ranking of legislative hearing officer on a four point scale for nuisance hearings using the same criteria as above	3.19	3.45	NA	NA
Performance Objective: Address issues of domestic violence, services for children, youth and families and other priorities through the Non Profit Performance Contract Program				
Performance Indicator: Provide appropriations consistent with issues prioritized				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Total number of contracts awarded	48	47	47	47
Number of contracts for children, youth and family services	23	16	16	16
Number of contracts for domestic violence programs	4	4	4	4
Contracts awarded for senior services, health services, homeless outreach, environmental efforts, community building and citizen participation programs	21	27	27	27
Performance Objective: Provide ongoing study of the City Charter, answer questions presented by the Charter Commission, and evaluate composition of the City Council and City departments in light of the Charter.				
Performance Indicator: Frequency of meetings regarding the City Charter				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Charter Commission Meetings	11	9	10	10
Public Hearings	5	2	2	2
Charter Commission Committee Meetings	10	11	15	15

City Council

Department/Office Director: **GERTRUDE S MOLONEY**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,963,117	2,217,734	2,262,044	2,108,532	2,310,493	201,961	48,449
724 PUBLIC UTILITIES INVESTIGATION FUND	65,434	65,161	62,005	74,945	94,499	19,554	32,494
Total Spending by Unit	2,028,551	2,282,895	2,324,049	2,183,477	2,404,992	221,515	80,943
<u>Spending By Major Object</u>							
SALARIES	1,412,530	1,514,235	1,593,173	1,646,513	1,646,513		53,340
SERVICES	91,914	176,296	187,285	170,406	170,406		-16,879
MATERIALS AND SUPPLIES	40,744	21,886	30,756	-179,231	40,769	220,000	10,013
EMPLOYER FRINGE BENEFITS	455,032	520,713	488,373	521,327	502,842	-18,485	14,469
MISC TRANSFER CONTINGENCY ETC	28,331	23,359	24,462	24,462	44,462	20,000	20,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS		26,406					
Total Spending by Object	2,028,551	2,282,895	2,324,049	2,183,477	2,404,992	221,515	80,943
Percent Change from Previous Year		12.5%	1.8%	-6.0%	10.1%	10.1%	3.5%
<u>Financing By Major Object</u>							
GENERAL FUND	1,963,117	2,217,734	2,262,044	2,108,532	2,310,493	201,961	48,449
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	68,939	70,238	65,000	74,945	74,945		9,945
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES			-2,995		19,554		22,549
Total Financing by Object	2,032,056	2,287,972	2,324,049	2,183,477	2,404,992	221,515	80,943
Percent Change from Previous Year		12.6%	1.6%	-6.0%	10.1%	10.1%	3.5%

2006 Budget Plan

2006 Priorities

- Exercise the legislative responsibilities for the City as provided by the city charter;
- Function as the Housing and Redevelopment Authority, the Board of Health and the Library Board;
- Serve as a judicial body to hear appeals as specified by law;
- Determine policy direction for City's fiscal affairs and development plans;
- Perform the legislative oversight function through the conduct of policy analyses and performance audits;
- Oversee City franchises;
- Direct operations of the legislative branch of City government;
- Approve the budgets for all City departments, as well as the RiverCentre Authority, Saint Paul Regional Water Services, Housing and Redevelopment Authority, the Library Board, and the tax levy for the Port Authority.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utility object codes.

Mayor's Proposed

The City Council's proposed general fund budget for 2006 is \$2,108,532. This is a decrease of \$153,512 from the 2005 adopted budget and reflects a reduction of one vacant Secretary Steno position.

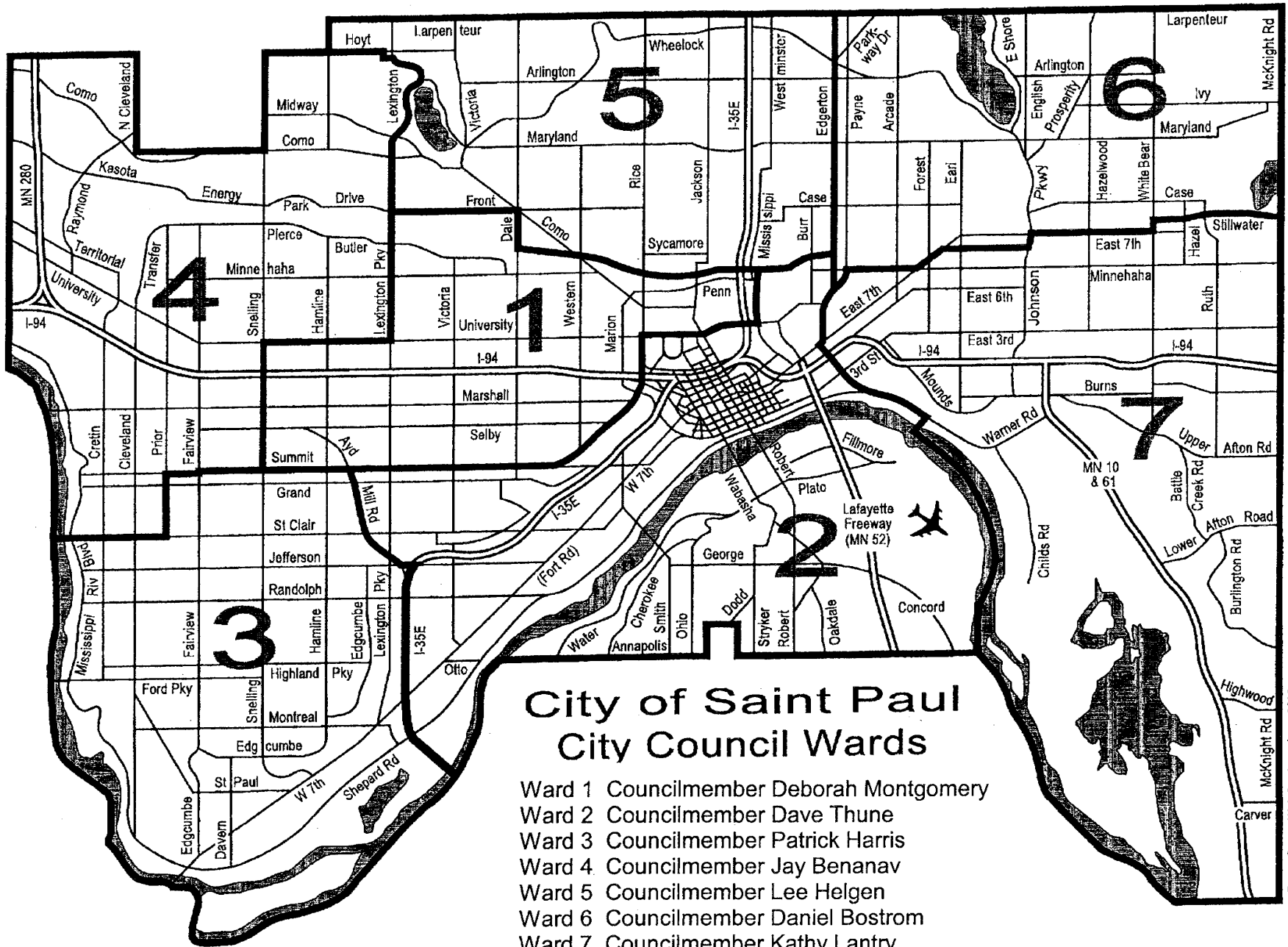
The budget reflects the increases as indicated above as well as a general reduction in spending. The special fund budget is \$74,945 which is an increase of \$12,940 over the adopted 2005 budget.

Council Actions

The City Council adopted the City Council budget and recommendations as proposed by the Mayor, and approved the following changes:

- Increase spending by \$220,000 to restore the reduction included in the Mayor's Proposed Budget.
- Increase General Fund revenue by \$79,322 with a transfer from the HRA.
- Increase General Fund revenue by \$20,000 with a transfer from Fund #724.
- Decrease in fringe benefit costs resulting from retiree insurance savings.

The 2006 adopted budget is \$2,310,493 for the general fund, and \$94,499 in special funds.



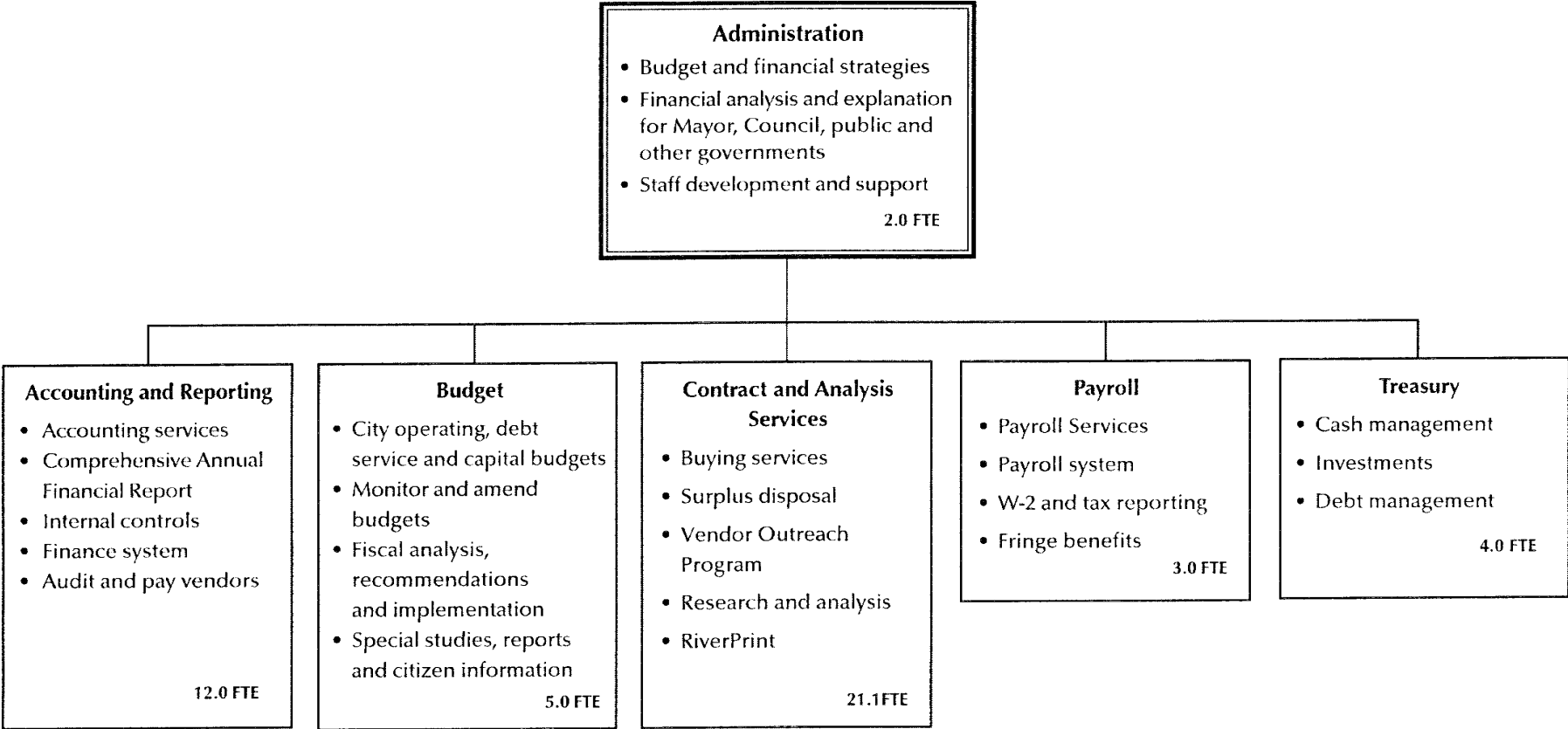
City of Saint Paul City Council Wards

- Ward 1 Councilmember Deborah Montgomery
- Ward 2 Councilmember Dave Thune
- Ward 3 Councilmember Patrick Harris
- Ward 4 Councilmember Jay Benanav
- Ward 5 Councilmember Lee Helgen
- Ward 6 Councilmember Daniel Bostrom
- Ward 7 Councilmember Kathy Lantry

Roger Grupp, Web Services, June, 2002

Financial Services

Manage the City's financial resources and assets to ensure taxpayers' confidence, the organization's effectiveness and the City's fiscal integrity.



(Total 47.1 FTEs)

About the Office of Financial Services

What We Do (Description of Services)

OFS plays a vital role in supporting the City's operations. During the year, OFS staff:

- Ensure that 3,300 hardworking City employees receive their pay and benefits accurately and on time.
- Pay \$215 million annually to vendors who provide the City with goods and services, within 30 days of invoice.
- Get the best price on over \$92 million worth of contracts for construction, goods and services.
- Manage \$75 million in cash balances, investing them to earn a competitive rate of return while guaranteeing the City can meet its cash needs.
- Sell City debt instruments at the lowest borrowing cost.
- Ensure all financial transactions and accounting practices conform to generally accepted accounting principles, state law, and city administrative code and policies.
- Develop and implement balanced, financially sound annual budgets.
- Provide competitive printing and mail preparation services.

Statistical Profile

- City Bond Ratings: AAA and Aa2
- City tax rate has fallen by 19% since 2002.
- General Fund balance as percent of 2005 budget: 21.37%
- Percent of payroll checks issued on time w/o errors: 99.9%
- Percent of vendor checks paid within 31 days of invoice date: 79%
- 2004 Variance in General Fund actual to budget spending: -2.7%
- 2004 Variance in General Fund actual to budget revenues: +0.1%

2004-2005 Accomplishments

We're proud of the following accomplishments in 2004 and 2005:

- Developed and implemented balanced 2004 and 2005 operating, capital and debt budgets for the city.
- Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- Maintained City's AAA (Standard & Poor's) and Aa2 (Moody's) bond ratings, with Moody's upgrading the outlook to positive.
- Completed an RFP for capital lease financing for ongoing replacement of parks and public safety equipment.
- Implemented positive pay for payroll and vendor checks to prevent fraudulent checks from being cashed.
- Transferred workers compensation payments to employees processing from the vendor system to the payroll system. This reduces check issuance of 1,400 vendor checks per year.
- Worked with other local governments to pass legislation authorizing electronic bidding and reverse auction.
- Issued bonds for the library as an independent agency for the first time.
- Issued the City's Capital Improvement bonds at an all-time low interest rate.
- Provided centralized vendor certification services for Minneapolis, Hennepin County, Ramsey County and Saint Paul.
- Collaborated with the State of Minnesota to administer and collect City Hotel-Motel Taxes on the City's behalf.
- Implemented mandatory direct deposit for employee pay, increasing participation from 82% to 94%. This reduces check issuance of 6,900 payroll checks per year.
- Transferred payment of employee mileage reimbursement to the payroll system. This reduces complex year-end processing and eliminates check issuance of 3,000 vendor checks per year.
- Placed \$10 million in the City of Saint Paul's Socially Responsible Investment Fund..

Office of Financial Services Key Performance Measures

Performance Objective: Observe prudent budget and financial management policies to maintain fund balance within an acceptable range.				
Performance Indicator: Fund balance as a percent of the next year's General Fund expenditures -- planned in the adopted budget and actual at year-end.				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Budget	19.0%	23.1%	20.2%	16.1%
Actual	23.4%	24.5%	21.4%	--

Performance Objective: Preserve the City's AAA and Aa2 bond ratings by promoting prudent financial, spending and reserve policies.				
Performance Indicator: Bond rating outcomes				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Actual	Projected
Moody's	Aa2	Aa2	Aa2	Aa2
Standard and Poor	AAA	AAA	AAA	AAA

Performance Objective: Ensure the integrity of citywide financial practices				
Performance Indicator: Receive an unqualified opinion from the State Auditor, which means that there are no significant audit findings.				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Unqualified state auditor opinion	Yes	Yes	Yes	Yes

Performance Objective: Maximize returns on the city's portfolio, subject to the city's investment policy.				
Performance Indicator: Average yield on city cash portfolio.				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Benchmark	3.99	3.25	4.00	4.50
Actual	4.31	4.04	-	-

Performance Objective: City contracting reflects a representative share for women-owned, minority-owned, and small business vendors.				
Performance Indicator: City contracts awarded to women-woned, minority-owned, and small business vendors				
MEASURES: EFFECTIVENESS	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Total Dollars to Certified Vendors	12,910,610	8,987,660	12,600,000	13,000,000
Utilization of City Total	13%	9%	15%	15%

Financial Services Office

Department/Office Director: **MATTHEW G SMITH**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,533,273	1,849,560	1,880,514	1,885,132	1,873,159	-11,973	-7,355
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	5,365,123	6,926,484	7,180,450	7,318,453	7,107,891	-210,562	-72,559
070 INTERNAL BORROWING FUND	589,426	496,967	756,145	566,145	591,145	25,000	-165,000
124 CONTRACT AND ANALYSIS SERVICES	858,519	898,183	1,002,904	1,032,247	1,024,894	-7,353	21,990
127 ST PAUL/RAMSEY COUNTY PRINT CENTRAL	1,202,497	1,145,244	1,473,757	1,632,616	1,628,483	-4,133	154,726
165 OFS SPECIAL PROJECTS FUND	1,401,609	270,183	0	0	0		
802 CPL OPERATING FUND	2,579,874	2,466,506	2,803,420	2,807,861	2,806,683	-1,178	3,263
Total Spending by Unit	13,530,321	14,053,127	15,097,190	15,242,454	15,032,255	-210,199	-64,935
<u>Spending By Major Object</u>							
SALARIES	2,562,814	2,342,057	2,399,080	2,448,865	2,448,865		49,785
SERVICES	991,513	1,133,289	1,301,048	1,329,105	1,329,105		28,057
MATERIALS AND SUPPLIES	938,229	529,980	684,995	693,841	693,841		8,846
EMPLOYER FRINGE BENEFITS	833,816	779,013	733,479	781,374	753,627	-27,747	20,148
MISC TRANSFER CONTINGENCY ETC	5,886,473	7,491,425	7,488,401	7,707,337	7,524,885	-182,452	36,484
DEBT	589,426	496,967	566,145	566,145	566,145		
STREET SEWER BRIDGE ETC IMPROVEMENT	1,625,533	1,275,396	1,821,042	1,555,787	1,555,787		-265,255
EQUIPMENT LAND AND BUILDINGS	102,517	5,000	103,000	160,000	160,000		57,000
Total Spending by Object	13,530,321	14,053,127	15,097,190	15,242,454	15,032,255	-210,199	-64,935
Percent Change from Previous Year		3.9%	7.4%	1.0%	-1.4%	-1.4%	-0.4%
<u>Financing By Major Object</u>							
GENERAL FUND	1,533,273	1,849,560	1,880,514	1,885,132	1,873,159	-11,973	-7,355
SPECIAL FUND							
TAXES	1,604,779	1,992,638	1,773,700	1,773,700	2,334,380		560,680
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	83,590	6,016					
FEES, SALES AND SERVICES	5,663,716	6,967,018	7,100,295	7,444,123	7,347,699		247,404
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	5,124,461	4,438,085	4,266,145	3,971,145	4,221,145		-45,000
TRANSFERS	303,577	21,263	36,092	16,616	116,616		80,524
FUND BALANCES			40,444	151,738	-860,744		-901,188
Total Financing by Object	14,313,396	15,274,580	15,097,190	15,242,454	15,032,255	-210,199	-64,935
Percent Change from Previous Year		6.7%	-1.2%	1.0%	-1.4%	-1.4%	-0.4%

2006 Budget Plan

2006 Priorities

- Continue to identify and implement revenue diversification to minimize financial cycles.
- Control the net costs of fiscal operations to maximize resources available for public services by limiting costs of debt service and issuance and seeking a competitive return on investments while limiting exposure to risk.
- Provide finance professionals and interested citizens with useful information about the City's financial status by publishing reports that are accurate, understandable, well-documented and timely.
- Adopt a balanced budget for 2006 that reflects citywide resources and service needs.
- Preserve the City's AAA and Aa2 bond ratings by promoting prudent financing, spending and reserve policies.
- Support good financial management within departments and citywide by continuing to improve the usefulness of monthly and quarterly financial reports.
- Raise the visibility and accountability of the Vendor Outreach Program by working with PED and other departments to improve reporting on results.
- Preserve growth and stability in the City's franchise revenues and maintain affordable energy costs by successfully negotiating a renewal of the franchise agreement with Xcel Energy.
- Improve performance of the accounts payable process citywide by identifying necessary organizational, workflow and technology improvements and plan for implementation.
- Implement new GASB rules.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. A \$26,377 spending restraint amount was applied to the OFS general fund spending base to help control City general fund spending.

Mayor's Recommendation

The proposed budget continues the same level of services as the 2005 budget. The recommended 2006 general fund budget of the Office of Financial Services (OFS) is \$1,885,132, which is \$4,618 (0.2%) more than the adopted 2005 budget. The department's spending reduction target plus inflationary increases was achieved through non-personnel spending decreases. An additional savings target of -\$13,929 was assigned based on projected vacant positions.

General fund FTEs decreased by 0.3. Special fund FTEs increased by 1.0, primarily due to 0.2 FTE added to the Vendor Outreach Program, and 0.7 FTEs added to the RiverPrint Fund. The Vendor Outreach Program Coordinator position is partially funded with contributions from Minneapolis, Ramsey County and Hennepin County. This will allow the person to work full-time on behalf of the City's outreach efforts, increasing visibility among the local targeted vendor community. The 0.7 FTEs added to RiverPrint special fund budget will help respond to added business (and revenue) due to the mail function. Overall, there is an addition of 0.8 FTEs, between general, special, and debt service funds, from 2005 to 2006.

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

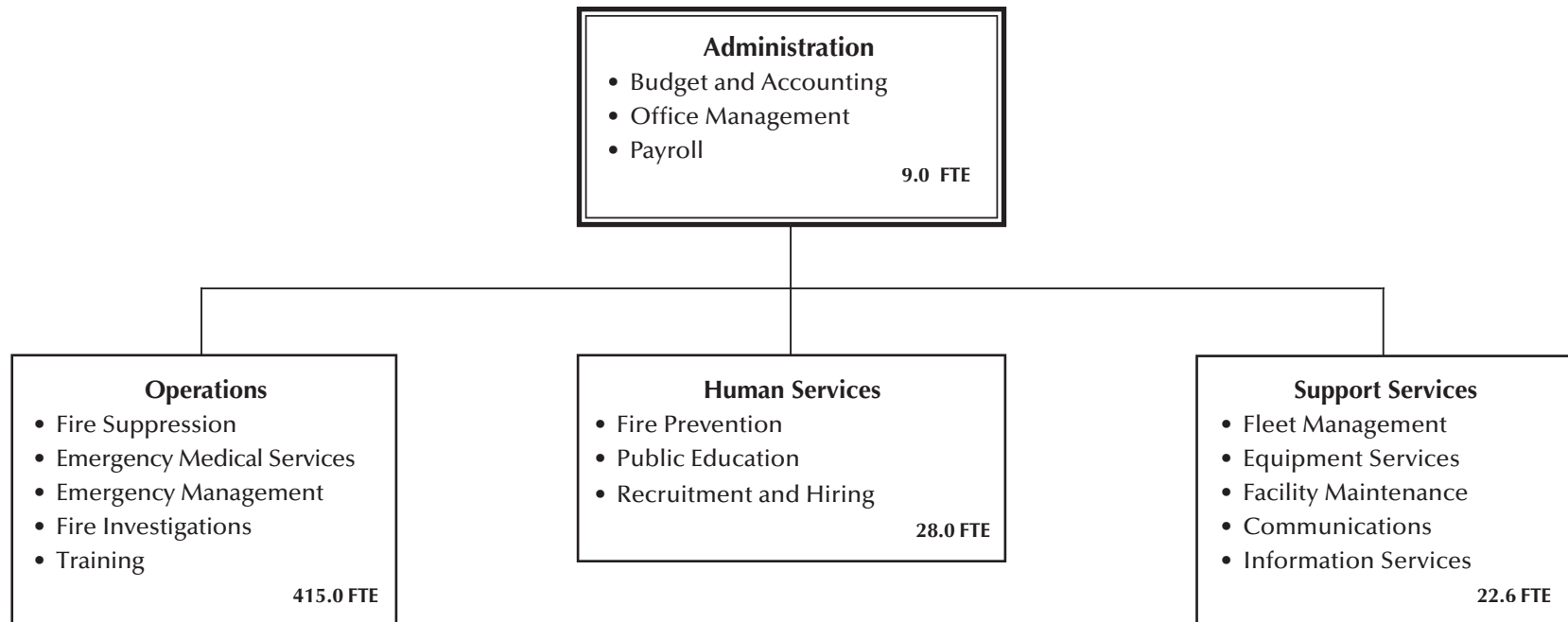
Council Actions

The City Council adopted the Office of Financial Services budget and recommendations as proposed by the Mayor, and approved the following additional changes:

- decreasing fringe benefit costs.
- decreasing by \$96,132, Fund 050 revenue due to a combination of a \$100,447 decrease in Water central service fees and a \$4,315 increase in Library central service fees. The corresponding transfer of revenue to the General Fund was also reduced by the same amount (\$96,132).
- decreasing the transfers of hotel/motel revenue in Fund 050 Activity 30108, by a total of \$111,320 (-\$41,320 to the Convention and Visitor's Bureau, and -\$70,000 to the RiverCentre).
- adding a \$25,000 transfer to the General Fund in Fund 070 related to the West Midway TIF. This is financed by \$250,000 Science Museum note proceeds, a \$100,000 transfer from HRA Fund 117, \$672,000 excess tax increment revenue. These revenues are offset by a \$997,000 contribution to fund balance.

Fire and Safety Services

To protect the life and property of the people in Saint Paul by providing quality service by dedicated professionals.



(Total 474.6 FTEs)

About the Department of Fire and Safety Services

What We Do (Description of Services)

- Respond to fires and extinguish them with a minimum of property loss and injury.
- Respond to medical emergencies and provide basic and advanced life support services.
- Respond to all hazardous materials incidents (including obligations as regional hazardous materials team under State contract).
- Respond to and stabilize natural or man-made disasters.
- Maintain a City emergency operating center to be used in the event of a natural disaster or terrorist event.
- Manage and maintain a city-wide community warning system.
- Manage the role of all City agencies and coordinate their response to a disaster.
- Reduce the incidents and severity of fire by:
 - Performing Certificate of Occupancy inspections.
 - Performing fire permit inspections.
 - Ensuring the proper design and installation of fire protection systems.
 - Administering and implementing public fire safety education programs.
 - Fulfilling requests for fire protection information.
 - Performing arson prevention activities.

Statistical Profile

- 2004 Total Emergency Responses: 39,984
- Total Fire unit Responses: 13,652
- Total Medical Unit Responses: 26,332
- 2004 Total Dollar Loss: \$9,291,248
- Loss Due to Arson: \$5,186,820
- Adult Arson Arrests: 5
- Average Response Time: 4 minutes 12 seconds

2004-2005 Accomplishments

We're proud of the following accomplishments:

- A government-to-government cooperative arrangement was solidified. A new downtown city fire station is being built into the State Human Services building.
- The Fire Department established and implemented a pilot performance-based critical assessment program for all fire companies. Through this initiative, employees are better managed and more committed to excellence in their jobs.
- We developed and began implementation of a new Vehicle Replacement Plan for the Fire Department. The majority of our front line response vehicles will be replaced within the next five years. In the past, response vehicles were typically kept in service up to 18 years. With this new plan, existing front line engines and ladder trucks will all be replaced within the next 11 years.
- In cooperation with Mayor Randy Kelly, Saint Paul Fire Chief Doug Holton and the Saint Paul/Manzanillo Sister Friendship Committee, the Saint Paul City Council approved the donation of a fire truck to the Volunteer Firefighters of the City of Manzanillo, Mexico. The donated fire truck will help the Mexican Volunteer Firefighters in their plight to provide public safety protection and save lives of the 130,000 citizens of the City of Manzanillo.
- We rewrote and updated the City of Saint Paul Emergency Operations Plan (EOP) to address natural, technological, and civil/political disasters. This plan followed the newly released Federal Emergency Management Agency (FEMA) "state and local mitigation planning" model in the development of our plan. The City's EOP now conforms to all federal and state planning requirements.
- We established a new City of Saint Paul Emergency Operations Center located in the Police Griffin Building. This facility is in its early stages of development. We have had three exercises to date, with top city officials, state and county agencies, and other community partners participating. The goal is to develop this facility into a state of the art operation that will meet the needs of our community during times of disaster.

Department of Fire and Safety Services Key Performance Measures

Performance Objective: Fire Loss

Performance Indicator: Reduce the number and size of fires. Remain below the average of 4 similar sized midwestern cities; Minneapolis, Madison, Akron, Fort Wayne.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
City of Saint Paul	\$5,765,430	\$9,291,248	\$9,000,000	\$9,000,000
Midwest Cites Average	\$9,145,104	\$9,685,356	\$9,700,000	\$9,900,000

Performance Objective: Civilian Fire Death

Performance Indicator: Reduce the number of fatal fires. Remain below the average of 4 similar sized midwestern cities; Minneapolis, Madison, Akron, Fort Wayne.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
City of Saint Paul	5	2	3	3
Midwest Cites Average	5.75	2.5	4	4

Performance Objective: Emergency Response Times

Performance Indicator: Achieve the national standard for Fire and EMS of a eight minute response time 90% of the time.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Fire	98%	99%	98%	98%
Emergency Medical Services	98%	98%	98%	98%

Performance Objective: Fire Spread for Structure Fires in Saint Paul

Performance Indicator: Minimize fire spread through safe and aggressive firefighting.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Confined to Object/Room of Origin	77%	74%	75%	75%
Confined to Building of Origin	98%	98%	98%	98%

Performance Objective: Customer Service Rating

Performance Indicator: Achieve an overall customer service rating of 5.0 or greater out of a possible 6 total.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Customer Satisfaction - Fire Incidents	4.7	5.2	5.0	5.0
Customer Satisfaction - Medical Incidents	5.2	5.4	5.2	5.2

Fire & Safety Services

Department/Office Director: **DOUGLAS A HOLTON**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	Change from 2005 Adopted
Spending By Unit							
001 GENERAL FUND	38,654,897	40,331,498	42,222,986	44,278,182	44,327,239	49,057	2,104,253
505 EQUIPMENT SERVICES FIRE-POLICE	2,222,904	2,148,566	2,325,620	2,571,243	2,746,243	175,000	420,623
510 FIRE RESPONSIVE SERVICES	42,530	27,389	43,950	44,700	3,167,390	3,122,690	3,123,440
735 FIRE FIGHTING EQUIPMENT	49,755	369,884	1,265,621	907,758	907,758		-357,863
736 FIRE PROTECTION CLOTHING	222,958	224,753	229,573	232,283	232,283		2,710
Total Spending by Unit	41,193,044	43,102,090	46,087,750	48,034,166	51,380,913	3,346,747	5,293,163
Spending By Major Object							
SALARIES	27,641,742	28,306,704	28,582,762	29,534,580	29,811,244	276,664	1,228,482
SERVICES	2,213,221	2,145,108	2,146,703	2,146,703	2,146,703		
MATERIALS AND SUPPLIES	2,658,128	2,597,396	2,679,764	2,700,482	2,884,098	183,616	204,334
EMPLOYER FRINGE BENEFITS	8,016,787	8,460,904	10,067,042	11,139,309	10,899,834	-239,475	832,792
MISC TRANSFER CONTINGENCY ETC	301,178	240,495	442,601	864,149	867,401	3,252	424,800
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	361,988	1,351,483	2,168,878	1,648,943	4,771,633	3,122,690	2,602,755
Total Spending by Object	41,193,044	43,102,090	46,087,750	48,034,166	51,380,913	3,346,747	5,293,163
Percent Change from Previous Year		4.6%	6.9%	4.2%	7.0%	7.0%	11.5%
Financing By Major Object							
GENERAL FUND	38,654,897	40,331,498	42,222,986	44,278,182	44,327,239	49,057	2,104,253
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE		13,461			3,122,690		3,122,690
FEES, SALES AND SERVICES	3,073,546	2,832,815	2,832,065	2,882,584	3,057,584		225,519
ENTERPRISE AND UTILITY REVENUES	2,953						
MISCELLANEOUS REVENUE	46,266	35,051	43,200	43,200	43,200		
TRANSFERS	229,573	229,573	229,573	232,283	232,283		2,710
FUND BALANCES			759,926	597,917	597,917		-162,009
Total Financing by Object	42,007,235	43,442,398	46,087,750	48,034,166	51,380,913	3,346,747	5,293,163
Percent Change from Previous Year		3.4%	6.1%	4.2%	7.0%	7.0%	11.5%

2006 Budget Plan

2006 Priorities

- Maintain instrumental community and business relationships through recognition of civilians, employees, and organizations by the Fire Chief and City leaders.
- Improve capabilities and efficiency of emergency operations center and build staff skills.
- Participate in an Active Compression Decompression/ Impedance Threshold Device (ACD/ITD) study to gather cardiac arrest data for research study on CPR effectiveness.
- Explore language barrier cultural differences and issues encountered during EMS incidents.
- Provide necessary engineering support for the new "Bridges" project construction.
- Focus inspection resources on properties where most needed.
- Implement the National Incident Management System (NIMS) in all city department training programs, procedures, and emergency response plans.
- Enhance training for first responders to a weapons of mass destruction (WMD) event.
- Pursue Homeland Security funds/grants.
- Develop technical and financial plans for siren control and monitoring system replacement.
- Expand Risk Watch injury prevention curriculum into more school grades.
- Maintain equipment to current safety standards to comply with all Federal, State and OSHA regulations.
- Review and modify the Department's Mission, Vision, and Value Statements.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities.

Mayor's Recommendations

The proposed budget for Fire and Safety Services for 2006 is \$44,278,182 in the general fund and \$3,755,984 in special funds. This represents a general fund increase of \$2,055,196, or 4.9%, and a decrease in special funds of \$184,088 from the adopted 2005 budget. The general fund includes funding for additional sworn positions, including 3 firefighters and an emergency medical service chief. The City has also submitted an application for a Federal SAFER (Staffing for Adequate Fire and Emergency Response) grant that may result in grant funding for up to 6 additional firefighters for 2006, which would bring the total to 9 added firefighters in 2006. To meet the base budget and fund Fire's requests, a one time transfer from special funds (the Firefighting Equipment Fund, fund 735) will balance Fire's general fund budget. Special fund spending also includes a transfer of \$200,000 to the general fund, which is drawn from the Fire-Police Equipment Services fund balance (Fund 505).

A significant change in medicare and medicaid legislation has created the need to alter the structure of paramedic transport rates. Currently, the City charges an Advanced Life Support (ALS) rate for all transports. Under the new federal legislation, the City will only have the ability to charge an ALS rate for an ALS transport, resulting in a significant decrease in revenue. In order to comply with this new mandate and to minimize the negative revenue impact, the department is proposing to realign the paramedic transport rate structure for 2006 with a 5% increase in the ALS transport rate and establish a Basic Life Support (BLS) transport rate equal to the current 2005 ALS rate.

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

Council Actions

The City Council adopted the Department of Fire and Safety Services budget and recommendations as proposed by the Mayor, and approved the following changes:

- added funding for six full year entry level fire fighter positions,
- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs,
- accepted the recommendation to reduce the expected financing for medic fees, given a revised estimate for fewer victim extrications from vehicles,
- reflected the increased price of motor fuel in the Public Safety Garage budget, and
- included the \$3.1 million Urban Area Strategic Initiative Grant.

The 2006 adopted budget is \$44,327,239 for the general fund, and \$7,053,674 in special funds.

General Government Accounts

To budget for services provided on a city-wide basis and not directly associated with an operating department or office.

About the General Government Accounts

What We Do (Description of Services)

The budgets in the General Government Accounts represent necessary spending and financing that exist across the City, and are not necessarily assignable to a specific department. These budgets include:

- the pass through of the employer share of City wide employee insurance, retiree insurance, pension, and other benefit costs, recovered through the fringe benefit allocation system,
- city wide tort liability costs that are not department specific,
- funding for city wide elections,
- spending related to legal services provided by those other than staff attorneys,
- funding for the Citizen Participation Program, the Neighborhood Crime Prevention Program, and the City Council's Non-profit Performance Contract Program,
- support for the financial forms and reports used by all departments,
- the costs of the City's memberships in municipal organizations, such as the League of Cities, and the Association of Metropolitan Municipalities,
- the fees paid to the State for the city-wide financial audit,
- costs of the Charter Commission and the Capital Improvement Budget Committee,
- business parking costs for city council members and the pass through of employee's payments for the Metro Pass Program
- charges for the maintenance and upkeep of City Hall.

2004-2005 Accomplishments

The following was accomplished in 2004:

- Working with the City's labor union representatives, city staff have managed the financial control of the costs related to city employee fringe benefits, including pensions, insurance, workers' compensation and severance pay.
- The audit of the City's 2004 financial records is complete, and the annual financial report has been prepared, printed and distributed.
- Tort claims levied against the City and approved by the City Council have been managed, and claimants paid from department budgets or the city-wide budget.
- The City's interests and share of costs for the operation of city hall, including security issues in the aftermath of 9/11/01, have been managed.
- The citizen participation program and the neighborhood crime prevention programs were funded.
- Election services to the citizens of Saint Paul were provided.

Statistical Profile (2005)

• New city-wide Tort cases	40
• Citizen Participation District Programs	19
• Neighborhood Crime Prevention organizations	25
• Participants in the Non-profit Contract Program	35
• City Share of Space in the City Hall Courthouse	35.43%

General Government Accounts Key Performance Measures

Performance Objective: Keep the yearly increased cost of retiree health insurance below national health care cost inflation.

Performance Indicator: % change per year

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
% increase in cost of retiree health insurance	7.47	8.60	7.24	6.05

Performance Objective: Keep the cost of employee health insurance at or below the national health care cost. (MN State law requires early retirees to be placed in same pool as active employees, which increases the City's average cost, comparatively.)

Performance Indicator: Cost per employee (\$)

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Cost per employee - City	5,658	6,566	7,708	8,300
Cost per employee - national average (govt)	5,616	6,000	n/a	n/a

General Government Accounts

Department/Office Director: **MATTHEW G SMITH**

		2003	2004	2005	2006	2006	Change from	
		2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2005
		Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted
<u>Spending By Unit</u>								
001	GENERAL FUND	7,334,618	8,324,819	6,273,396	5,247,936	5,340,436	92,500	-932,960
	Total Spending by Unit	7,334,618	8,324,819	6,273,396	5,247,936	5,340,436	92,500	-932,960
<u>Spending By Major Object</u>								
	SALARIES	72,202	38,354	4,954	5,078	5,078		124
	SERVICES	2,435,702	2,562,803	2,614,432	2,688,804	2,688,804		74,372
	MATERIALS AND SUPPLIES	57,708	41,212	26,404	26,404	26,404		
	EMPLOYER FRINGE BENEFITS	-25,003	-33,027	80,134	91,487	91,487		11,353
	MISC TRANSFER CONTINGENCY ETC	3,498,994	4,016,093	3,547,472	2,436,163	2,528,663	92,500	-1,018,809
	DEBT	939,892	1,699,384					
	STREET SEWER BRIDGE ETC IMPROVEMENT							
	EQUIPMENT LAND AND BUILDINGS	355,123						
	Total Spending by Object	7,334,618	8,324,819	6,273,396	5,247,936	5,340,436	92,500	-932,960
	Percent Change from Previous Year		13.5%	-24.6%	-16.3%	1.8%	1.8%	-14.9%
<u>Financing By Major Object</u>								
	GENERAL FUND	7,334,618	8,324,819	6,273,396	5,247,936	5,340,436	92,500	-932,960
	SPECIAL FUND							
	TAXES							
	LICENSES AND PERMITS							
	INTERGOVERNMENTAL REVENUE							
	FEES, SALES AND SERVICES	34,435	2,950					
	ENTERPRISE AND UTILITY REVENUES							
	MISCELLANEOUS REVENUE	4,671	3,544					
	TRANSFERS							
	FUND BALANCES							
	Total Financing by Object	7,373,724	8,331,313	6,273,396	5,247,936	5,340,436	92,500	-932,960
	Percent Change from Previous Year		13.0%	-24.7%	-16.3%	1.8%	1.8%	-14.9%

2006 Budget Plan

2006 Priorities

- The city council staff will manage the Non-profit Contract Performance Program and the budget for the Charter Commission.
- The City Attorney's Office will oversee the Tort Liability budget and administer the budget for any use of law firms and expert legal service outside of the city attorney staff.
- The Citizen Services Office will be responsible for the elections services budget.
- The Office of Financial Services will work with the budgets for pensions, severance pay, state auditor, the Capital Improvement Budget committee, financial forms, employee parking, and refunds.
- Mayor's Office staff will control the budget for the City's municipal memberships and dues.
- The Real Estate unit of Public Works will deal with exempt and forfeited property assessments and the service and operations of the city hall building.
- Human Resources (risk management) will lead the citywide effort to control the costs associated with workers compensation, employee and retiree health insurance, torts, and unemployment compensation, and manage the surety bonds budget.
- The Planning and Economic Development staff will direct the budget for Citizen Participation and the Neighborhood Crime Prevention program.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. For the General Government Accounts, the base budget included a spending reduction target.

Mayor's Recommendation

The proposed general fund budget for the General Government Accounts for 2006 is \$5,247,936, a decrease of \$1,025,460, or 16.3%, from the adopted 2005 budget of \$6,273,396. The General Government Accounts have no special fund budgets. The spending reduction target was met with minor changes to several programs. Other changes include the following: removing the general fund budget for the Non-profit Contract Performance Program, shifting the sidewalk repair program and the long side subsidy program to special funds, funding the committee *per diem* costs for the STAR Board and the Heritage Preservation Commission (the latter as a shift from PED), reducing or shifting the assessments costs for Exempt and Forfeited Property Assessments budgets to special funds modifying the municipal memberships budget for some minor changes in dues; and including the normal annual increase in the elections contract with Ramsey County. For financing, the 2005 estimates for financing for pension aids were adjusted to bring them to an expected 2006 level.

Council Actions

The City Council adopted the General Government Accounts budget and recommendations as proposed by the Mayor, and approved the following changes:

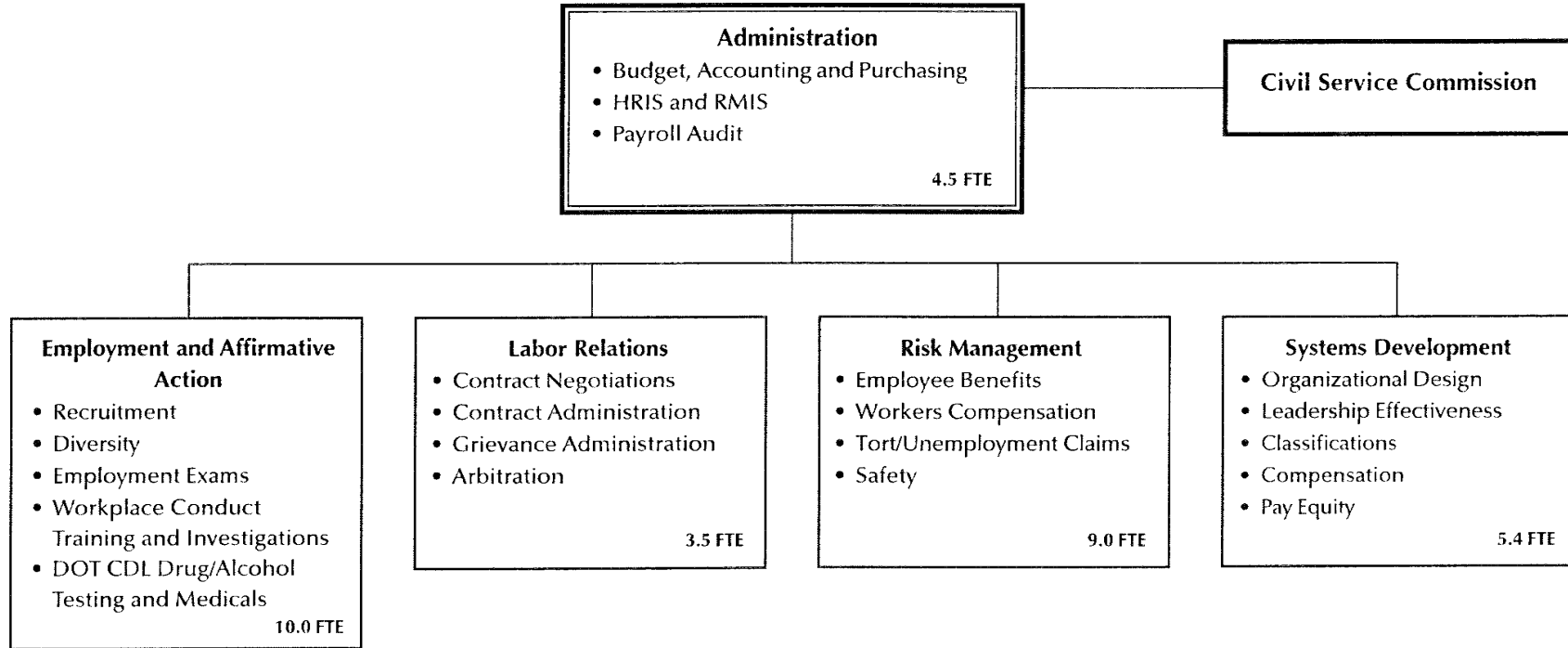
- restored the general fund budget for the Non-profit Contract Performance Program and provided for a cost of living increase in both the general fund and CDBG.

The 2006 adopted budget is \$5,340,436 for the general fund.



Human Resources

Providing the City with effective and efficient Human Resources services and expertise.



(Total 32.4 FTEs)

6/21/05

About the Office of Human Resources

What We Do (Description of Services)

Human Resources provides essential services and support to the City's departments and offices and to its 3,000 employees.

Administration -

Interpret personnel policies and rules, audit payroll documents to ensure accuracy and compliance with policies, maintain employee service records. Support the Office's information service needs.

Employment and Affirmative Action -

Work with Departments and Offices in planning their staffing needs. Recruit qualified and diverse candidates for City job openings, conduct targeted recruitment, post job announcements, review applications, develop and administer tests. Conduct Workplace Conduct Policy training and investigation.

Labor Relations -

Negotiate and administer all of the collective bargaining agreements between the City and employee unions. Represent City management in arbitrations, labor management committees, policy development and grievance handling. Advise City managers on employee issues such as sick leave, performance and discipline.

Risk Management -

Organize, coordinate, and provide management assistance to all City risk treatment programs. Provide financial and program management of all City employee benefit functions. Identify, measure, analyze and report property, casualty, and liability risks. Administer the City's worker's compensation program.

Systems Development -

Develop organizational capacity by redesigning structures, restructuring jobs, enhancing team and leadership effectiveness, addressing performance management issues, and developing strategic and operational plans. Perform job analyses, establish class specifications as a tool for management, and determine appropriate compensation based on principles of comparable worth.

2004-2005 Accomplishments

We're proud of the following accomplishments for 2004 & 2005:

- The Mayor and all top managers participated in a two-day Undoing Racism Workshop (Sept 2004).
- Over 1900 City employees attended the diversity training "Your Face Here" (June 2005).
- Conducted a national recruitment/ hiring process for Police Chief.
- Utilized an aggressive recruitment strategy for the Firefighter exam yielding over 2000 applicants, 12% female and 25% minority.
- Implemented the Advanced Management Academy and NetWork Saint Paul for top city managers.
- Continued offering the Mayor's Leadership Academy.
- Revamped the New Employee Orientation training.
- Negotiated a uniform health insurance package across most of the bargaining units. Negotiated the elimination of between one to three sick leave days out of several contracts. Negotiated the IRS mileage rate into, and floating holidays out of, several bargaining units' contracts eliminating these time-consuming processes.
- Decreased turn around time for class, comp, and organizational design studies by 14 days.
- Promoted self-service Internet/Intranet features, for 24/7 access.
- Completed an entirely new Employment and Affirmative Action Computer system, including Exam Applicant, Certification, Reallocation and Reinstatement processes.
- Negotiated two of the lowest rates of salary increases metrowide.
- Negotiated two of the lowest rates of increase in health insurance metro-wide for 2006 and 2007.
- Conducted a health insurance eligibility audit which eliminated 108 ineligible dependents saving approximately \$395,000 a year.
- Implemented a worker's compensation cost allocation system and conducted training for all City managers and supervisors, yielding increased departmental interest in reducing injuries and costs.
- Negotiated a zero increase in retiree health ins. premium for 2005.
- Implemented a worker's comp medical bill review. The city saved \$1,788,178 (48%) on \$3,680,090 of workers compensation medical provider charges in 2004. First quarter savings in 2005 is \$518,026 on \$1,079,220 provider charges.

Office of Human Resources Key Performance Measures

Performance Objective: Providing excellent customer service to city departments and offices				
Performance Indicator: Customer Service Ratings (out of 5 points)				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Employment & Affirmative Action	4.7	4.9	4.9	4.9
Labor Relations	4.4	4.1	4.3	4.3
Systems Development	4.6	4.8	4.8	4.8

Performance Objective: Aggressively recruit for City job openings to ensure hiring reflects the diversity of the City of Saint Paul				
Performance Indicator: % of applications received by women and minorities				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
% of applications received by women	27%	39%	35%	35%
% of applications received by minorities	30%	31%	35%	35%

Performance Objective: Keep the yearly increased cost of retiree health insurance below national health care cost inflation.				
Performance Indicator: % change per year in City cost per retiree				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
% increase in cost of retiree health insurance	7.47	8.60	7.24	6.05

Performance Objective: Keep the cost of employee health insurance at or below the national health care cost. (MN State law requires early retirees to be placed in same pool as active employees, which increases the City's average cost, comparatively.)				
Performance Indicator: Cost per employee (\$)				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Cost per employee - City	5,658	6,566	7,708	8,300
Cost per employee - City percent change		16%	17.4%	7.7%
Cost per employee - national average (govt)	5,616	6,000	n/a	n/a

Performance Objective: Reduce the number of worker's compensation lost time days to reduce costs & increase productivity.				
Performance Indicator: Total number of days lost.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Total number of days lost citywide	2,951	3,233	2,800	2,550

Human Resources

Department/Office Director: **ANGELA S NALEZNY**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	2,419,574	2,877,736	3,123,503	3,064,556	3,043,864	-20,692	-79,639
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND			50,000	0	0		-50,000
060 RISK MANAGEMENT RETENTION FUND				1,862,742	1,862,742		1,862,742
Total Spending by Unit	2,419,574	2,877,736	3,173,503	4,927,298	4,906,606	-20,692	1,733,103
<u>Spending By Major Object</u>							
SALARIES	1,421,525	1,727,365	1,807,181	1,829,581	1,829,581		22,400
SERVICES	462,403	477,229	738,912	1,171,979	1,171,979		433,067
MATERIALS AND SUPPLIES	40,270	72,350	54,495	49,812	49,812		-4,683
EMPLOYER FRINGE BENEFITS	477,136	593,335	566,305	1,469,316	1,448,624	-20,692	882,319
MISC TRANSFER CONTINGENCY ETC	808	187	1,000	401,000	401,000		400,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	17,432	7,270	5,610	5,610	5,610		
Total Spending by Object	2,419,574	2,877,736	3,173,503	4,927,298	4,906,606	-20,692	1,733,103
Percent Change from Previous Year		18.9%	10.3%	55.3%	-0.4%	-0.4%	54.6%
<u>Financing By Major Object</u>							
GENERAL FUND	2,419,574	2,877,736	3,123,503	3,064,556	3,043,864	-20,692	-79,639
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE				1,487,742	1,487,742		1,487,742
TRANSFERS							
FUND BALANCES			50,000	375,000	375,000		325,000
Total Financing by Object	2,419,574	2,877,736	3,173,503	4,927,298	4,906,606	-20,692	1,733,103
Percent Change from Previous Year		18.9%	10.3%	55.3%	-0.4%	-0.4%	54.6%

2006 Budget Plan

2006 Priorities

- Increase diversity by continuing to utilize aggressive recruiting strategies.
- Ensure customer satisfaction and superior results by becoming process owners of EAA consulting services.
- Continue implementing a competency-based HR system for the City, providing education, practical applications, and streamlined processes as components of the system.
- Provide development opportunities for all levels of the organization by specifically developing technical, professional, and blue collar opportunities in 2006.
- Achieve an 80% favorable decision rate for arbitrations and civil service hearings.
- Renew or purchase a new property insurance policy in a fiscally responsible manner.
- Accurately maintain the value of property for the City and the Saint Paul Regional Water Services.
- Implement the CMS Medicare Part D program for the retiree health insurance program and consolidate and reduce the number of plans to reduce costs
- Continue to manage and administer the worker's compensation and tort liability programs on behalf of the City's departments, offices and the Saint Paul Regional Water Services in a timely manner, a fiscally responsible manner, and in accordance with State Statues.
- Increase the number of participants in the medical flexible spending account.
- Consider the implementation of a Health Savings Account Plan.
- Implement a Long Term Care Insurance Program
- Maintain premium increases in single digits for the employees and early retirees.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. For Human Resources, the base budget was adjusted down for the one time cost of the 2005 fire fighter test, and also included a spending reduction target.

Mayor's Recommendation

The proposed budget for Human Resources is \$3,064,556 in the general fund, and \$1,862,742 in special funds. This continues the level of services as in the recent past. For 2006, there is a reduction in personnel (.5 FTE), and some anticipated vacancy savings. 2006 total FTEs at 32.4 is above the 2004 budget level of 31.9. The Department's spending reduction target plus inflationary increases was achieved through a replacement hiring at the entry level salary, and the reallocation of work to a lesser paying title. The large increase in special funds is due to the creation of the Risk Management Retention Fund. This fund consolidates risk related activities from other budgets, and establishes the new accounting for workers' compensation costs, set up by the adopted 2005 budget.

Statistical Profile (2004)

• Number of active labor contracts:	22
• Number of organizational design studies:	118
• Total number of exams:	79
• Total number of job applicants:	2,694
• Number of tort files opened:	357
• Number of open tort files at year end:	242
• Number of work comp files opened:	823
• Number of open work comp files at year end:	651

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

Council Actions

The City Council adopted the Human Resources Office budget and recommendations as proposed by the Mayor, and approved the following changes:

- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs.

The 2006 adopted budget is \$3,043,864 for the general fund, and \$1,862,742 in special funds.

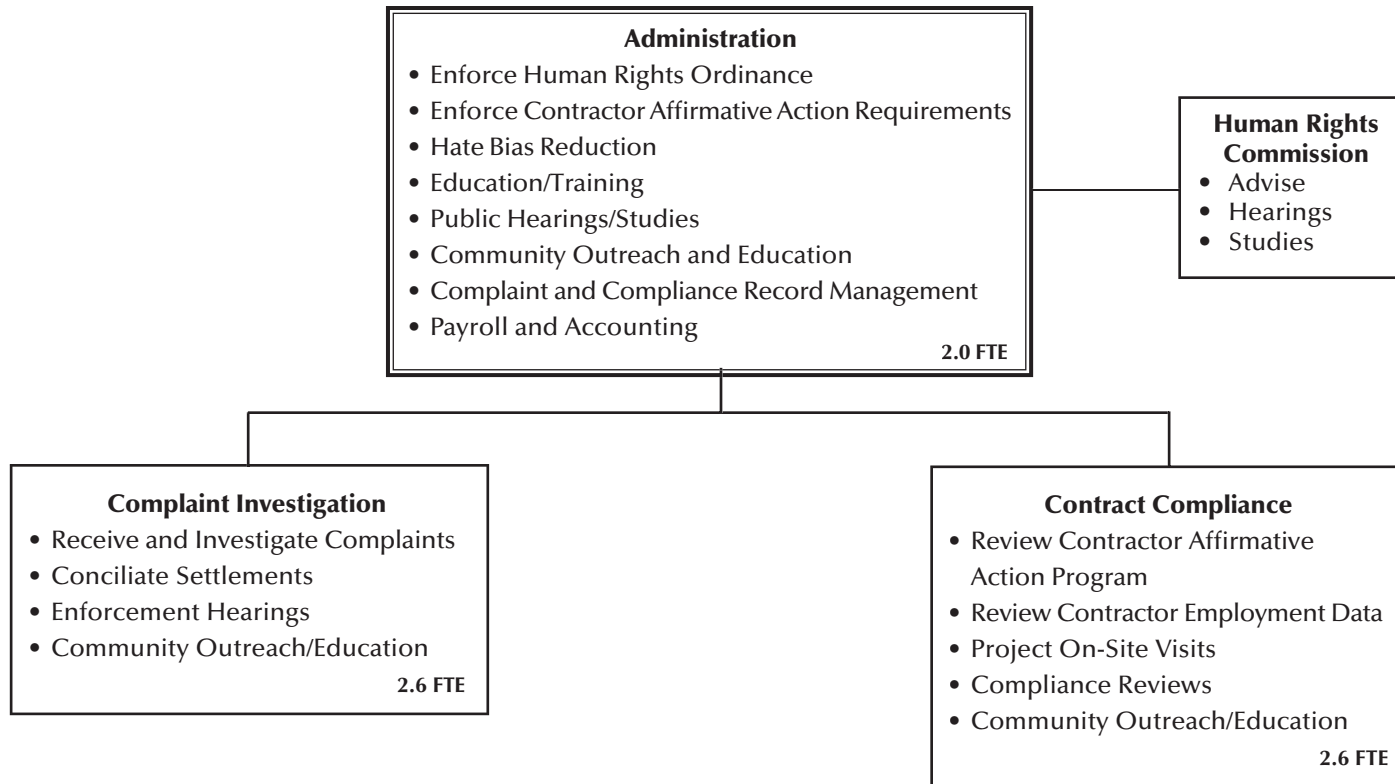
Human Rights

To prevent and eliminate discrimination by:

Enforcing the provisions of Chapter 183 of the Saint Paul Legislative Code (Human Rights Ordinance) and its Rules Governing Affirmative Requirements in Employment;

Providing educational and training opportunities that enable recipients to create equitable living and working environments;

Facilitating collaborations with and between individuals, agencies, and organizations to maximize community resources towards the prevention and elimination of prejudice, racism and discrimination.



(Total 7.2 FTEs)

About the Department of Human Rights

What We Do (Description of Services)

- **Complaint Investigation/Enforcement:** The Department receives and investigates complaints from citizens who believe they have been discriminated against or treated in a manner that violates the City's Human Rights ordinance.
- **Equal Employment Opportunity/Affirmative Action Contract Enforcement:** The City requires that every contractor, who enters a contractual agreement to do business with the City, be an equal opportunity employer. The Department reviews and approves contractors' affirmative action plans and monitors supply/service contractors' "good faith efforts" to recruit, hire, promote and retain qualified women and minorities.
- **Elimination and Prevention:** The Department engages in activities designed to prevent and eliminate prejudice, racism and discrimination, and acts of violence and bias.
- **Hate/Bias Response Plan:** The Department of Human Rights and the Human Rights Commission developed a Hate/Bias Response Plan in 1998. The Department and Commission are currently working with community groups to implement the Plan to reduce hate/bias incidents and crimes.
- **The Fair Housing Project:** The Department of Human Rights, the Human Rights Commission, the Minneapolis Civil Rights Office and the State Department of Human Rights has joined efforts in creating, training and recruiting a pool of pair-testers to assist each office in surveying and monitoring problem rental properties, banks and lending institutions.

2004-2005 Accomplishments

- Accomplished a measurable increase in charges submitted by members of our Hispano community and continue to house a staff person to do intakes at CLUES every Wednesday.
- Launched the "Stop the Violence" public relations campaign in partnership with Clear Channel Communications, Minneapolis Police Department, Saint Paul Police Department, City, Inc., University of Minnesota, Somali Confederation of Minnesota and Heart of the Earth Survival School, delivering a strong message of unity and violence prevention among youth.
- Outreach to schools within the City of Saint Paul regarding prejudice, racism and discrimination.
- Increased outreach efforts in the Somali community with educational forums related to employment, education, public accommodations, public services and housing. Also increased outreach efforts with community based organizations who work directly within the Somali community.
- While the Department has lost 40% of its staff since 2002 to budget reductions, the Department has met all goals related to onsite reviews, contract approvals, affirmative action registration forms, community outreach, technical assistance and more.

Statistical Profile

- 95% of all cases closed within 200 days.
- The Department has zero case backlog for the 9th consecutive year.
- The Department completed over 100 outreach events in the community to eliminated prejudice, racism and discrimination.
- For the 9th consecutive year there was an increase in the number of complaints filed in the Department from a low of 41 in 1996 to high of 170 in 2004.

Department of Human Rights Key Performance Measures

Performance Objective: Meet Equal Employment Opportunity Commission contract requirements that pays the City of Saint Paul \$500 for each case investigated under Title VII of the Civil Rights Act of 1964 and Chapter 183 of the Saint Paul Legislative Code

Performance Indicator: Actual contracted cases meets or exceeds goal set in EEOC contract

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Actual contracted cases compared to goal	93 actual; 87 was goal	125 actual; 100 was goal	110 estimated; 95 is goal	100 is projected

Performance Objective: Conduct outreach in the protected class communities to eliminated prejudice, racism and discrimination

Performance Indicator: Actual outreach events conducted meets or exceeds goal

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Actual outreach events compared with goal	75 actual; 50 was goal	90 actual; 75 was goal	125 estimated; 100 is goal	100 is projected

Performance Objective: Affirmative Action Registrations/Affirmative Action Plans approved by the Department.

Performance Indicator: Actual AA Registrations/Plans approved exceeds goal

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Actual Registrations/Plans approved compared with goal	205 actual; 150 was goal	210 actual; 175 was goal	225 estimated; 215 is goal	250 is projected

Performance Objective: Number of calendar days to investigate each complaint of discrimination filed with the Department.

Performance Indicator: Actual average days per case compared with goal

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Actual average days per case compared with goal	126 actual; 160 was goal	180 actual; 210 was goal	180 estimated; 210 is goal	180 is projected

Human Rights

Department/Office Director: **WILLIAM H TERRILL**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	631,802	504,107	520,361	531,389	527,205	-4,184	6,844
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	43,163	89,512	79,119	68,500	67,944	-556	-11,175
Total Spending by Unit	674,965	593,619	599,480	599,889	595,149	-4,740	-4,331
<u>Spending By Major Object</u>							
SALARIES	468,047	420,723	422,979	419,730	419,730		-3,249
SERVICES	39,261	28,026	33,448	33,853	33,853		405
MATERIALS AND SUPPLIES	3,338	3,844	6,400	6,400	6,400		
EMPLOYER FRINGE BENEFITS	163,719	140,497	135,153	138,406	133,666	-4,740	-1,487
MISC TRANSFER CONTINGENCY ETC	600	529	1,500	1,500	1,500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	674,965	593,619	599,480	599,889	595,149	-4,740	-4,331
Percent Change from Previous Year		-12.1%	1.0%	0.1%	-0.8%	-0.8%	-0.7%
<u>Financing By Major Object</u>							
GENERAL FUND	631,802	504,107	520,361	531,389	527,205	-4,184	6,844
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	60,600	52,700	59,252	48,500	47,944		-11,308
FEES, SALES AND SERVICES	204						
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES			19,867	20,000	20,000		133
Total Financing by Object	692,606	556,807	599,480	599,889	595,149	-4,740	-4,331
Percent Change from Previous Year		-19.6%	7.7%	0.1%	-0.8%	-0.8%	-0.7%

2006 Budget Plan

2006 Priorities

- Fair Housing Project - Pair-testing, surveying and monitoring of banks and lending institutions on best practices and fair lending practices; Pair testing, surveying and monitoring of problem rental properties; Outreach and education will continue in a limited capacity in 2006.
- Hate-Bias Incident Response Team Network - Stop Hate! Collaborative partnerships for on-site intakes at respective community based organizations will continue in a limited capacity and as needed in 2006.
- Increase in outreach efforts with the GLBT community including Twin Cities Pride events and meetings with leadership in the community regarding effective outreach and education efforts.
- Increase Outreach efforts in the Hmong, Somali, Chicano/Latino, Native American and Disabled communities.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. The base budget also specified a \$4,700 spending restraint goal.

Mayor's Recommendations

To have a part-time Human Rights Specialist work full-time but still keep the Department's general fund budget at its base level, the Mayor's Proposed Budget adds the remaining EEOC fund balance (accumulated from previous years), allowing the Department to have the Human Rights Specialist work full-time for nine months.

For the remaining funding of this position, the Department will initiate a HUD contract in the latter part of 2006 to generate additional revenues from investigating housing discrimination cases. This component requires that the Minnesota Legislature grant the City a waiver from the housing discriminations damages cap currently in state law.

Council Actions

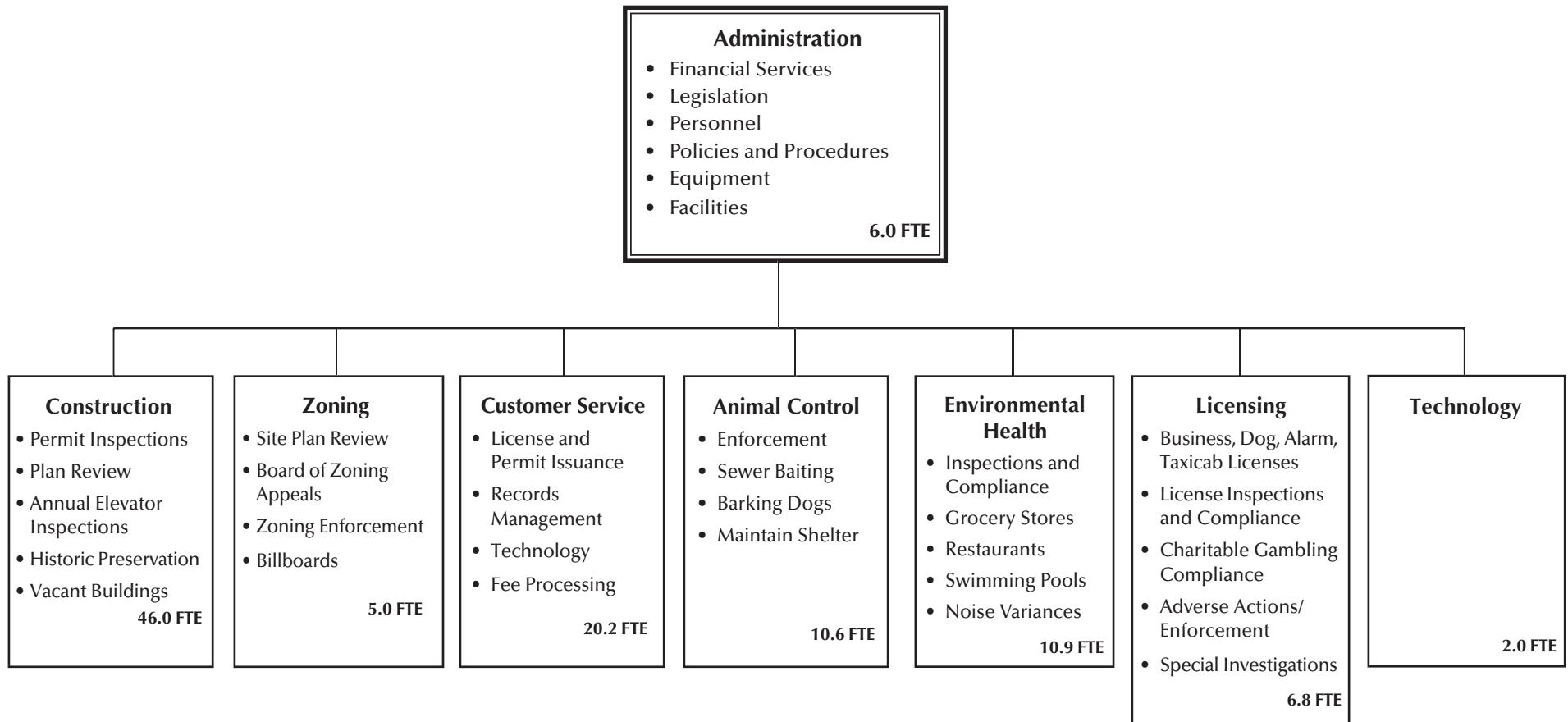
The City Council adopted the Human Rights budget and recommendations as proposed by the Mayor, and approved the following changes:

- Decrease in fringe benefit costs resulting from retiree insurance savings.



License, Inspection, and Environmental Protection

To set a standard of excellence as a dynamic, and innovative organization that ensures public health and safety and consistently exceeds customer expectations



(Total 107.5 FTEs)

About the Office of License, Inspections and Environmental Protection

What We Do (Description of Services)

The Office of License, Inspections and Environmental Protection (LIEP) performs regulatory services for the City of Saint Paul.

During the year, LIEP staff:

- Assure the safety of citizens by enforcing construction code standards compliance.
- Enforce license conditions and regulations on all licensed businesses in Saint Paul
- Regulate lawful gambling to prevent its commercialization and ensure integrity of operations and provide for the use of net profits only for lawful purposes.
- Provide a safe and healthy environment for Saint Paul residents and visitors by raising awareness about environmental health issues through routine inspections, complaint investigations, education, testing and enforcement activities.
- Investigate and enforce Zoning regulations in the City of Saint Paul.
- Protect the public from loose and dangerous animals and protect animals from abusive owners through the Animal

Statistical Profile

- LIEP issued 29,763 permits, yielding 55,829 permit inspections.
- LIEP increased the percentage of inspections compliant with the building code on first inspection from 74% in 2003 to 76% in 2004.
- LIEP issued 4,294 on-line permits in 2004, a 15% increase from 2003.
- LIEP investigated 2,552 complaints in 2004, a 7% increase over 2003.
- LIEP conducted 3,721 restaurant inspections in 2004, a 5% increase over 2003.
- The total valuation of permits pulled in 2004 was \$859,539,337, a 49% increase over 2003 permit valuation.
- Initiated 206 adverse actions for license compliance violations.

Control operation.

2004-2005 Accomplishments

We're proud of the following accomplishments for 2004-2005.

- Relocated the LIEP main office from the Lowry Professional Building to the Commerce Building with a minimum of inconvenience for our customers. As part of this effort, LIEP completed a major purge of all files to reduce on-site storage.
- Increased the efficiency and convenience of issuing permits by expanding our 24/7 on-line permit issuance system.
- Continued to increase the number of building permits completed on-line.
- Provided staff resources to facilitate the administration's goal of achieving 5,000 new housing units within four years.
- Increased elevator inspection, restaurant license and zoning fees to more accurately cover the costs of these activities.
- Worked to develop new ordinances to regulate the growing popularity of body art (tattooing and piercing) and food service from temporary stands at flea markets and other limited locations that are not special events.
- Collaborated with the community and other City agencies to facilitate the establishment of a State Fair Vending Overlay District.
- Developed a web site and a hotline for gambling enforcement/criminal investigations.
- Continued to revise reports in ECLIPS to help detect gambling compliance problems.
- Revised LIEP's web site to make it more user friendly and less cumbersome for customers.
- Conducted 333 gambling inspections.
- Issued 7,802 dog licenses in 2004, up 24% from 2003.

Office of License, Inspections and Environmental Protection Key Performance Measures

Performance Objective: Enforce license conditions on all licensed businesses in the City of Saint Paul.				
Performance Indicator: Increase the number of establishments monitored.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Establishments monitored	N.A.	N.A.	250	300
Performance Objective: Provide a safe and healthy environment for Saint Paul residents and visitors by raising awareness about environmental health issues through routine inspections, complaint investigations, education, testing and enforcement activities.				
Performance Indicator: Increase critical deficiencies cited as a percent of total deficiencies cited.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Critical deficiencies cited	1,648	1,510	1,200	1,600
Percent of total deficiencies that are critical	21.22%	21.78%	22.22%	23.88%
Total deficiencies cited	7,767	6,932	5,400	6,700
Performance Objective: Market on-line permits to reduce staff time needed to process permits.				
Performance Indicator: Increase the number of on line permits sold				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Number of on line permits sold	3,721	4,294	4,900	5,800
Performance Objective: Assure safety of citizens through construction standards compliance.				
Performance Indicator: Increase and maintain the percent of inspections compliant with code on first inspection				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Percent compliance with codes on first inspection	71%	74%	75%	75%
Permits issued	30,558	29,763	30,000	30,000
Construction Value (in millions)	\$576	\$860	\$705	\$769
Number of housing units facilitated	926	2,692	1,200	2,000
Performance Objective: Investigate and enforce zoning regulations by responding to complaints, assuring compliance with conditions placed on approved site plans, variances, special and nonconforming use permits and business licenses.				
Performance Indicator: Maintain the high number of site plans reviewed, zoning variances and appeals processed, zoning compliance letters sent and number of complaints investigated.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Site plans reviewed	110	119	115	115
Zoning variances and appeals processed	171	162	160	160
License applications reviewed for zoning compliance	1,494	1,568	1,600	1,620
Zoning compliance letters sent	193	198	175	175
Number of complaints investigated	398	459	450	450

License, Inspections & Env. Protect

Department/Office Director: **JANEEN E ROSAS**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	761,009	714,385	732,857	744,854	740,066	-4,788	7,209
167 CHARITABLE GAMBLING ENFORCEMENT	361,587	349,183	363,481	305,958	305,958		-57,523
320 LICENSE INSPECTIONS & ENV PROTECTIO	9,203,622	9,287,784	10,035,858	11,532,252	11,540,521	8,269	1,504,663
Total Spending by Unit	10,326,218	10,351,352	11,132,196	12,583,064	12,586,545	3,481	1,454,349
<u>Spending By Major Object</u>							
SALARIES	6,056,883	6,189,455	6,536,085	6,911,785	6,911,785		375,700
SERVICES	1,686,411	1,453,673	1,724,147	1,579,076	1,656,637	77,561	-67,510
MATERIALS AND SUPPLIES	137,132	116,206	288,221	374,913	374,913		86,692
EMPLOYER FRINGE BENEFITS	2,238,466	2,430,530	2,406,473	2,552,993	2,478,913	-74,080	72,440
MISC TRANSFER CONTINGENCY ETC	207,326	145,778	176,608	1,164,297	1,164,297		987,689
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS		15,710	662	0	0		-662
Total Spending by Object	10,326,218	10,351,352	11,132,196	12,583,064	12,586,545	3,481	1,454,349
Percent Change from Previous Year		0.2%	7.5%	13.0%	0.0%	0.0%	13.1%
<u>Financing By Major Object</u>							
GENERAL FUND	761,009	714,385	732,857	744,854	740,066	-4,788	7,209
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS	7,983,834	10,028,127	8,888,459	8,873,146	8,873,146		-15,313
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,273,968	2,040,055	1,460,655	1,652,000	1,652,000		191,345
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	28,496	27,429	28,000	26,000	26,000		-2,000
TRANSFERS	1,000		30,600	103,825	103,825		73,225
FUND BALANCES			-8,375	1,183,239	1,191,508		1,199,883
Total Financing by Object	10,048,307	12,809,996	11,132,196	12,583,064	12,586,545	3,481	1,454,349
Percent Change from Previous Year		27.5%	-13.1%	13.0%	0.0%	0.0%	13.1%

2006 Budget Plan

2006 Priorities

- Revise Chapter 409 to clarify language to conform to State law and improve the enforcement process.
- Measure inspections made per employee within LIEP to ensure that all LIEP inspectors are optimally utilized.
- Negotiate with the State of Minnesota, Department of Public Safety which, if successful, would allow LIEP to issue the buyer's card (allows establishments to purchase alcohol and beer at wholesale prices) and 2:00 AM Liquor Licenses to on sale liquor establishments. This process would also help LIEP better realize a "one-stop shop" for liquor licensees and would increase our customer service.
- Collaborate with the City of Minneapolis to eventually switch to a third party, private testing corporation for the issuance of trades competency cards.
- Work with Animal Ark to reduce stray cat populations using a new and innovative method which sterilizes and then re-releases the animals.
- Inspect new construction, elevators and restaurants to assure compliance with recognized standards of quality to protect the health and safety of the residents and visitors and the economic viability of the city.
- Refine Amanda and other IT systems to automate our record keeping, improve internal processes, enable more customers to transact business on-line, and present information in geographical forms improving both our efficiency and our customers' while reducing costs and errors.
- Continue to provide accurate information and excellent customer service to both internal and external customers.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. The base budget also specified a \$31,777 spending restraint goal.

Mayor's Recommendations

The proposed budget continues the same level of services as the 2005 budget. The number of FTEs remains the same as in 2004 and 2005. The allocation of business license fees to the General Fund will increase by \$58,000 to reflect the historic split of 29% of license fees to support related general fund expenditures (police and city attorney) and 71% for LIEP's licensing costs. Additionally, \$1 million in fund balances in LIEP special funds is transferred to the General Fund and the Department of Planning and Economic Development's Operations Fund to support planning and development-related costs incurred in Public Works traffic engineering, PED planning/zoning, and Fire Inspections.

Council Actions

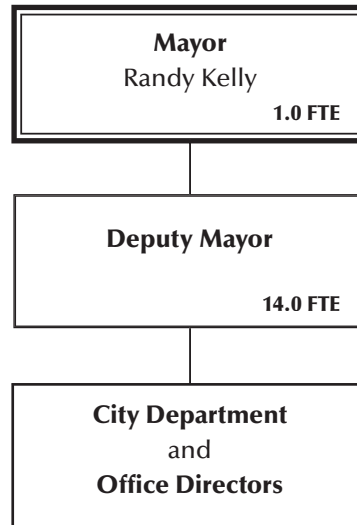
The City Council adopted the LIEP budget and recommendations as proposed by the Mayor, and approved the following changes:

- Transfer of \$8,269 to the Office of Technology to help fund Information Services support.
- Decrease in fringe benefit costs resulting from retiree insurance savings.



Mayor's Office

To direct the operation of the City and promote the interests of its citizens and its businesses.



(Total 15.0 FTEs)

About the Mayor's Office

What We Do (Description of Services)

The Mayor's Office oversees the operations of all City Departments and Offices ensuring that the needs of our citizens and businesses are met and that the Mayor's priorities are actively being pursued.

The Mayor's Office staff:

- Oversees the work of city agency heads.
- Represents the City and the Office before external groups such as the Minnesota Legislature, the US Congress, the Metropolitan Council, the Ramsey County Board, and the city's District Councils.
- Prepares, publishes and distributes policy positions of the City and the Office.
- Responds to inquiries of citizens.
- Identifies and pursues grant opportunities to support the work of the City and the office.
- Works to maintain affordability and a safe environment for city residents and businesses.
- Supports the work of the schools, nonprofits and other community institutions in the City.
- Pursues economic development growth and employment opportunities.

Statistical Profile

- City Bond Ratings: AAA and Aa2
- St. Paul's 2004 property tax ranking is #55 among metro cities – down from #1 in 1991.

2004-2005 Accomplishments

We're proud of the following accomplishments of the City and its agencies:

- When faced with a state budget crisis and expected loss of millions of dollars in Local Government Aid, the City acted swiftly and strategically. By demanding more efficiency in how we do business, we significantly limited employee layoffs and cuts in key citizen services.
- Held the City's levy flat for 12 straight years.
- Despite budget constraints, added six new Police Officers and five additional Firefighters in 2005, and throughout the first three years of the Administration, reduced the overall serious crime by 30%.
- Raised over \$9 million in contributions to help finance the \$21 University Enterprise Laboratories incubator project which opened its labs and offices in August
- Began a new Jobs 10,000 initiative to expand the employment base in the City. Seven new companies moved their corporate headquarters to downtown, and more were planning moves.
- By the end of 2005 will complete Housing 5000 and meet all of the program's goals.
- By the end of 2005 RiverCentre and the CVB will merge to create a stronger tourism and marketing initiative.
- Secured legislative funding for a roadway connecting the Bioscience Corridor with Phalen Boulevard, the Central Corridor Light Rail project, and Holman Field. Successfully completed environmental review for the Ayd Mill Road project.
- Completed a community meeting project (Streetbeat) that resulted in a 10-year vision for the City.

Mayor's Office Key Performance Measures

Performance Objective: Maintain affordability for City residents and businesses

Performance Indicator: Control growth in the property tax levy

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Net Property Tax Levy (including Library)	63.8	63.9	64.0	65.9
City tax ranking -- per Citizen's League	51*	55*	NA	NA

Performance Objective: Expand the housing stock and commercial construction in the city

Performance Indicator: Verification of creation of housing units while facilitating citizen safety through construction standards compliance.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
New and Substantially rehabilitated housing units	1,829	1,804	1,600	1,600
Permits issued	30,558	29,763	30,000	30,000
Construction Value (in millions)	\$576	\$860	\$705	\$769
Number of housing units facilitated	926	2,692	1,200	2,000

Performance Objective: Keep the city safe

Performance Indicator: Increase volume of police arrests; Achieve the national standard for Fire & EMS response time 90% of the time (eight minute response.); and ensuring code compliance.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Police cases assigned and cleared by arrest	13,641	15,213	15,785	16,000
Fire Response Standard met	98%	99%	98%	98%
Emergency Medical Services Response Standard met	98%	98%	98%	98%
Percent compliance with codes on first inspection	71%	74%	75%	75%

Performance Objective: Grow jobs in the city

Performance Indicator: Number of new jobs created; number of jobs retained; development assistance to minority, etc businesses

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
New covered employment in the City			2,000	2,000
Retain current jobs in City				
Communicate with city businesses re job needs			1,000	2,500
Target assistance to minority, etc businesses			15% award	15% award

Performance Objective: Improve transportation in the city

Performance Indicator: Increase transportation spending, reduce reliance on general fund to finance

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Miles of street reconstructed	13.0	10.2	9.3	12.3
Total road improvement programs	\$128.7 million	\$145.3 million	\$148.5 million	\$148.5 million
Percent of funding from city General Fund	0.039%	0.035%	0.035%	0.034%

Mayors Office

Department/Office Director: **DENNIS J FLAHERTY**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,110,876	1,268,979	1,361,039	1,301,220	1,421,239	120,019	60,200
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	62,245	351,021	623,730	644,944	643,589	-1,355	19,859
Total Spending by Unit	1,173,121	1,620,000	1,984,769	1,946,164	2,064,828	118,664	80,059
<u>Spending By Major Object</u>							
SALARIES	734,362	1,087,605	1,262,351	1,328,698	1,328,698		66,347
SERVICES	168,043	152,995	375,429	374,525	374,525		-904
MATERIALS AND SUPPLIES	22,782	24,537	30,738	-93,869	36,131	130,000	5,393
EMPLOYER FRINGE BENEFITS	237,500	332,977	298,751	329,310	317,974	-11,336	19,223
MISC TRANSFER CONTINGENCY ETC	10,434	10,156	7,500	7,500	7,500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS		11,730	10,000				-10,000
Total Spending by Object	1,173,121	1,620,000	1,984,769	1,946,164	2,064,828	118,664	80,059
Percent Change from Previous Year		38.1%	22.5%	-1.9%	6.1%	6.1%	4.0%
<u>Financing By Major Object</u>							
GENERAL FUND	1,110,876	1,268,979	1,361,039	1,301,220	1,421,239	120,019	60,200
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	7,904	205,215	408,730	384,162	384,162		-24,568
FEES, SALES AND SERVICES		189					
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	115,450	145,425	215,000	260,782	259,427		44,427
TRANSFERS							
FUND BALANCES							
Total Financing by Object	1,234,230	1,619,808	1,984,769	1,946,164	2,064,828	118,664	80,059
Percent Change from Previous Year		31.2%	22.5%	-1.9%	6.1%	6.1%	4.0%

2006 Budget Plan

2006 Priorities

- Continue to make Saint Paul a very affordable place to live, work, and run a business.
- Preserve and increase the overall tax base so the cost of services can be spread most broadly.
- Fully implement Jobs 10,000 program with its focus on downtown and the City's commercial corridors.
- Where possible, link jobs and housing strategies as is being done with East Side projects like Phalen Boulevard and the Payne Lake Community Partnership.
- Complete the Housing 5000 program and begin its successor with a greater focus on affordable housing.
- Begin preliminary engineering and planning for the Central Corridor Light Rail, the Pierce Butler development, and the Ayd Mill extension.
- Acquire the downtown post office, begin the restoration of Union Depot as a multi-modal transportation hub, and identify possible uses for the other post office parcels.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utility object codes. A \$10,519 spending restraint amount was applied to the Mayor's Office general fund spending base to help control general fund spending.

Mayor's Recommendations

The recommended 2006 general fund budget of the Mayor's Office is \$1,301,220, which is \$59,819 less than the adopted 2005 budget. The special fund budget is \$644,944, an increase of \$21,214 from the 2005 adopted budget. The budget reflects the increases as indicated above as well as a general reduction in spending.

Council Actions

The City Council adopted the Mayor's Office budget and recommendations as proposed by the Mayor, and approved the following changes:

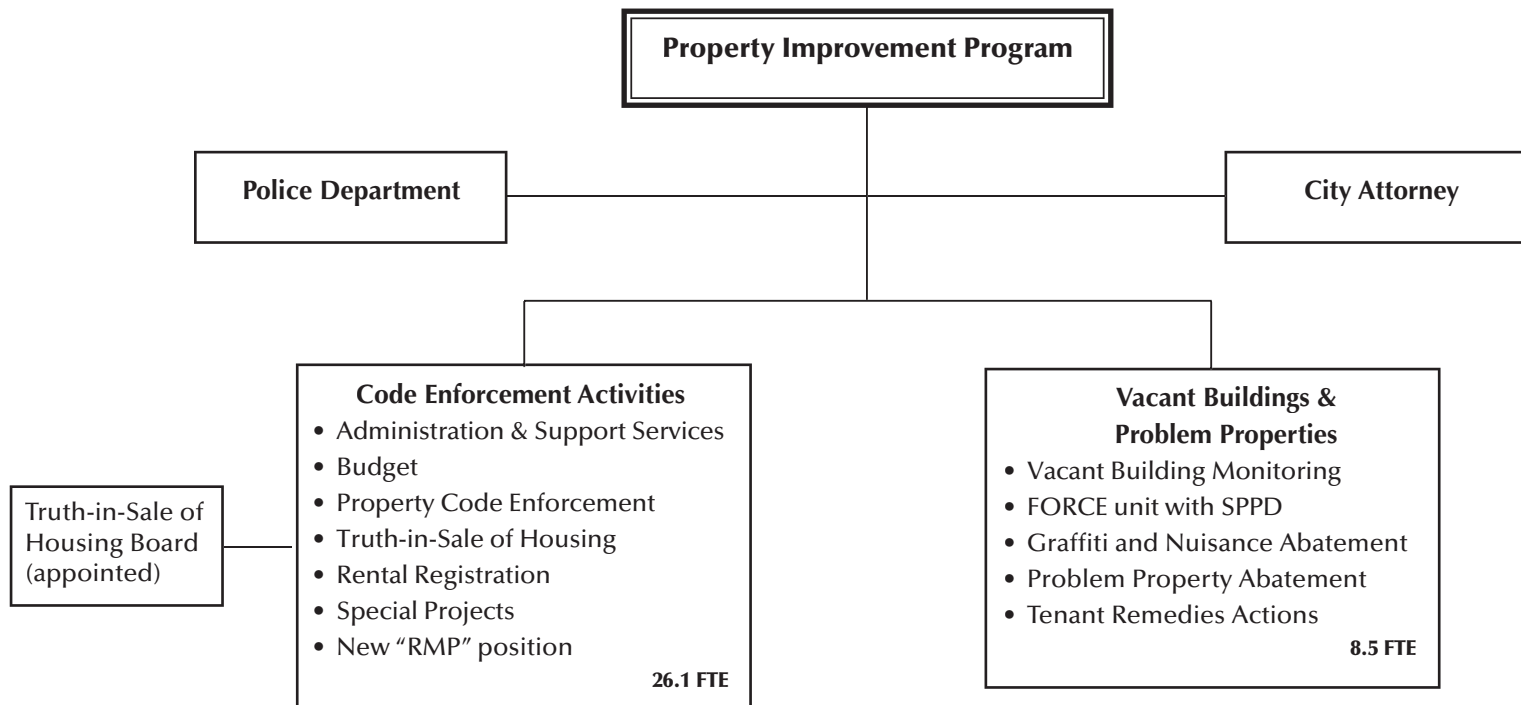
- Increase spending by \$130,000 to restore spending reduction included in the Mayor's Proposed Budget..
- Decrease in fringe benefit costs resulting from retiree insurance savings.

The 2006 adopted budget is \$1,421,239 for the general fund, and \$643,589 in special funds.



Neighborhood Housing and Property Improvement

Our mission is to (1) keep the City clean (2) keep the housing habitable and (3) make our neighborhoods as safe and livable as possible.



(Total 34.6 FTEs)

About the Department of Neighborhood Housing and Property Improvement

What We Do (Description of Services)

NHPI plays a vital role in supporting the City's operations. The purpose of all Code Enforcement Programs is to protect the public health and safety and maintain and improve the housing in Saint Paul in order to make the City a safe place to live. We provide the following services:

- Code Enforcement enforces minimum housing and health code on all interior one-and two-family homes and on all exterior properties. The Problem Property Unit uses civil and criminal laws to enforce a community standard of acceptable behavior.
- Vacant Building Monitoring identifies vacant buildings and “case manages” these properties.
- The Summary Nuisance Abatement activity eliminates garbage and rubbish, tall grass and noxious weeds, unshoveled snow on public sidewalks, abandoned motor vehicles, broken sewer lines, dilapidated garages and houses, peeling paint, etc.
- The Truth-in-Sale of Housing program processes evaluation reports required by Chapter 189 of the Legislative Code and investigates complaints about evaluators and/or reports and takes appropriate disciplinary actions.
- Nuisance Building Abatements enforce the Building Demolition and Removal legislation of vacant nuisance buildings.
- Rental Registration identifies and inspects one-and two-family non owner-occupied properties, requires registration fees, issues certificates and revokes certificates on problem properties.
- Tenant Remedies Actions are conducted per a contract between the City and the Family Housing Fund to revolve \$200,000 for fixing up properties where the City has initiated action.

2004-2005 Accomplishments

We're proud of the following accomplishments in 2004:

- The Department is inspecting to a higher standard, conducting sweeps in addition to responding to specific complaints; writing up all violations at a property, not just those called in; and writing up near-by properties with the same or worse violations.
- The City moved from a mostly complaint-based system to a more proactive patrol system.
- Productivity has doubled since 2002, based on the number of orders issued and number of deficiencies cited.
- Implemented a new Excessive Consumption program which has worked as a compliance tool.
- Implemented the Rental Registration Revocation program which has worked as a compliance tool.
- The number of problem properties has been reduced.
- Produced a “How -to-Guide” and programmed a way for residents to track complaints on-line.
- Integrated the Public Works Right-of-Way duties together with Code Enforcement activities.
- Instituted a monthly training regimen that brought in experts from other city departments and the county, used test houses to train inspectors, and promoted consistent enforcement.

Statistical Profile

• Inspections:	2002 = 23,083	2004 = 34,048
• Orders:	2002 = 4,168	2004 = 11,640
• Deficiencies:	2002 = 29,636	2004 = 49,860
• Rental units reg.:	2002 = 3,441	2004 = 5,547
• No. of sweeps:	2002 = 1	2004 = 16
• Cost/inspection:	2003 = \$53.96	2004 = \$43.15
• Closed on 1 st reinsp:	2003 = 4,942	2004 = 5,941

Department of Neighborhood Housing and Property Improvement Key Performance Measures

Performance Objective: Increased Productivity				
Performance Indicator: Increase number of field finds				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Average number of field finds per inspector per day	1.2	1.24	1.4	1.6

Performance Objective: Increased Productivity/Increased Voluntary Compliance				
Performance Indicator: Contraction of Reinspection to Inspection ratio				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Reinspection to Inspection Ratio	not measured	17 to 11	16 to 11	15 to 10
Number of new folders/number folders closed requiring > 1 reinspection	10,009/3,433	11,541/3,252	12,000/3,100	15,500/3,000

Performance Objective: Control for Costs				
Performance Indicator: Continue to reduce cost per inspection				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Cost per inspection	\$53.96	\$43.15	\$42.00	\$41.00

Performance Objective: Increased Effectiveness				
Performance Indicator: Reduce the number of days garbage and rubbish is illegally on the ground				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Garbage days on the ground (from complaint date to work order completion)	not measured	est.: 7 days	6 days	5 days

Performance Objective: Increase Effectiveness/preserve affordable housing stock				
Performance Indicator: Increase number of interior inspections				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Number of initial interior inspections	1,148*	1,148*	1,400	1,800

Neighborhood Housing And Property Improvement

Department/Office Director: **ANDREW J DAWKINS**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	2,522,823	2,791,830	2,709,743	2,832,641	2,816,246	-16,395	106,503
040 PROPERTY CODE ENFORCEMENT	501,325	529,848	821,010	772,008	772,008		-49,002
Total Spending by Unit	3,024,148	3,321,678	3,530,753	3,604,649	3,588,254	-16,395	57,501
<u>Spending By Major Object</u>							
SALARIES	1,570,645	1,705,518	1,788,083	1,845,046	1,845,046		56,963
SERVICES	892,164	999,320	884,266	864,383	867,445	3,062	-16,821
MATERIALS AND SUPPLIES	47,316	20,726	46,403	59,662	59,662		13,259
EMPLOYER FRINGE BENEFITS	504,370	562,557	561,256	595,970	576,513	-19,457	15,257
MISC TRANSFER CONTINGENCY ETC	9,653	33,557	240,400	237,243	237,243		-3,157
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT			2,345	2,345	2,345		
EQUIPMENT LAND AND BUILDINGS			8,000	0	0		-8,000
Total Spending by Object	3,024,148	3,321,678	3,530,753	3,604,649	3,588,254	-16,395	57,501
Percent Change from Previous Year		9.8%	6.3%	2.1%	-0.5%	-0.5%	1.6%
<u>Financing By Major Object</u>							
GENERAL FUND	2,522,823	2,791,830	2,709,743	2,832,641	2,816,246	-16,395	106,503
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS	4,100	4,300	4,000	4,300	4,300		300
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	320,225	322,557	319,745	349,804	349,804		30,059
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE			200,000	200,000	200,000		
TRANSFERS	201,145	198,762	200,000	200,000	200,000		
FUND BALANCES			97,265	17,904	17,904		-79,361
Total Financing by Object	3,048,293	3,317,449	3,530,753	3,604,649	3,588,254	-16,395	57,501
Percent Change from Previous Year		8.8%	6.4%	2.1%	-0.5%	-0.5%	1.6%

2006 Budget Plan

2006 Priorities

- Enhanced inspector performance accountability.
- Increase inspector watchfulness for code violations.
- Inspect every Rental Registration property.
- Increase the number of interior inspections.
- Increase the number of Tenant Remedies Actions.
- Measure and reduce “Garbage Days on the Ground.”
- Institute "Remote Mobile Patrol" inspector.
- Continue to improve inspection to reinspection ratio.
- Continue to decrease the average cost per inspection.
- Reduce the numbers on “5 Day Late List,” and “To Do List.”
- Continue to identify and target properties which generate repeat complaints (including Police calls.)
- Enhance ease of police officers reporting to Code.
- Explore using the Water Utility's lead pipe replacement program as a model for property owner fix-up fund.
- Better involve neighborhood activists in citizen patrols.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utility object codes. The base budget also specified a \$22,055 spending restraint goal.

Mayor’s Recommendation

The proposed budget continues the same level of services as the 2005 budget. There are no FTE reductions. The Department’s spending reduction target plus inflationary increases was achieved through slight reductions in overtime (\$14,257) and summary nuisance abatement activity (\$13,809), and the remaining approximate one-third through a shift to special funds. An annual \$78,483 repayment to the Community Development Block Grant fund is moved from the Department of Planning and Economic Development’s budget to the NHPI budget. The revenue estimate for assessments from boarding-up vacant buildings was reduced by \$153,000 to reflect historical collections.

Council Actions

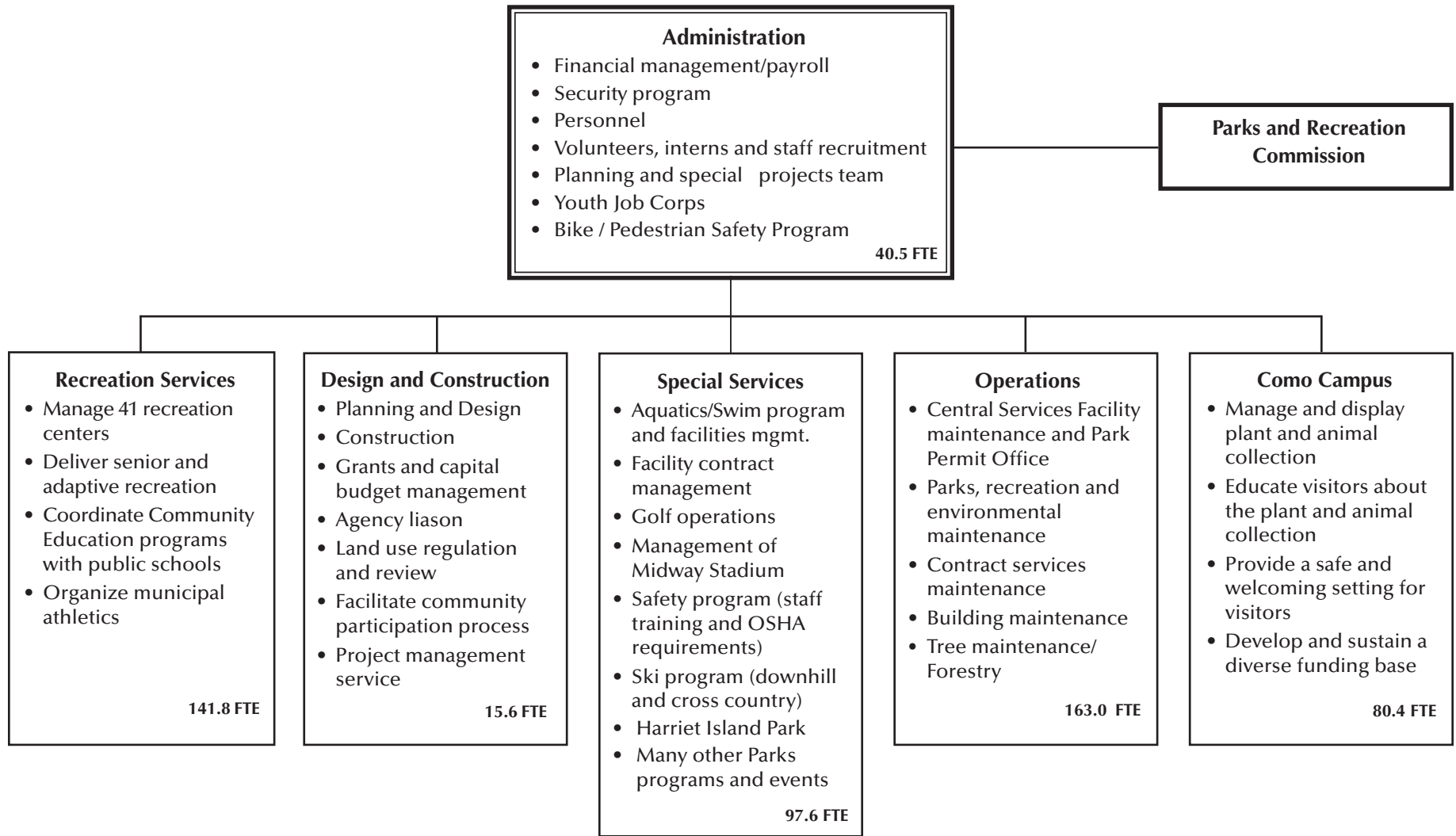
The City Council adopted the NHPI budget and recommendations as proposed by the Mayor, and approved the following changes:

- Decrease in fringe benefit costs resulting from retiree insurance savings.



Parks and Recreation

To enhance the lives of its citizens and visitors, Saint Paul Parks and Recreation will, within available resources, provide and facilitate safe, quality leisure services, programs and facilities while preserving and enhancing natural resources and stimulating the economic vitality of the community.



(Total 538.9 FTEs)

About the Parks and Recreation Department

What We Do (Description of Services)

Parks and Recreation's promises to deliver exceptional service in a cheerful and respectful manner, provide access to quality programs at clean and safe facilities, welcome suggestions, and respond to concerns. We provide the following services:

- Offer aquatics programs at three pools and one beach.
- Operate four golf courses and Manage Midway Stadium.
- Offer ski programs (downhill, cross country and snowboarding).
- Provide organized youth and adults' sports programs.
- Provide recreation activities for all ages (such as classes, special events, sports programs, etc.) at our 41 recreation centers.
- Implement and facilitate a wide range of senior citizen activities.
- Provide programs for people with disabilities.
- Maintain, program, and support (including security) all Parks and Recreation's properties and facilities.
- Provide environmental planning and stewardship.
- Prepare funding proposals and cost estimates for projects. Prepare master plans, design and construction plans and specs.
- Manage and operate Como Park's Zoo, Marjorie McNeely Conservatory, and Visitor Center. Provide unique rental opportunities for weddings, and other special events.
- Provide classes, informal educational opportunities and educational activities related to the plant and animal collections of the zoo and conservatory.
- Provide administration, accounting, and payroll support for the above listed services. Pursue technological advancements.

Statistical Profile

- Nationally accredited Parks Agency and AZA accredited Zoo.
- 45 current construction projects with a value of \$47 million.
- In 2004:
 - 26 Special Events with attendance of 835,000
 - 228,500 visitors to Parks' 3 pools and beach
 - 1,700 picnic permits issued
 - 109 partnering agencies
 - 521 youth athletic teams, 1,685 recreation classes
 - 322,000 Como Campus Education participants

2004-2005 Accomplishments

We're proud of the following accomplishments in 2004 and 2005:

- Harriet Island's Great Lawn was recognized as the country's third most outstanding public lawn in Briggs and Stratton's 2004 list of Top Ten Lawns.
- Recognized by National Recreation and Park Association and Sports Illustrated magazine as Minnesota's "Sports Town".
- Opened, in partnership with Health East, a downtown Senior Center - City Passport at Galtier Plaza.
- One of four national finalists for the Gold Medal Award (Class A Cities).
- 2005 MRPA Awards of Excellence for the Wells Fargo Winterskate and the Seniors in Action Cable Show.
- Fully implemented the Load and Pack trash collection system.
- Certified six management employees as certified national playground safety inspectors.
- Managed \$100,000 National Park Service grant project by completing a park-wide (400 acres) wood invasive plant removal; Crosby Bluff Nature Trail Study and Plan; Natural Resource Inventory and Restoration Management Plan.
- Opened to the public phase I of Bruce Vento Nature Sanctuary.
- Completed and opened to the public Como Park Visitor Center.
- KaBoom! Project - Parks and Recreation worked with neighborhood volunteers, the Minnesota Orthopedic Society and Kaboom! to build a new play area at Phalen.
- The system of access by school groups to recreation facilities was studied. Use requirements, rental costs and work back agreements were updated. A new system for private schools will be implemented beginning with the 2005 school year.
- Renovated and reopened Highland National Golf Course.
- Scheduled three new festivals for Harriet Island/Raspberry Island.
- Youth Job Corps program provided employment opportunities for 463 Saint Paul youth.

Parks and Recreation Key Performance Measures

Performance Objective: Improve marketing and community outreach to maintain and potentially increase golf rounds played.				
Performance Indicator: Highland National will meet or exceed 50,000 rounds, and the other three courses will meet or exceed 35,000 rounds per season.				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Golf Rounds - Total	109,000	107,100	150,500	157,000
Como	38,000	37,800	37,000	35,000(construction)
Highland 9	32,000	31,000	31,000	32,000
Highland National	Closed	Closed	45,000	50,000
Phalen	39,000	38,300	37,500	40,000

Performance Objective: Improve internal and external communication through the expanded use of information technology.				
Performance Indicator: As of 2004, all Recreation Centers have computers that are networked with the City system. As the Departments investment in technology increases, use of technology by the public to access programs increases.				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Recreation Centers networked	30	39	40	41
Recreation Centers with automated catalogs	0	0	0	41
Percentage of Registrations taken on-line	0	0	0	40%

Performance Objective: Expand Voluntary Donation Program at Como Campus to help fund Campus operations.				
Performance Indicator: Voluntary donations program meets projection of \$1,070,000 by 2006.				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Donation Revenues	\$296,463	\$615,284	\$880,000	\$1,070,000

Performance Objective: Provide exceptional customer service to Maintenance's internal and Park Permit's external clients.				
Performance Indicator: Achieve 90% satisfactory complete for work orders and satisfactory rating for customer service surveys in 2006.				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Permit Surveys Issued / Returned / % Satisfactory	1,250 / 227 / 92%	1,500 / 235 / 95%	1,550 / 250 / 96%	1,600 / 260 / 96%
Maintenance Work Orders / Completed / %	8487 / 8051 / 95%	12,213 / 10,584 / 87%	12,822 / 11,397 / 89%	13,300 / 12,095 / 91%

Performance Objective: Continue to provide high quality design and construction management for new or renovated park facilities.				
Performance Indicator: Several new facilities will be constructed and open to the public every year.				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Number of facilities constructed	17	18	24	21

Parks And Recreation

Department/Office Director: **ROBERT L BIERSCHIED**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	21,853,700	22,443,533	22,435,374	22,939,333	23,203,241	263,908	767,867
307 COMMUNITY EDUCATION PROGRAM	310,546						
325 P&R SPECIAL SERVICES ENTERP FUND	8,985,106	6,563,489	7,245,792	6,817,322	6,799,242	-18,080	-446,550
326 RICE AND ARLINGTON SPORTS DOME	659,423	194,194	336,905	0	0		-336,905
330 WATERGATE MARINA ENTERP FUND	8,735	25,632	7,550	7,550	7,550		
334 MIDWAY STADIUM	390,781	343,470	422,410	422,410	421,552	-858	-858
361 JAPANESE GARDEN TRUST FUND	953	1,713	1,700	1,700	1,700		
365 PARKS & REC SPEC. PROJECTS FUND	1,226,639	1,248,489	1,563,195	1,563,195	1,551,710	-11,485	-11,485
370 PARKS & REC SUPPLY & MAINTENANCE	993,038	864,985	1,251,473	1,274,058	1,268,388	-5,670	16,915
375 STREET TREE MAINTENANCE	1,757,409	1,773,983	2,398,662	2,424,595	2,525,740	101,145	127,078
380 COMO CAMPUS	1,527,159	1,794,121	2,556,903	3,212,392	3,195,974	-16,418	639,071
391 SPECIAL RECREATION FUND	32,904	1,005,010	972,008	1,652,637	1,691,893	39,256	719,885
394 MUNICIPAL ATHLETIC ASSOCIATIONS' FD	435,435	607,305	385,070	619,430	618,087	-1,343	233,017
398 RECREATION CENTER ENTERPRISE ACCT.	39,222	856					
399 CHARITABLE GAMBLING DISTRIBUTIONS	66,967	7,028	15,000	15,000	15,000		
729 PARKS' OPPORTUNITY FUND		8,000	14,909	64,909	64,909		50,000
742 HILLER & LOIS HOFFMAN MEMORIAL		270	300	300	300		
860 PARKS & REC GRANT FUND	1,890,056	2,090,798	2,000,401	2,037,181	2,033,290	-3,891	32,889
Total Spending by Unit	40,178,073	38,972,876	41,607,652	43,052,012	43,398,576	346,564	1,790,924
<u>Spending By Major Object</u>							
SALARIES	18,824,000	18,950,263	20,490,291	21,081,556	21,202,758	121,202	712,467
SERVICES	4,079,820	4,711,658	5,097,742	5,247,088	5,247,139	51	149,397
MATERIALS AND SUPPLIES	4,223,798	4,445,489	4,616,728	4,732,503	5,082,895	350,392	466,167
EMPLOYER FRINGE BENEFITS	5,862,773	5,957,123	6,433,760	6,932,358	6,761,277	-171,081	327,517
MISC TRANSFER CONTINGENCY ETC	2,048,525	1,601,882	2,459,572	2,020,807	2,066,807	46,000	-392,765
DEBT	336,026	314,090	336,905	801,830	801,830		464,925
STREET SEWER BRIDGE ETC IMPROVEMENT	1,208,806	1,339,800	1,277,065	1,493,813	1,493,813		216,748
EQUIPMENT LAND AND BUILDINGS	3,590,909	1,652,571	895,589	742,057	742,057		-153,532
Total Spending by Object	40,174,657	38,972,876	41,607,652	43,052,012	43,398,576	346,564	1,790,924
Percent Change from Previous Year		-3.0%	6.8%	3.5%	0.8%	0.8%	4.3%
<u>Financing By Major Object</u>							
GENERAL FUND	21,853,700	22,443,533	22,435,374	22,939,333	23,203,241	263,908	767,867
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,493,467	1,538,961	1,682,605	1,639,355	1,639,355		-43,250
FEES, SALES AND SERVICES	3,225,256	3,153,176	3,505,658	3,610,339	3,590,463		84,805
ENTERPRISE AND UTILITY REVENUES	5,782,341	6,044,573	8,165,316	8,269,848	8,257,854		92,538
MISCELLANEOUS REVENUE	687,935	1,130,092	1,419,900	2,060,255	2,060,255		640,355
TRANSFERS	4,014,844	4,145,475	4,607,207	4,759,313	4,756,866		149,659
FUND BALANCES			-208,408	-226,431	-109,458		98,950
Total Financing by Object	37,057,543	38,455,810	41,607,652	43,052,012	43,398,576	346,564	1,790,924
Percent Change from Previous Year		3.8%	8.2%	3.5%	0.8%	0.8%	4.3%

2006 Priorities

- Increase special event opportunities and revenues at Harriet Island/Raspberry Island and Downtown Parks.
- Increase golf program revenues.
- Make stump removal a function of right-of-way maintenance.
- Recover costs for operation of the Showmobiles.
- Complete construction of Bruce Vento Trail extension to Indian Mounds Park, Bruce Vento Nature Sanctuary and Lowertown.
- Open Tropical Encounters to the general public.
- Jimmy Lee Recreation Center is under construction.
- Fully implement updated system access of outdoor recreation facilities by private schools.
- Implement on-line registration system for recreation programs, classes and activities.
- Open computer rooms for public use at selected recreation sites.
- Manage citywide special events at minimal cost to the City.
- Provide more information the public wants on the Parks web site. Increase the number of maps, provide construction project updates, and conduct informal web user survey.
- Continue working with the Office of Technology on Parks and Recreation technology project requests and solutions.
- Successfully re-open Wellstone Center/El Rio Vista Recreation Center following a \$20 million plus construction project.
- Initiate re-organization of services provided at major city-wide athletic facilities as they relate to the proposed Sandy Lake project, including planning to create optimum use of facilities at McMurray and Rice and Arlington.
- Expand the scope of responsibility for Park Security Officers by implementing a program in which they can issue citations for ordinance violations on park property.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006, and includes 2% inflation in utility costs. A \$166,758 spending restraint amount was applied to the Parks and Recreation base to help control general fund spending. For the opening of the Wellstone Center, \$91,353 was added to the General Fund for 3 FTEs, and \$15,000 was added for utilities.

Mayor's Recommendations

The recommended 2006 general fund budget is \$22,939,333, which is \$503,959 (2.3%) more than the adopted 2005 budget. The majority of the increase is the result of base adjustments noted above. It includes \$18,886 for minimum wage adjustments. \$170,000 is also included for the operations contract for the Wellstone Center. \$20,000 of Showmobile costs were eliminated from the General Fund. \$124,955 additional revenues help support costs of equipment replacement, a .6 FTE for the operation of the Visitor Center and municipal athletics spending. In order to properly and efficiently maintain recreation centers, this budget recommends scheduled maintenance closures for one week each year. Maintenance periods will be sequenced among sites based on low use periods and the availability of services at neighboring centers. An additional general savings target of \$151,603 was assigned, based on current vacant positions. Including special funds, total spending is recommended to grow 3.5%.

Overall, Parks and Recreation FTEs between General and Special funds increase by 3.4 FTEs. General Fund FTEs show almost no change from 2005 (+0.2 FTEs). Changes include 0.6 FTE for the elimination of Holiday Lights, .3 FTE of operating engineer shifted to a special fund due to the renovation of Oxford Pool, and a decrease of 2.0 FTEs for the yearly recreation center maintenance plan. Special fund FTEs increased by 3.2, due primarily to adding FTEs instructors/teachers for the Visitor Center Education Program.

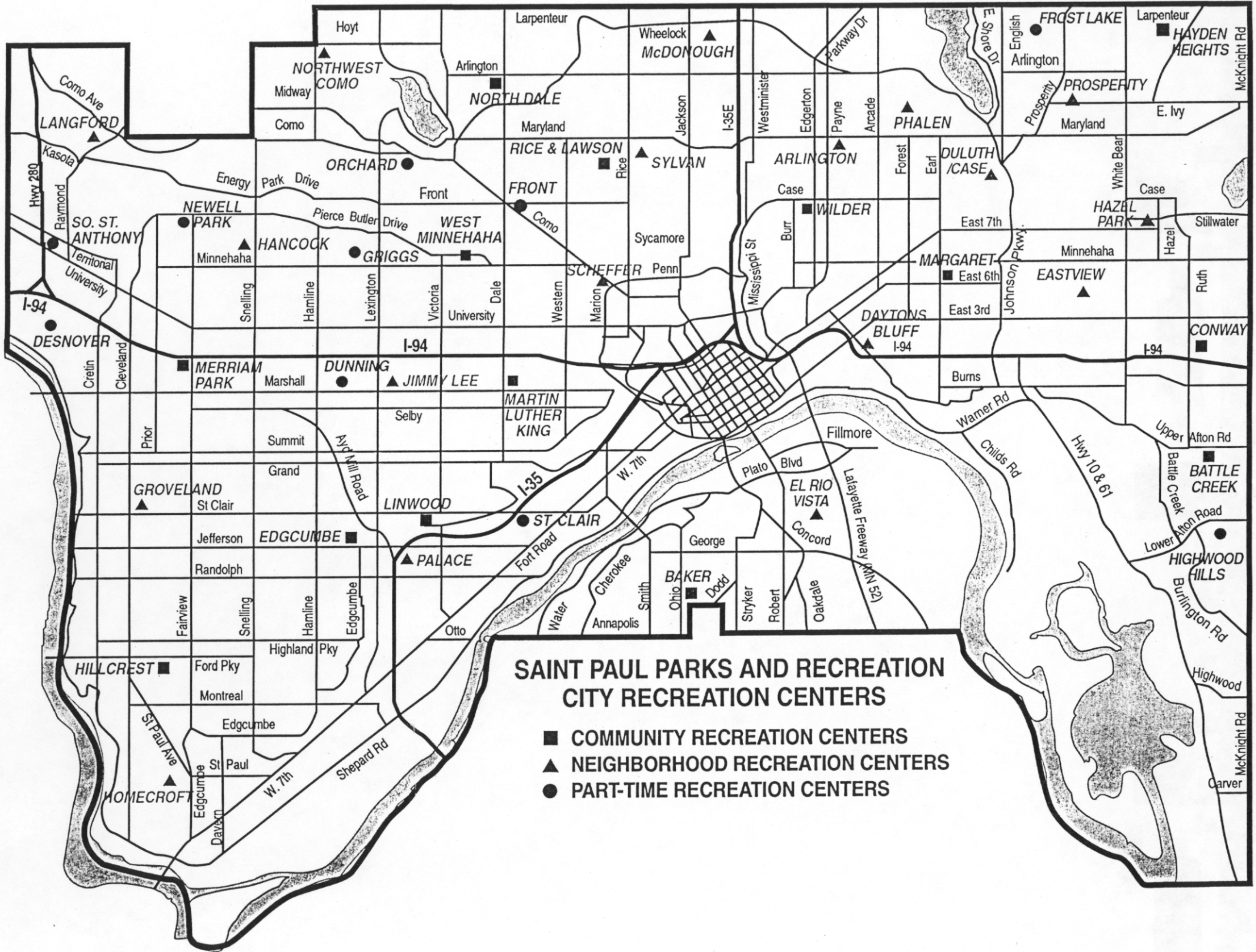
2006 Budget Plan (continued)

2006 Budget Explanation (continued)

Council Actions

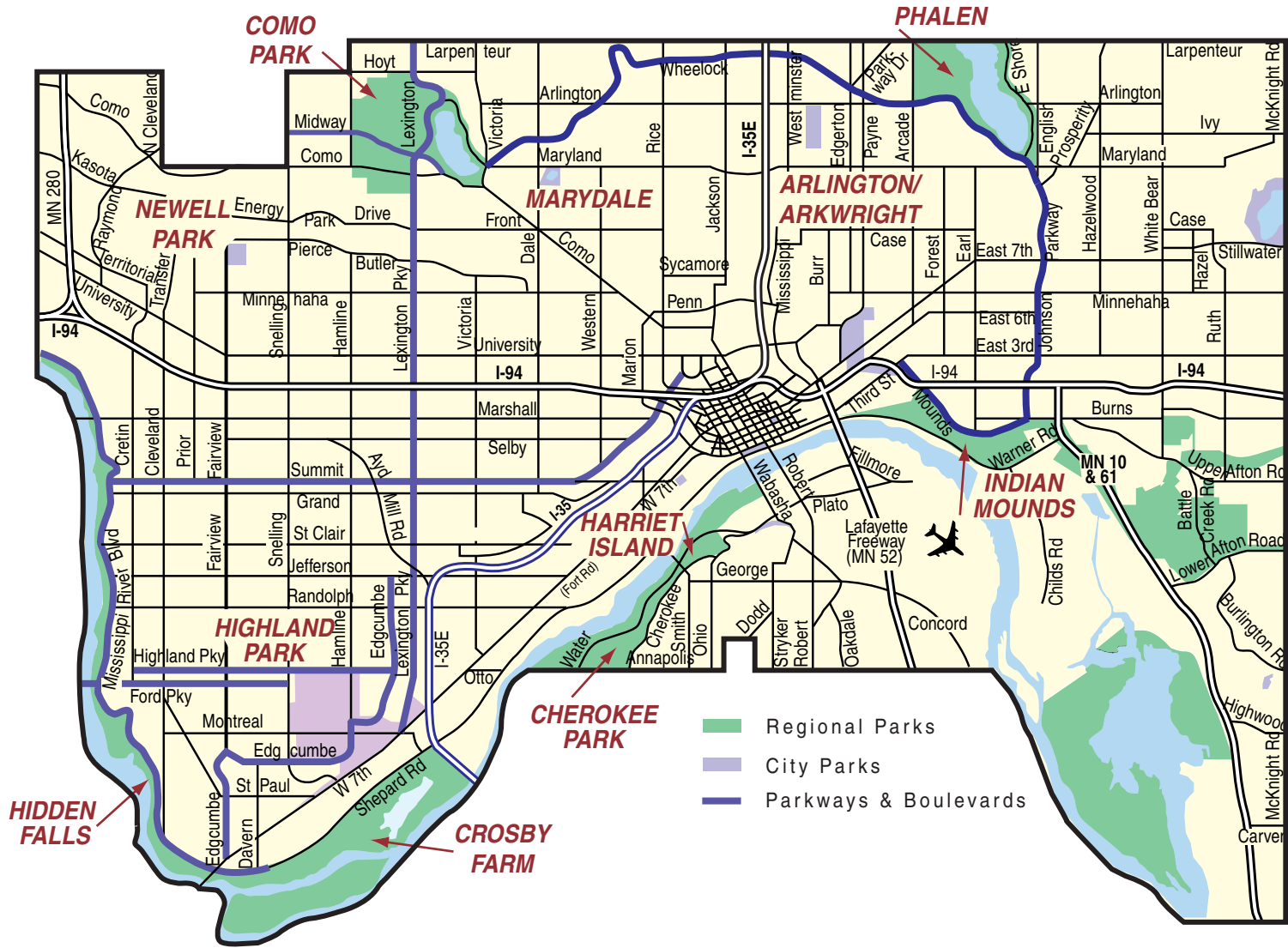
The City Council adopted the Parks and Recreation budget and recommendations as proposed by the Mayor, and approved the following additional changes:

- added \$46,000 to General Fund activities to prevent maintenance closures at recreation centers. This is financed by transfers from Fund 391, using available fund balance.
- added \$350,392 for General Fund utility expenditures.
- added \$113,734, financed by use of fund balance in Fund 375, to increase tree trimming services.
- decreased fringe benefit retirement costs.



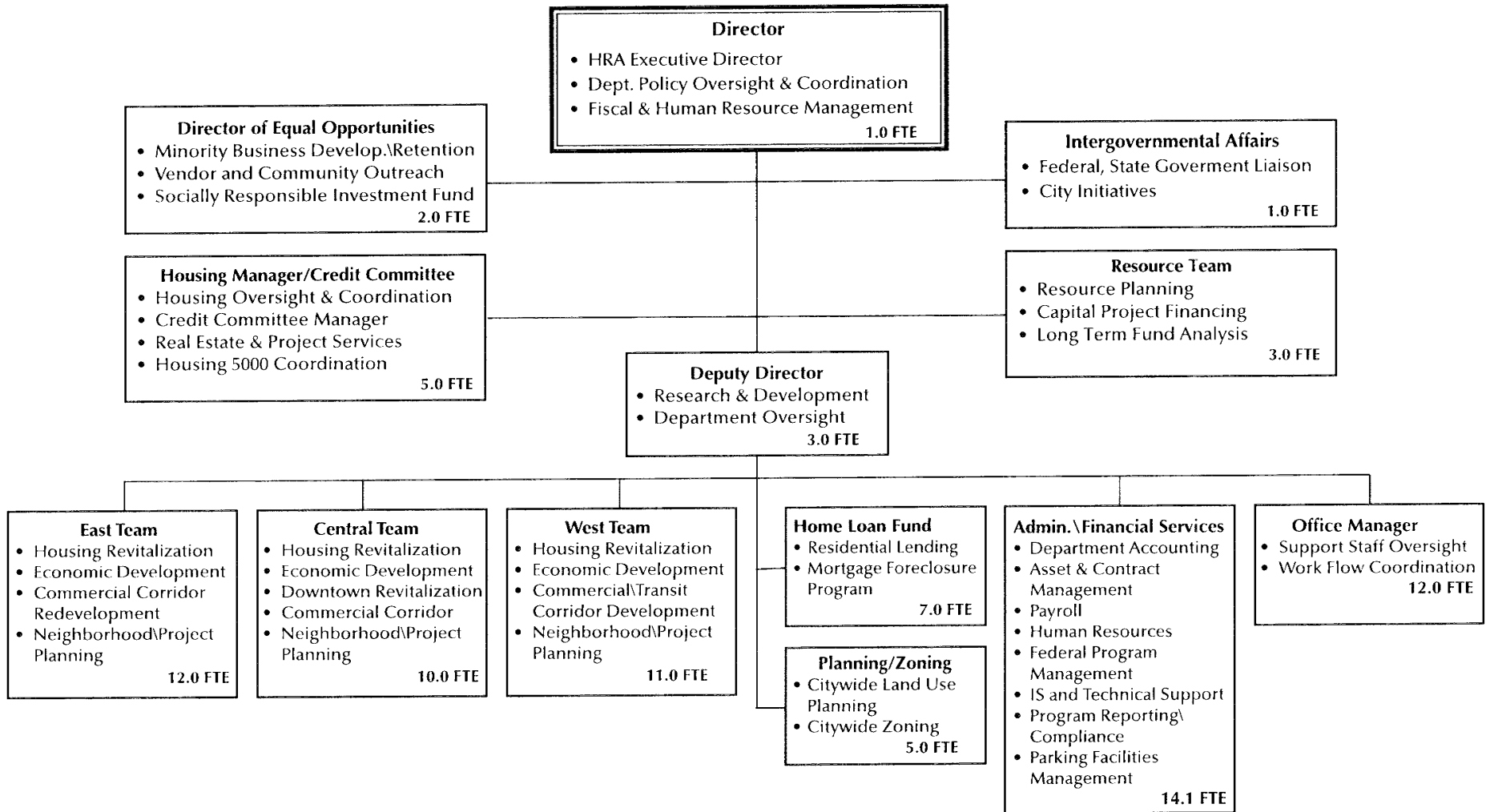
SAINT PAUL PARKS AND RECREATION CITY RECREATION CENTERS

- COMMUNITY RECREATION CENTERS
- ▲ NEIGHBORHOOD RECREATION CENTERS
- PART-TIME RECREATION CENTERS



Planning and Economic Development

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.



(Total 86.1 FTEs)

About the Department of Planning and Economic Development

What We Do (Description of Services)

- PED's mission is to stimulate job creation and promote investment that maintains and expands Saint Paul's tax base. This is accomplished through the production of new housing, and strategic commercial and economic development initiatives. Through careful planning, and building on past accomplishments, PED will successfully define and implement its future vision.
- PED staff provide sound administration, oversight, coordination, and fiscal management of more than \$164 million dollars, including over \$85 million in annual expenditures.
- PED administers a combined City/HRA loan portfolio in excess of 1,300 loans, with a value of \$79 million dollars.
- PED's annual operations budget is financed solely with non-general funds, and PED receives no general fund tax levy support.
- Staff manage more than 200 agreements with community organizations that provide neighborhood input and involvement, housing revitalization, economic development, and crime prevention initiatives.
- The Minority Business Expansion and Retention Program and Vendor Outreach Program provide opportunities for both new start-up businesses and under-represented businesses to become active and successful in participating in city contracting opportunities.

Statistical Profile

- PED administers more than \$80 million annually in Federal, State, Local funds. The 2005 operating budget is \$8.9 million, with 92.2 FTE.
- PED receives no general fund tax levy support.
- PED employees serve as both City and Saint Paul HRA staff.
- PED initiates over 200 funding agreements annually, including housing, economic development, public services.
- PED's loan portfolio numbers 1,300; valued at \$79+ million.

2004-2005 Accomplishments

- By year's end, PED anticipates the completion of the Housing 5000 Initiative; providing 5,000 new housing units in less than 4 years, with at least 20% of units affordable in accordance with the program goals. In addition to Housing 5000 new housing production, PED will participate in the rehabilitation, preservation, home purchase and mortgage foreclosure prevention of approximately 1,000 housing units.
- PED staff are working with the City of Saint Paul/Ramsey County Homeless Advisory Board, and will prepare a Homeless Plan by September 2005.
- Continued success of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships will increase technical and financial resources for women, minorities, and small businesses. PED has set a goal of at least 15% participation in department projects.
- Established Gander Mountain's new corporate headquarters in downtown Saint Paul, bringing 230 good paying jobs, with the potential of an additional 160 employees as part of a future expansion. Enabled Saint Paul Radiology to remain in Saint Paul, retaining 120 jobs and generating \$3.2 million in capital improvements.
- The Business Retention, Expansion and Recruitment program has begun an aggressive campaign, with an annual goal of making 2,500 personal calls to area businesses in conjunction with the Mainstreet and Commercial Corridor efforts.
- PED provides coordination, oversight and management of the City's Federal Department of Housing and Urban Development programs. Recent completion and approval of HUD's 5-Year Consolidated Plan will provide the City of Saint Paul with \$14.3 million in 2005 for housing, economic development, job creation, public improvements, and public service activities, principally for low and moderate income persons.

Planning and Economic Development Key Performance Measures

Performance Objective: Produce and preserve 1,600 units of housing through new construction and rehabilitation, including supportive housing to end long term homelessness with 30% of the units affordable at 50% of the area median income.

Performance Indicator: Verification of creation of housing units

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
New and Substantially rehabilitated housing units	1,829	1,804	1,600	1,600

Performance Objective: Complete 21 significant planning projects in 2006

Performance Indicator: Plans/projects will be completed by staff, and have been forwarded to the Planning Commission and/or the Mayor and City Council for review and approval.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Completion of significant planning documents.	17	22	21	21

Performance Objective: Increase covered employment in the city by at least 2,000 jobs.

Performance Indicator: Review of state job creation and employment data

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
New covered employment in Saint Paul			2,000	2,000

Performance Objective: Complete 2,500 Business Retention, Expansion, and Recruitment Calls

Performance Indicator: Conduct and complete 2,500 business surveys annually along Mainstreet and significant business corridors

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Staff will make 2,500 BRE calls			1,000	2,500

Performance Objective: Award at least 15% of the total development costs of department projects to MBE, WBE, and SBE companies.

Performance Indicator: Department contract awards represent at least 15% of the total costs to MBE, WBE, and SBE companies.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Award 15% of Total Development Cost to MBE, WBE, and SBE companies			15% Award	15% Award
Assistance to Start Up Businesses			100	120
Provision of technical services to minority, women and small businesses			200	300
Financial Assistance to MBE, WBE, SBE			10	20

Planning & Economic Development

Department/Office Director: **SUSAN E KIMBERLY**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	793,278	84,357	109,083				-109,083
100 COMMUNITY DEVELOPMENT BLOCK GRANT	8,688,961	6,703,286	11,854,000	11,350,000	11,350,000		-504,000
101 NEIGHBORHOOD REVITALIZATION PROG	1,039,264	1,483,278					
108 SECTION 108 PROGRAMS	3,409						
126 PED OPERATIONS FUND	7,957,764	7,690,463	8,975,468	8,771,419	8,771,419		-204,049
133 HOUSING INFO OFFICE - PED	9	-9					
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	7,422,720	3,896,282					
Total Spending by Unit	<u>25,905,405</u>	<u>19,857,657</u>	<u>20,938,551</u>	<u>20,121,419</u>	<u>20,121,419</u>	<u>0</u>	<u>-817,132</u>
<u>Spending By Major Object</u>							
SALARIES	5,209,044	4,940,833	5,636,051	5,426,913	5,426,913		-209,138
SERVICES	4,874,106	4,445,372	1,480,176	1,428,354	1,489,473	61,119	9,297
MATERIALS AND SUPPLIES	37,523	42,633	79,470	75,411	75,411		-4,059
EMPLOYER FRINGE BENEFITS	1,727,314	1,609,434	1,736,754	1,729,322	1,668,203	-61,119	-68,551
MISC TRANSFER CONTINGENCY ETC	14,029,244	8,811,940	11,991,100	11,446,419	11,446,419		-544,681
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	28,174	7,445	15,000	15,000	15,000		
Total Spending by Object	<u>25,905,405</u>	<u>19,857,657</u>	<u>20,938,551</u>	<u>20,121,419</u>	<u>20,121,419</u>	<u>0</u>	<u>-817,132</u>
Percent Change from Previous Year		<u>-23.3%</u>	<u>5.4%</u>	<u>-3.9%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>-3.9%</u>
<u>Financing By Major Object</u>							
GENERAL FUND	793,278	84,357	109,083				-109,083
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	7,012,197	7,189,907	9,854,000	9,350,000	9,350,000		-504,000
FEES, SALES AND SERVICES	8,104,585	8,089,428	8,975,468	8,726,768	8,726,768		-248,700
ENTERPRISE AND UTILITY REVENUES	44,245	28,200	2,000,000	2,000,000	2,000,000		
MISCELLANEOUS REVENUE	1,783,367	561,493					
TRANSFERS	7,841,494	5,618,669					
FUND BALANCES				44,651	44,651		44,651
Total Financing by Object	<u>25,579,166</u>	<u>21,572,054</u>	<u>20,938,551</u>	<u>20,121,419</u>	<u>20,121,419</u>	<u>0</u>	<u>-817,132</u>
Percent Change from Previous Year		<u>-15.7%</u>	<u>-2.9%</u>	<u>-3.9%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>-3.9%</u>

2006 Budget Plan

2006 Priorities

- FY2006 will be an extremely challenging year for PED. Shrinking financial resources and increased needs continue to be a reality. Assessing economic impact and targeting resources will be paramount. The creation of new partnerships, maintaining current revenue streams, and cultivating new financial opportunities are clearly goals for 2006. PED staff welcome the challenge.
- Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
- Produce and preserve 1,600 units of housing through new construction and rehabilitation including supportive housing to end long term homelessness with 30% of the units affordable @ 50% of the area median income (AMI).
- Continue development of key commercial/transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities. In the Mainstreet Program Corridors, complete 2,500 Business Retention, Expansion and Recruitment calls.
- Continue and expand the efforts of the Minority Business Development and Retention Program, Vendor Outreach and Small Business Expansion Programs. Provide the following services to MBE, WBE and SBE businesses: Assist 120 start up businesses; provide technical and support services to 300 businesses; provide business loans to twenty businesses. PED vendor awards on all projects will be at least 15% of total development costs.
- Complete comprehensive, professional planning work on 14 major city plans and 7 smaller initiatives.
- Pursue Federal, State and local funding opportunities, create new intergovernmental partnerships.
- Engage all sectors of the community to promote responsible decision making.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process.

Mayor's Recommendations

PED receives no city General Fund operational resources. The Department's 2006 operating budget request is \$8.771 million. This figure is \$204,049 less than the 2005 adopted budget, and \$446,382 less than the 2006 base budget base budget.

The proposed 2006 PED staff complement is 86.1 FTE, or 6.1 FTE less than 2005. PED expects to accomplish its priorities within available fiscal and staff resources.

An annual \$78,483 General Fund repayment to the Community Development Block Grant fund is now in the NHPI budget. \$30,600 for the Historic Preservation Commission is now budgeted in the General Government Accounts

Council Actions

The City Council adopted the Department of Planning and Economic Development budget and recommendations as proposed by the Mayor, and approved the following changes:

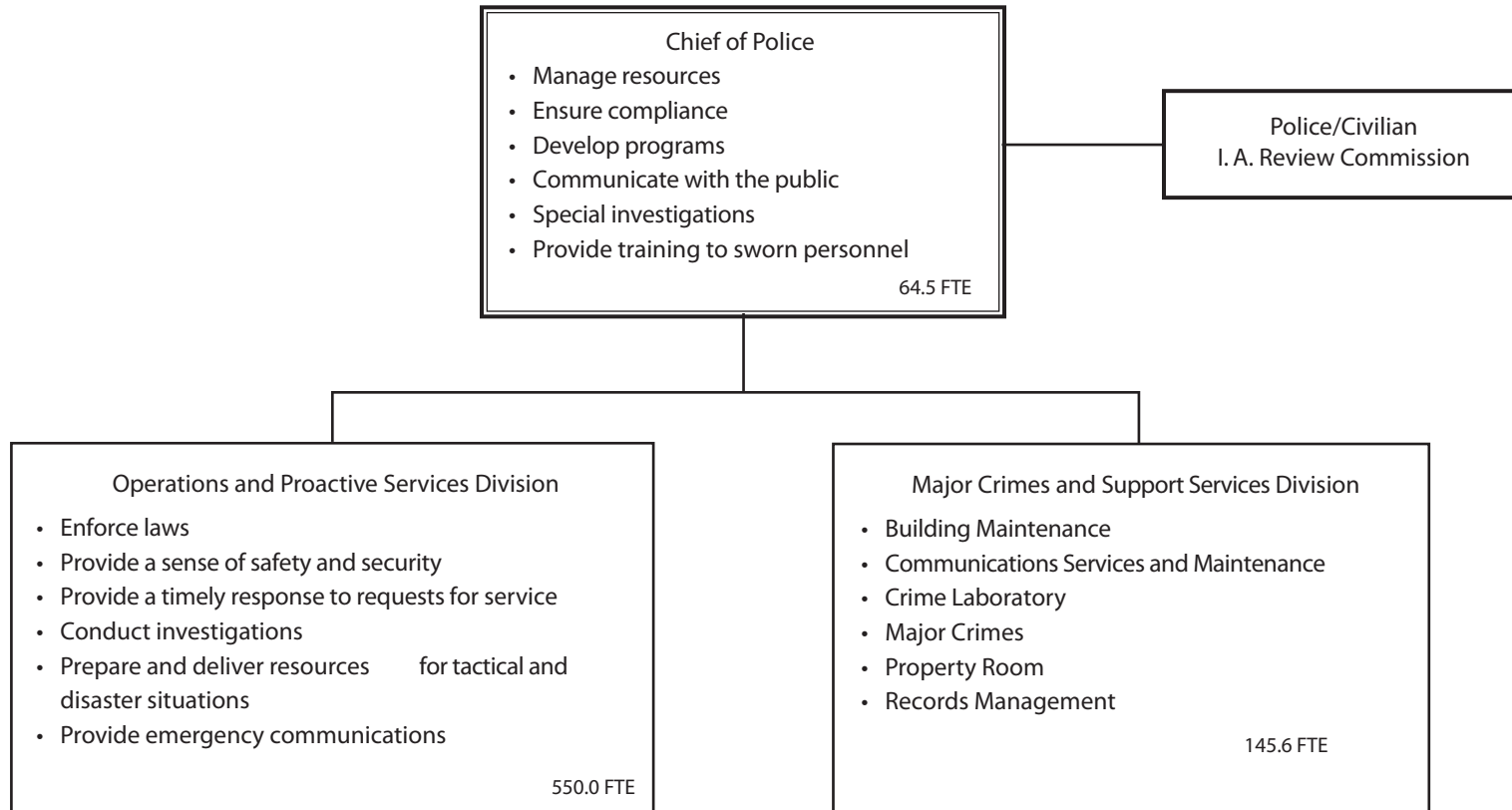
- accepted the plan for the payback of the West Midway Tax Increment Financing decertification, including the pledge of HRA financing for the general fund and the Internal Loan agreement,
- provided for a cost of living increase for the Non-profit Contract Performance Program in the CDBG fund, and
- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs.

The 2006 adopted budget is nothing for the general fund, and \$20,121,419 in special funds.



Saint Paul Police

The Saint Paul Police Department's mission is to maintain a climate of safety and security throughout the city. The Police Department will effectively manage its resources to deliver quality services within an atmosphere of individual integrity and mutual respect. Emphasis will be placed on: strong community relations, active assessment of citizen needs for police service, and modifying services, as feasible, to meet the needs of each neighborhood.



(Total 760.1 FTEs)

About the Police Department

What We Do (Description of Services)

- Provide initial response to all citizen calls for service, conduct investigations, enforce laws, and instill a sense of safety and security in the city.
- Insure the delilvery of effective and efficient police patrol and investigative services.
- Provide and manage 911 services for the city.
- Insure the preparation and delivery of appropriate police special resources to tactical and disaster situations beyond the scope of normal police response.
- Coordinate communication and information sharing with all appropriate law enforcement personnel, including outside agencies, to address crime.
- Maintain and strengthen lines of communication with District Councils, civic and business groups, and other public bodies.
- Assist our diverse community in addressing quality of life concerns and preventing crime.
- Manage and supervise traffic and crowd control at special events.
- Provide crime prevention education.
- Promote positive community interaction with the department.
- Secure and store evidence until returned or disposed.
- Secure and store vehicles which have been removed from city streets and property to preserve public safety and welfare and for purposes of investigation until released or disposed.
- Monitor pawn and second-hand shops for legal compliance.
- Oversee false alarm issues to reduce the number of false alarms.
- Provide communication services, records management system (RMS) services, professional training, bomb response, and crime analysis to other city, county, and suburban agencies.
- Pursue and administer law enforcement grant opportunities.

Statistical Profile

- Population served 287,000
- Number of full-time sworn employees per 1,000 inhabitants based on 573 recommended sworn full-time positions 2.00
- Ratio of sworn managers to sergeants and officers 1:22

2004-2005 Accomplishments

- Thirty-one grants and grant-related contracts were awarded in 2004. These grants, including grant matching funds, totaled \$3,885,355.
- Established a gang unit to prevent, intervene, and investigate criminal gang activity.
- Received recognition from the State of Minnesota for our work on the Safe and Sober grant, a grant dedicated for reducing deaths and injuries caused by traffic crashes.
- 100% conviction rated on felony DWI cases presented.
- Mobile Tactical Enforcement (MET), a comprehensive strategy, was implemented in selected areas of the Eastern District. There was a substantial drop in crime and residents felt safe in their neighborhoods again.
- Worked with neighborhood district councils and local colleges on the ZAP (Zero Adult Providers) program to reduce underage drinking.
- Organized 50 new block clubs in 2005.
- Reduced traffic enforcement officer court time by assigning traffic officers one court date a month.
- Employees fluent in Hmong and Spanish were hired for the Emergency Communications Center, improving our ability to interact with the community.
- Trained and graduated the first bilingual reserve academy.
- Implemented the automated ticket writer system.
- Implemented the video imaging analysis section of the AVID system which has been successful in several high-profile cases.
- Developed the Minnesota National Incident-Based Reporting System (NIBRS) crime stat reporting module, enabling the department to improve reporting and sharing of information with local law enforcement agencies.
- Hired nineteen new officers including two police corps graduates.
- Held a Hmong citizen police academy with twenty-two graduating in May of 2005.
- Hispanic citizen police academy is planned.
- Held three clergy academies

Police Department Key Performance Measures

Performance Objective: Respond to citizen calls for service, conduct investigations, enforce laws, and instill a sense of safety and security.

Performance Indicator: Police incidents, arrests, calls for service, and tags.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Total Police Incidents	259,175	273,422	262,000	270,000
Total Arrests	16,345	15,722	15,900	16,000
911 Calls	264,316	379,247	380,000	400,000
Tags	149,212	186,699	160,000	165,000

Performance Objective: Positively interact with the community to address crime and quality of life issues.

Performance Indicator: Meetings and neighborhood patrols.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Community meetings	282	348	375	400
Neighborhood patrols	1,954	2,500	3,500	3,000
Police Civilian Internal Review Cmte. Meetings	12	9	12	12
School Resource Officer meetings	38	38	56	56

Performance Objective: Actively pursue grant opportunities and administer grants related to law enforcement.

Performance Indicator: Number and value of grants awarded.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Number of grants awarded	24	31	22	22
Value of grants awarded	\$3,347,937	\$3,885,355	\$2,800,000	\$2,800,000

Performance Objective: Reduce Part I and Quality of Life crimes through community policing

Performance Indicator: Part I arrests, Part I actual offences, quality of life calls for service.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Part I Arrests	2,435	2,370	2,425	2,430
Part I Actual Offenses	15,920	15,671	16,924	16,900
Quality of Life Calls for Service	34,848	36,198	36,600	36,550

Performance Objective: Through the use of intelligence and investigations, improve cases investigated and cleared.

Performance Indicator: Cases assigned and cases cleared by arrest.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Cases Assigned	53,934	61,719	62,200	63,000
Cases Cleared by Arrest	13,641	15,213	15,785	16,000

Police Department

Department/Office Director: **JOHN M HARRINGTON**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's 2005 Proposed Adopted		
<u>Spending By Unit</u>								
001 GENERAL FUND	68,730,629	58,265,834	60,589,972	66,854,581	66,380,718	-473,863	5,790,746	
400 POLICE SERVICES (PENSION ASSETS)	1,167,295	549,912	221,377	376,738	375,171	-1,567	153,794	
405 CRIME LABORATORY SPECIAL REV FUND	57,886	59,725	64,950	56,000	55,436	-564	-9,514	
420 PARKING ENFORCEMENT	1,022,278	1,356,657	1,404,889	1,468,076	1,459,346	-8,730	54,457	
435 VEHICLE IMPOUNDING: POLICE LOT	2,242,704	2,059,323	2,718,531	2,937,994	2,930,148	-7,846	211,617	
436 POLICE-SPECIAL PROJECTS	5,443,558	4,955,175	6,945,649	5,971,835	7,559,390	1,587,555	613,741	
733 POLICE OFFICERS CLOTHING TRUST FUND	443,508	535,589	532,781	539,222	562,622	23,400	29,841	
Total Spending by Unit	79,107,858	67,782,215	72,478,149	78,204,446	79,322,831	1,118,385	6,844,682	
<u>Spending By Major Object</u>								
SALARIES	43,101,323	42,860,304	44,828,270	48,974,583	49,389,343	414,760	4,561,073	
SERVICES	4,399,601	4,982,076	5,857,392	5,242,930	5,753,568	510,638	-103,824	
MATERIALS AND SUPPLIES	2,597,324	3,029,740	3,033,886	3,215,057	3,372,631	157,574	338,745	
EMPLOYER FRINGE BENEFITS	12,864,790	12,986,908	14,385,530	16,325,618	15,911,093	-414,525	1,525,563	
MISC TRANSFER CONTINGENCY ETC	1,985,093	1,361,471	1,494,110	2,293,055	2,499,335	206,280	1,005,225	
DEBT		1,081,875	1,335,217	1,135,217	1,135,217		-200,000	
STREET SEWER BRIDGE ETC IMPROVEMENT	93,775	102,012	76,982	29,000	29,000		-47,982	
EQUIPMENT LAND AND BUILDINGS	14,065,952	1,377,829	1,466,762	988,986	1,232,644	243,658	-234,118	
Total Spending by Object	79,107,858	67,782,215	72,478,149	78,204,446	79,322,831	1,118,385	6,844,682	
Percent Change from Previous Year		-14.3%	6.9%	7.9%	1.4%	1.4%	9.4%	
<u>Financing By Major Object</u>								
GENERAL FUND	68,730,629	58,265,834	60,589,972	66,854,581	66,380,718	-473,863	5,790,746	
SPECIAL FUND								
TAXES								
LICENSES AND PERMITS				279,272	279,272		279,272	
INTERGOVERNMENTAL REVENUE	2,723,837	2,850,325	3,904,024	1,824,388	3,346,657		-557,367	
FEES, SALES AND SERVICES	3,879,914	4,036,553	4,836,662	5,122,939	5,164,827		328,165	
ENTERPRISE AND UTILITY REVENUES	26,689	51,563	47,849	49,749	49,749		1,900	
MISCELLANEOUS REVENUE	377,877	644,087	354,997	351,978	351,978		-3,019	
TRANSFERS	2,327,007	2,004,522	2,227,027	2,266,779	2,281,449		54,422	
FUND BALANCES			517,618	1,454,760	1,468,181		950,563	
Total Financing by Object	78,065,953	67,852,884	72,478,149	78,204,446	79,322,831	1,118,385	6,844,682	
Percent Change from Previous Year		-13.1%	6.8%	7.9%	1.4%	1.4%	9.4%	

2006 Budget Plan

2006 Priorities

- The primary goal of the department will be to continue to maintain the climate of safety and security in the city. Once the budget is established, specific priorities will be developed in line with the Mayor's priorities as well as meeting the primary goal of public safety.
- Continue to work with and build partnerships with leaders in the faith community, neighborhoods, citizens, and district councils to reduce crime and improve community quality of life.
- Continue targeting high-level narcotic traffickers who act as the feeder system to street-level dealers.
- Reduce prostitution-related crimes and continue partnerships with organizations to reduce chronic prostitution offenders.
- Target gang violence and build a strong law enforcement team that will prevent and intervene with young gang members and will target violent gang offenders and gang leadership for incarceration.
- Continue to enforce traffic and parking throughout the city and respond to citizen/neighborhood traffic complaints.
- Coordinate resources to increase domestic violence enforcement activities and initiatives.
- Develop strategies to combat increasing gun violence.
- Continue preparation for large incidents related to terrorism.
- Address the needs of and outreach to the immigrant population.
- Implement the 800 megahertz communications system.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. For Police, the base budget was adjusted to reflect the projected 2006 cost of the recently negotiated police settlement and the full cost for the 2005 squad car lease, and included a spending reduction target.

Mayor's Recommendation

The proposed budget for Police is \$66,854,581 in the general fund, and \$11,349,865 in special funds, for a total budget of \$78,204,446. The 2006 general fund budget is \$6,264,609, or 10.3%, higher than the 2005 adopted budget of \$60,589,972. The 2006 budget includes 25 additional police officers (to be hired in mid May 2006), financed through the property tax levy. There is also \$1 million added for police overtime, which will ensure a full staff complement. An amount of just under \$500,000 was also added to the budget for the City employer share of the recent PERA Police pension rate increase enacted by the State legislature. Other increases also included in this budget are: \$251,449 more for maintaining the records management system, \$125,000 more for vehicle fuel, \$40,000 more for fire insurance, and \$114,326 more for telecommunications costs.

To accommodate these increases, a number of other spending and financing adjustments have been recommended. These include shifting appropriate training-related costs to the POST Training special fund, applying resources from other Police special funds, deferring lease of additional squad cars to January, 2007, and recognizing an appropriate amount of savings to reflect turnover (not vacancies) from senior- to entry-level officers due to normal retirement patterns. Fees at the Police Impound Lot will be raised by \$25 per instance, generating an additional \$325,000 per year. The proposed budget

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

includes a city-wide tax levy increase of 3%, generating \$1.88 million in additional permanent revenue--an amount equivalent to the projected future full-year cost of the 25 additional police officer positions recommended in the 2006 budget.

Council Actions

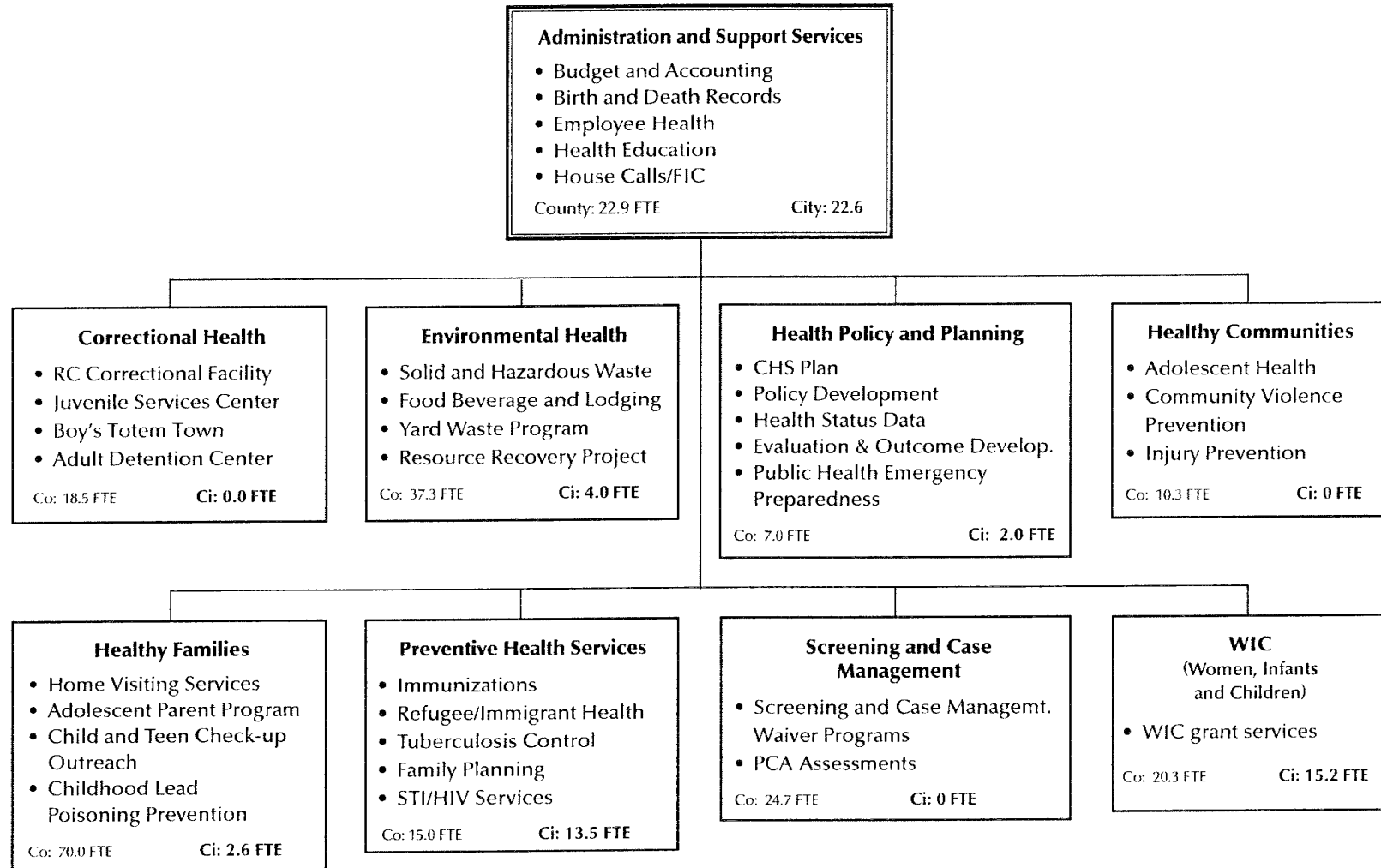
The City Council adopted the Police Department budget and recommendations as proposed by the Mayor, and approved the following changes:

- accepted technical changes to revise grant budgets, carrying 2005 funding over into 2006 for: COPS MORE, Recruitment, Homeland Security Equipment (2 grants), Urban Area Strategic Initiative, and Law Enforcement Terrorism Prevention (3 grants);
- accepted technical changes to revise grant budgets, adding new grants awarded after the proposed budget was submitted: Buffer Zone Protection, Safe and Sober, Financial Crimes Task Force, FLARE, Secure Our Schools, and Human Trafficking;
- accepted technical changes to revise grant budgets, adjusting other grants: Auto Theft (2 grants), and Youth Health and Academic Achievement;
- included the Ramsey County Intergovernmental Mobility Transfer;
- corrected the Police Officers' Clothing Trust Fund, and
- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs.

The 2006 adopted budget is \$66,380,718 for the general fund, and \$12,942,113 in special funds.

Saint Paul-Ramsey County Public Health

To improve, protect, and promote the health, the environment, and the well being of people in the community.



(Total 285.9 FTEs)
City = 59.9 County = 226.0

About the Department of Public Health

What We Do (Description of Services)

In 1997 the City's public health function was merged, through a joint powers agreement, with Ramsey County's. The administration of this function now resides with the County. As resignations or retirements of city staff members occur, the positions are filled by the County. As City employees resign or retire, the City budget shows a decline in FTEs and dollars associated with paying their salary and benefits. All salary and benefit costs are reimbursed by Ramsey County, and the County is responsible for the portion of the tax levy that covers these expenses.

Public Health

Department/Office Director: **NEAL R HOLTAN**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
304 PUBLIC HEALTH SERVICES	1,611,193	1,623,168	0	0	0		
305 PUBLIC HEALTH SPEC REV FUND	2,408,574	2,208,448	3,997,722	4,129,554	4,095,050	-34,504	97,328
Total Spending by Unit	<u>4,019,767</u>	<u>3,831,616</u>	<u>3,997,722</u>	<u>4,129,554</u>	<u>4,095,050</u>	<u>-34,504</u>	<u>97,328</u>
<u>Spending By Major Object</u>							
SALARIES	3,030,075	2,857,924	2,997,548	3,095,939	3,095,939		98,391
SERVICES	13,411	12,109					
MATERIALS AND SUPPLIES							
EMPLOYER FRINGE BENEFITS	976,281	961,583	1,000,174	1,033,615	999,111	-34,504	-1,063
MISC TRANSFER CONTINGENCY ETC							
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	<u>4,019,767</u>	<u>3,831,616</u>	<u>3,997,722</u>	<u>4,129,554</u>	<u>4,095,050</u>	<u>-34,504</u>	<u>97,328</u>
Percent Change from Previous Year		-4.7%	4.3%	3.3%	-0.8%	-0.8%	2.4%
<u>Financing By Major Object</u>							
GENERAL FUND							
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	4,019,763	3,831,618	3,997,722	4,129,554	4,095,050		97,328
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS			53,497				-53,497
FUND BALANCES			-53,497				53,497
Total Financing by Object	<u>4,019,763</u>	<u>3,831,618</u>	<u>3,997,722</u>	<u>4,129,554</u>	<u>4,095,050</u>	<u>-34,504</u>	<u>97,328</u>
Percent Change from Previous Year		-4.7%	4.3%	3.3%	-0.8%	-0.8%	2.4%

2006 Budget Plan

2006 Priorities

Priorities for the provision of public health services are determined by the Community Health Services Advisory Committee. To accomplish its mission, the Saint Paul-Ramsey County Department of Public Health concentrates its efforts in four areas of strategic focus:

- Prevent communicable diseases.
- Promote the health of children, youth, and their families.
- Protect the environment and reduce environmental health hazards.
- Reduce chronic disease.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process

Mayor's Recommendations

The Public Health proposed budget for 2006 is \$4,129,554, representing an increase of \$131,832 more than the 2005 adopted budget. The 2006 budget was prepared by the Office of Financial Services based on information from the Saint Paul-Ramsey County Health Department. The budget reflects the 59.9 FTEs still on the City's payroll. Financing for this fund comes from reimbursements from Ramsey County for the cost of SPRC Health Department employees who are still on the City's payroll.

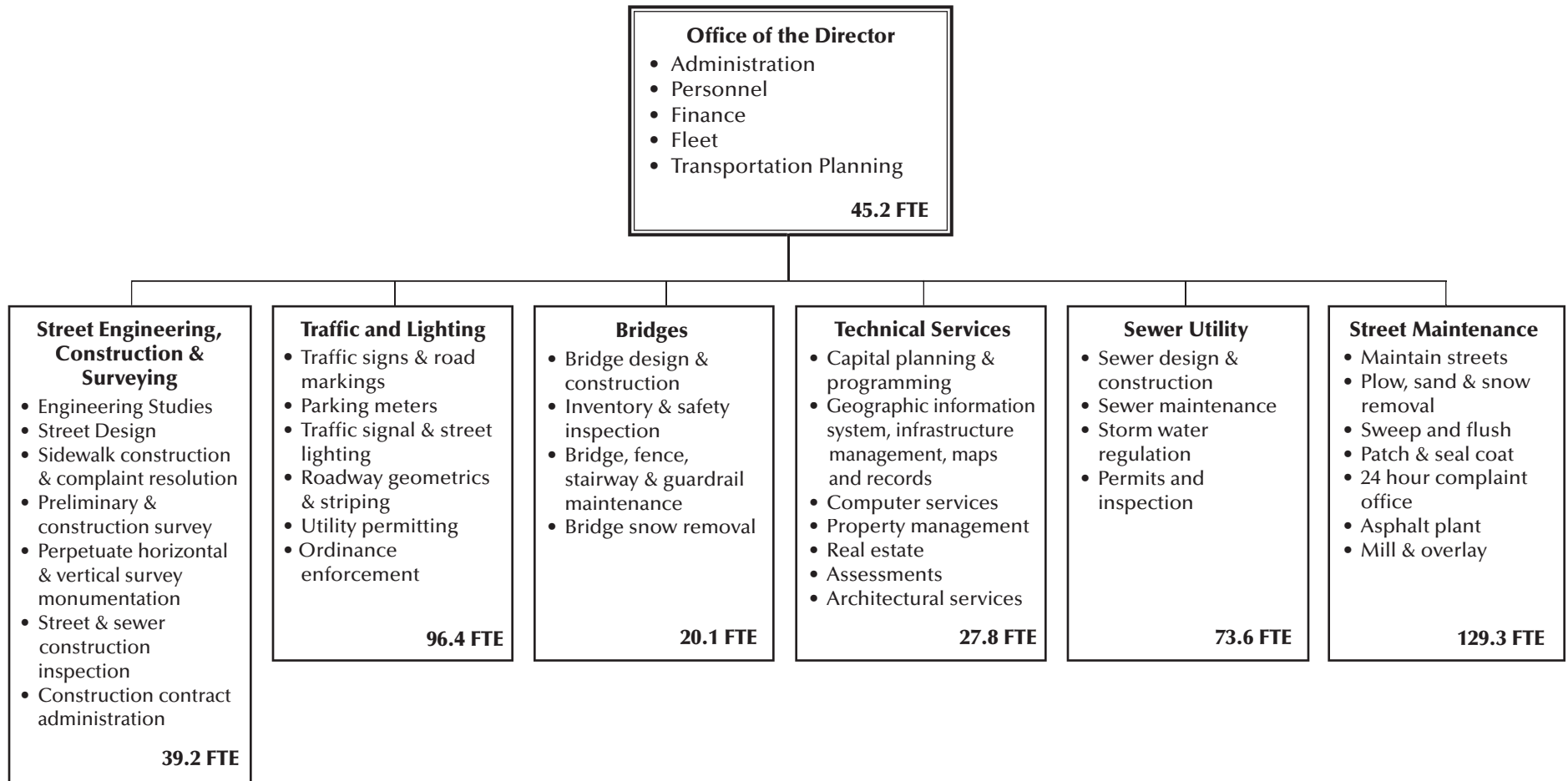
Council Actions

The City Council adopted the Public Health budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

- reduced retirement fringe benefit costs.

Public Works

The Department of Public Works is committed to performing its many services in the most timely, efficient and cost effective manner possible.



(Total 431.6 FTEs)

About the Department of Public Works

What We Do (Description of Services)

Public Works is one of the key departments responsible for maintaining the "face" of the City and we make sure that:

- Streets are kept clean, plowed and have routine surface maintenance;
- Sanitary sewers are free of blockage, collapse and extraordinary infiltration of ground water
- Storm sewers are operational and transmitting environmentally safe flow to the appropriate lakes, streams or the river;
- Alleys are maintained to the level of service customers expect (paved, oiled, dirt);
- Sidewalks are maintained properly for our pedestrian public;
- Street lights are lit and maintained;
- Traffic signals in Saint Paul and surrounding communities are functioning safely and maintained;
- Traffic signs are in place and maintained;
- Equipment for maintenance work is maintained and available for use; and
- Engineering services (design, survey, inspection and administration) are provided for street, sewer and traffic construction projects.

2004-2005 Accomplishments

Public Works prides itself on being systematic and preventive in maintenance, having accomplished the following:

- Entering the eighth consecutive year (2005) funding approximately \$6 million annually in sewer rehabilitation projects, as part of our 20 year sewer rehabilitation program;
- Continuing to provide annual funding for \$1.7 million of major sewer repair projects each year, to minimize disruption and property damage by prompt attention to problem areas;
- Transitioning all of our green traffic signal lights to light emitting diode (LED) technology, thus saving substantial electricity costs;
- Chip sealed streets and alleys in 12.5% of the City on an annual basis (an eight year cycle);
- Began a two-stream recycling program with plastic recycling in October 2004 and weekly pickup in early 2005;
- Completed three Residential Street Vitality Program (RSVP) projects in 2004: Davern-Bayard in Highland Park, Seventh-Daly in the West End and Case-Ruth near Beaver Lake;
- Began three new RSVP project in 2005: Edmund Galtier in the Central area, Baker-Bellows on the West Side and Arlington-Pascal in the Northwest.

Statistical Profile

- Sewer Utility Bond Rating maintained by Standard and Poor's of AAA;
- Saint Paul has:
 - 827 miles of streets
 - 804 miles of sanitary sewers
 - 450 miles of storm sewers
 - 1007 miles of sidewalks
 - over 30,000 street lights
 - 486 signalized intersections
- Snow emergency tickets and tows are declining.

Public Works Department Key Performance Measures

Performance Objective: Provide an environmentally safe sewage transmission system to Saint Paul customers at a reasonable price.

Performance Indicator: Residential Sanitary Sewer Rates, average estimated annual cost per homeowner, annual percentage increase.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Residential Sanitary Sewer Rate per ccf	\$2.42	\$2.54	\$2.62	\$2.66
Average Annual Cost per homeowner (84ccf)	\$203.28	\$213.44	\$219.76	\$223.44
Percent increase over prior year	0.0%	5.0%	3.0%	1.5%

Performance Objective: Provide a full range of right-of-way maintenance services to Saint Paul customers.

Performance Indicator: Residential Right-of-Way (ROW) rate, average estimated annual cost per homeowner, annual percentage increase.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Residential ROW Maintenance Rate per foot	\$1.57	\$1.81	\$2.20	\$2.26
Average Annual cost per homeowner (50 ft)	\$78.50	\$93.50	\$112.50	\$113.00
Percent increase over prior year	42.7%	19.1%	17.6%	2.5%

Performance Objective: Continually renew our street infrastructure assets.

Performance Indicator: Miles of street reconstructed annually.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Miles of street reconstructed	13.0	10.2	9.3	12.3
Percent of total street miles	0.016%	0.012%	0.011%	0.015%

Performance Objective: Quickly and efficiently remove snow from City streets, and communicate effectively with the public.

Performance Indicator: Snow emergencies per year, tickets issued, cars towed, snow removal hours of 96 hour snow emergency.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Snow Emergencies	2	3	2	N/A
Tickets Issued	11,813	10,741	8,526	N/A
Vehicles Towed	2,153	1,781	1,715	N/A
Snow removal time (hours)	24	24	24	24

Performance Objective: Create a comprehensive funding program to facilitate our services to customers.

Performance Indicator: Revenue mix, and percentage General Fund.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
General Fund	\$5.0 M	\$5.1 M	\$5.2 M	\$5.0 M
Special Funds	\$89.6 M	\$108.0 M	\$110.0 M	\$117.1 M
Capital Programs	\$34.1 M	\$32.2 M	\$33.3 M	\$26.4 M
Total Annual Programs	\$128.7 M	\$145.3 M	\$148.5 M	\$148.5 M
Percent General Fund	0.039%	0.035%	0.035%	0.034%

Public Works

Department/Office Director: **ROBERT G SANDQUIST**

	2003	2004	2005	2006	2006	Change from		
	2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2005	
	Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted	
Spending By Unit								
001 GENERAL FUND	4,984,211	5,003,458	2,257,436	1,641,521	1,632,469	-9,052	-624,967	
205 PUBLIC WORKS ENGINEERING FUND	6,100,604	6,804,549	7,687,919	8,325,243	8,284,320	-40,923	596,401	
225 RIGHT OF WAY MAINTENANCE FUND	22,068,423	21,347,176	25,300,574	25,744,688	25,453,295	-291,393	152,721	
230 PARKING METER COLLECTION AND FINES	2,682,140	3,004,447	5,813,985	6,627,556	6,307,700	-319,856	493,715	
231 LIGHTING ASSESSMENT DISTRICTS	100,339	122,922	138,106	139,095	139,095		989	
232 SOLID WASTE & RECYCLING	2,486,019	2,404,212	3,079,361	3,282,190	3,281,430	-760	202,069	
235 RIGHT-OF-WAY		78,440						
240 TRAFFIC, SIGNAL, & LGHTG MTCE	6,090,630	6,641,460	11,081,831	11,838,292	11,811,728	-26,564	729,897	
245 ASPHALT PLANT INTERNAL SERVICE	1,717,875	1,827,132	2,597,231	2,610,431	2,608,051	-2,380	10,820	
250 PUBLIC WORKS EQUIPMENT SERVICE	4,744,679	4,755,933	5,686,851	5,752,311	5,738,965	-13,346	52,114	
255 PUB.WKS.ADMIN & SPPT.SERVICES	2,594,782	7,900,019	5,764,071	6,185,916	6,422,541	236,625	658,470	
260 SEWER UTILITY	46,266,322	40,973,722	51,114,233	49,211,808	49,211,808		-1,902,425	
925 CAPITAL IMPROVEMENT BOND FUND	3,353							
Total Spending by Unit	99,839,377	100,863,470	120,521,598	121,359,051	120,891,402	-467,649	369,804	
Spending By Major Object								
SALARIES	18,063,020	19,927,754	23,050,041	23,701,907	23,519,273	-182,634	469,232	
SERVICES	18,529,788	20,565,916	20,737,733	20,879,935	19,966,651	-913,284	-771,082	
MATERIALS AND SUPPLIES	8,143,826	9,089,554	11,218,848	11,861,898	11,514,741	-347,157	295,893	
EMPLOYER FRINGE BENEFITS	6,091,199	7,173,279	8,376,609	8,749,548	8,407,779	-341,769	31,170	
MISC TRANSFER CONTINGENCY ETC	35,347,743	33,431,972	38,389,091	38,123,461	39,025,156	901,695	636,065	
DEBT	8,558,210	8,634,977	8,976,519	8,958,486	8,958,486		-18,033	
STREET SEWER BRIDGE ETC IMPROVEMENT								
EQUIPMENT LAND AND BUILDINGS	5,105,591	2,040,018	9,772,757	9,083,816	9,499,316	415,500	-273,441	
Total Spending by Object	99,839,377	100,863,470	120,521,598	121,359,051	120,891,402	-467,649	369,804	
Percent Change from Previous Year		1.0%	19.5%	0.7%	-0.4%	-0.4%	0.3%	
Financing By Major Object								
GENERAL FUND	4,984,211	5,003,458	2,257,436	1,641,521	1,632,469	-9,052	-624,967	
SPECIAL FUND								
TAXES								
LICENSES AND PERMITS	1,145,291	1,070,191	1,153,000	1,155,000	1,155,000		2,000	
INTERGOVERNMENTAL REVENUE	6,977,589	7,705,097	9,963,856	10,376,697	9,414,588		-549,268	
FEES, SALES AND SERVICES	58,095,405	60,828,730	64,509,173	66,008,694	65,688,838		1,179,665	
ENTERPRISE AND UTILITY REVENUES	34,971	25,851	75,500	29,000	29,000		-46,500	
MISCELLANEOUS REVENUE	18,421,881	25,595,506	27,779,180	28,258,159	27,615,739		-163,441	
TRANSFERS	1,396,346	1,539,614	3,826,231	3,726,231	3,841,782		15,551	
FUND BALANCES			10,957,222	10,163,749	11,513,986		556,764	
Total Financing by Object	91,055,694	101,768,447	120,521,598	121,359,051	120,891,402	-467,649	369,804	
Percent Change from Previous Year		11.8%	18.4%	0.7%	-0.4%	-0.4%	0.3%	

2006 Budget Plan

2006 Priorities

- Continue to improve our citizen communications on snow emergency procedures to improve compliance and plowing efficiency;
- Continue to make use of innovative technologies in traffic control to make our streets safer for all people in Saint Paul;
- Continue and improve the look of our streets by aggressively targeting our litter and cleanliness activities;
- Pursue the third year of our enhanced sidewalk restoration program and evaluate its impact on our deferred needs;
- Adequately fund the appropriate level of lighting maintenance deferred by the City Council in 2005;
- Complete the planned portions of our 2005/2006 Residential Street Vitality Program projects;
- Work with Eureka Recycling to further enhance and streamline our recycling programs for increased citizen participation;
- Build on 2005 initiatives that will dramatically increase the level of curbside newsbox enforcement to limit their blighting effects;
- Enhance our internal safety programs to continue the benefits we have realized in workplace safety and cost reduction;
- Integrate the new Transportation Office's mission into Public Works in a meaningful way that will provide lasting benefits; and
- Seek continued work quality and efficiency improvements.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utility object codes. Public Works was assigned a spending restraint goal of \$149,687. This was accomplished in a number of ways, including the reduction of 0.2 FTE that was vacant.

Mayor's Recommendations

The proposed general fund budget is \$1,641,521, a decrease of \$615,915 from the 2005 adopted budget. The special fund budget is \$119,017,530, an increase of \$753,368. Overall the Public Works budget increases by \$137,453 from the 2005 adopted budget and maintains the same level of services. This budget does reflect an increase of 2.5% in Right-of-Way Maintenance rates as well as 1.5% for Sanitary Sewer and Storm Sewer Charges providing additional revenues to help withstand increased spending due to inflation factors. In addition, a 5% increase to the Right of Way Permit Fees is proposed. The budget reflects the elimination of general fund financing for traffic signal maintenance costs shifting those costs to the department's special fund. Increased special fund spending provides a transfer of funds to the general fund as noted previously in this document under General Fund Highlights.

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

Council Actions

The City Council adopted the Public Works budget and recommendations as proposed by the Mayor, and approved the following changes:

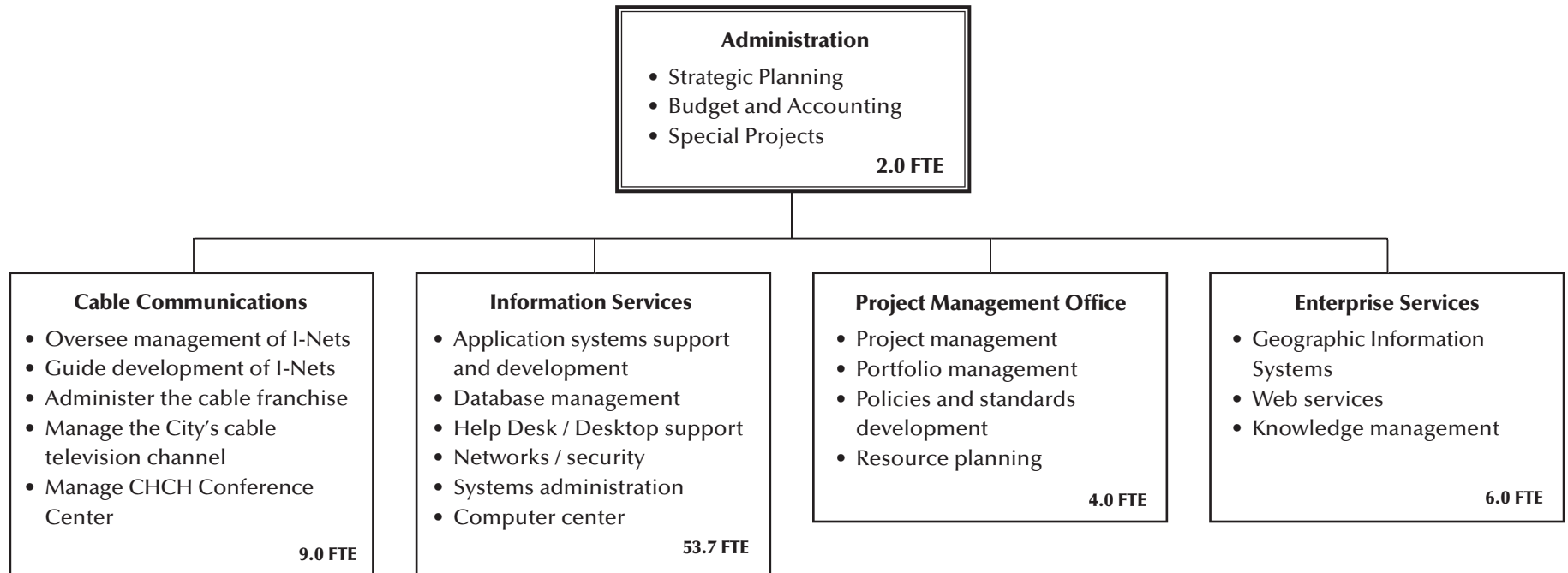
- accepted recommendation to increase spending related to Annex Building Improvements
- accepted recommendation to increase spending related to a loan repayment,
- reduced overall spending in Right of Way Maintenance which included lower assessment rates as well as funding identified deferred maintenance items,
- included finding for Pierce Butler bike signs,
- accepted recommendation to revise estimated parking meter revenue,
- reduced the amount of County aid based on updated information.

The 2006 adopted budget is \$1,632,469 for the general fund, and \$119,258,933 in special funds.

Office of Technology

The mission of the Office of Technology is to provide our customers with the right information when and where they need it through:

- *Stable and efficient infrastructure*
- *Business process improvement*
- *Partnership*
- *Service Based Approach*



(Total 74.7 FTE)

About the Office of Technology

What We Do (Description of Services)

The Office of Technology provides the resources and coordination necessary to:

- Work in partnership with department and office management to identify and implement cost effective technology solutions to support business needs and objectives.
- Plan, develop, and maintain a Citywide infrastructure that is accessible, secure, effective and reliable.
- Create and maintain a desktop environment that supports employees in the performance of their daily operations.
- Coordinate GIS use and expansion as a tool to provide improved information and services.
- Plan, coordinate, and manage the city web sites - external and internal.
- Research and monitor technology trends and identify applicability to the City for meeting strategic goals.
- Administer the cable franchise and serve as the City's liaison in resolving customer service issues as appropriate.
- Lead the City in the planning and development of video communications. Produce award winning video programs and City and County meeting coverage for both Channel 18 and the City's website.

Statistical Profile

- Number of help desk requests for technology support services in 2004 that were resolved: 15,206.
- In 2005 the number of users per IS staff ratio is 54.4
- Over 270 miles of Institutional Network (I-Net) infrastructure.
- Provide a cost effective, reliable, high speed communications network to 100 HFC and 15 fiber I-Net remote sites.
- In the first five months of use, over 19,000 visits were made to the new "Ask Saint Paul" web site.

2004-2005 Accomplishments

Highlights of the Office of Technology's accomplishments:

- Planned, developed and implemented a centralized, master address management system called STAMP (St. Paul Address Management Project). A web-based property inquiry capability was implemented using the centralized database.
- Coordinated, developed, and implemented a FAQ feature for the city web site called "Ask Saint Paul".
- Ensured Comcast's compliance with Subscriber Drop Grounding requirements by conducting the June, 2005 audit that resulted in Comcast achieving a passing grade of 94.5%.
- Conducted two rate reviews of Comcast's basic service and equipment rates, still in "settlement," that will potentially save the customers money.
- Activated nine I-Net user sites, and converted three HFC I-Net sites to fiber, bringing the total of I-Net sites to 115. Entered into an I-Net agreement with Ramsey Co. to assist them with their data transportation needs.
- Provided 295 hours of live City and County meeting coverage in 2004, and produced 123 video programs. Won two state MAGC Award of Merits for "The Capital City Show" and "Council Matters."
- Conducted a Saint Paul Wireless Technology Study that concluded with options and recommendations for next steps for the City.
- Web inquiry of Complaints and Property Information and lookup became available on the City 's internet site providing citizens with self-service access to information.
- Redesigned the city's intranet site to improve and enhance access to information internally.
- A Records Management System with wireless access was fully deployed making the St. Paul Police Department a technical leader among other law enforcement agencies. Expansion of the system continues with deployment to other Ramsey County law enforcement agencies.

Office of Technology Key Performance Measures

Performance Objective: Provide excellent customer service to internal business customers				
Performance Indicator: Customer Satisfaction with Help Desk Requests				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Customer Service rating response - average response based on a rating of 1 -5 with 5 being excellent.	N/A	4.45	4.59	4.73

Performance Objective: Provide service and information access to external customers via the city web site				
Performance Indicator: GovDocs Usage - GovDocs is the city's email subscription service that is available for a wide variety of city related information				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Unique subscribers	10,503	12,824	15,658	20,813
E-Mail Notifications	24,387	56,799	147,590	238,381
Document downloads	37,867	88,576	158,188	227,800

Performance Objective: Provide our customers with the right information when and where they need it				
Performance Indicator:				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Number of field / wireless units supported	N/A	291	441	471
Number of remote sites served by IS	109	114	130	132

Performance Objective: Provide access to government processes and information through video communications.				
Performance Indicator: Hours of meeting coverage and video productions				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
City Council Meeting coverage in hours	182	179	175	175
Number of citywide video productions	113	123	115	125
Ramsey County meeting coverage in hours	148	116	125	125

Performance Objective: Utilize Project Management Best Practices				
Performance Indicator: Utilization of Project Portfolio Tracking System				
MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Number of projects closed	N/A	180	185	185

Technology

Department/Office Director: **KAREN L JOHNSON**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	7,527,734	5,113,784	5,776,348	7,164,069	7,127,580	-36,489	1,351,232
160 FMS-REAL ESTATE MGMNT FUND	1,581,052	3,523,599					
164 INFO SERVICES INTERNAL SERVICES FND			170,000	170,000	170,000		
166 CABLE COMMUNICATIONS SPEC REV FUND	2,278,903	1,936,121	2,586,825	2,763,098	2,763,098		176,273
626 CITY-WIDE DATA PROCESSING	1,031,639	1,511,425	1,572,482	152,495	151,351	-1,144	-1,421,131
930 C.I.B. - PUBLIC WORKS	225,743	-3,200					
Total Spending by Unit	12,645,071	12,081,729	10,105,655	10,249,662	10,212,029	-37,633	106,374
<u>Spending By Major Object</u>							
SALARIES	5,270,958	4,047,334	4,277,133	4,458,581	4,471,264	12,683	194,131
SERVICES	2,909,365	1,885,427	2,121,212	1,864,221	1,864,221		-256,991
MATERIALS AND SUPPLIES	506,184	168,361	262,331	319,646	319,646		57,315
EMPLOYER FRINGE BENEFITS	1,712,065	1,314,736	1,331,132	1,426,982	1,376,666	-50,316	45,534
MISC TRANSFER CONTINGENCY ETC	1,576,929	4,536,228	1,918,242	2,048,312	2,048,312		130,070
DEBT	147,275						
STREET SEWER BRIDGE ETC IMPROVEMENT	157,010						
EQUIPMENT LAND AND BUILDINGS	365,285	129,643	195,605	131,920	131,920		-63,685
Total Spending by Object	12,645,071	12,081,729	10,105,655	10,249,662	10,212,029	-37,633	106,374
Percent Change from Previous Year		-4.5%	-16.4%	1.4%	-0.4%	-0.4%	1.1%
<u>Financing By Major Object</u>							
GENERAL FUND	7,527,734	5,113,784	5,776,348	7,164,069	7,127,580	-36,489	1,351,232
SPECIAL FUND							
TAXES	1,684,028	1,720,207	1,690,000	1,760,000	1,760,000		70,000
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,606,581	1,596,394	1,663,307	264,923	263,779		-1,399,528
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	1,687,458	998,452	966,000	356,670	356,670		-609,330
TRANSFERS		2,744,550					
FUND BALANCES			10,000	704,000	704,000		694,000
Total Financing by Object	12,505,801	12,173,387	10,105,655	10,249,662	10,212,029	-37,633	106,374
Percent Change from Previous Year		-2.7%	-17.0%	1.4%	-0.4%	-0.4%	1.1%

2006 Budget Plan

2006 Priorities

- Continue focus on the goal of ensuring that the right information is available to citizens and employees when and where they need it. Areas of focus in 2006 will include web-based self service applications, office productivity tools, and mobile applications.
- Implement a technology investment strategy at a city-wide level. Expand the use of the Project Portfolio Application to assist in the process of prioritization and oversight of technology investments across all city departments.
- Select and implement a webcasting solution for providing access to the city cable channel programs, public meetings, and informational videos on the city web site.
- Expand the usage and content of the "Ask Saint Paul" knowledge database of frequently asked questions.
- Plan, develop and maintain a Citywide infrastructure that is accessible, secure, effective, and reliable.
- Provide leadership in the development of wireless broadband access plans for internal city operations and external initiatives.
- Develop a set of 5 - 10 performance measurements that focus on the service the Office of Technology provides to city operations.
- Research and produce an expanded offering of short public service announcement style City video information programs for webcasting and cable TV.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. A \$95,809 spending restraint was applied to the Office of Technology general fund spending base to help control general fund spending.

Mayor's Recommendations

The proposed general fund budget for the Office of Technology is \$7,164,069 and \$3,085,593 for their special funds, an increase of \$144,007 from the 2005 adopted budget. This budget includes the shift of 18.5 FTEs from the special fund to the general fund with a related transfer of revenue as well. It also reflects an increase of an existing half time FTE to full-time as well as an additional 1.0 FTE to help support the Police Department's Records Management System (RMS) both of which are supported with increased revenues. This budget also recognizes a reduction in spending related to existing vacancies and potential restructuring of staff and/or duties. Increased special fund spending provides a transfer of funds to the general fund as noted previously in this document under General Fund Highlights.

Council Actions

The City Council adopted the Office of Technology budget and recommendations as proposed by the Mayor, and approved the following changes:

- A transfer of \$8,269 from Fund #320 (LIEP) to support additional spending resulting from an upgrade in IS staff support for LIEP.
- Decrease in fringe benefit costs resulting from retiree insurance savings.

The 2006 adopted budget is \$7,127,580 for the general fund, and \$3,084,449 in special funds.



Appendix

Council Action Adopting the City Property Tax Levy

Council Action Adopting the City Budget (page 1)

Council File # 05-1162
Green Sheet # 3028932

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Hart 39

Referred To: _____ Committee: _____ Date: _____

SUBSTITUTE RESOLUTION

1 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2006 budgets for the City of Saint Paul, and
 2 WHEREAS, the proposed 2006 General and General Debt Service budgets have been reviewed and approved or adjusted by the City
 3 Council, and
 4 WHEREAS, the City is required under Laws of Minnesota 2002, Chapter 390, Sec. 37, to levy a tax at the Library Board's request, which
 5 the Library Board has made, and
 6 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined, and
 7 adjusted by the City Council, and
 8 WHEREAS, the Port Authority of the City of Saint Paul requested a property tax levy to finance economic development budgets under laws
 9 of Minnesota, Chapters 469.053 subd 4, and 6,
 10 NOW THEREFORE BE IT RESOLVED, the City Council in anticipation of adopting the General Fund, General Debt Service, and Library
 11 Agency budgets for the fiscal year 2006, and in accordance with section 11.04 of the City Charter, does hereby levy taxes on all taxable
 12 property within the Saint Paul corporate limits, to be collected in the amounts set forth below, and
 13 BE IT FURTHER RESOLVED, the City Council directs the City Clerk to forward this resolution to the Ramsey County Department of
 14 Property Records and Revenue in accordance with the applicable provisions of the City Charter and other laws, and
 15 BE IT FINALLY RESOLVED, the City Council directs the Office of Financial Services to complete and forward any state forms required
 16 identifying these adopted levies;

Description	Tax Levy Payable in 2005	Tax Levy Payable in 2006	% Change
City levy for city operations and shrinkage	45,642,975	47,268,408	3.54%
City levy for Debt Service and shrinkage	6,653,277	6,853,277	0.00%
City levy for Library Agency operations and shrinkage	10,318,836	10,621,221	2.93%
City levy for Port Authority levy per Mn. Stat. 469.053	1,312,175	1,312,608	0.03%
	63,927,263	65,845,514	3.00%

Name	Yeas	Nays	Absent
Benav	✓		
Bostrom	✓		
Harris	✓		
Helgen	✓		
Lantry	✓		
Montgomery	✓		
Thune	✓		
	7	0	0

Requested by Department of: _____
Office of the Mayor, Financial Services

By: Matt Smith, Director, Financial Services

Approval Recommended by Director of Financial Services: _____
By: [Signature]

Form Approved by City Attorney: _____
By: _____

Adopted by Council: Date December 14, 2005

Adoption Certified by Council Secretary: _____
By: [Signature]

Approved by Mayor: Date 12/15/05

Approved by Mayor for Submission to Council: _____
By: Randy C. Kelly

Prepared by the Saint Paul Office of Financial Services (G:\SHARED\BUDGET\2006\Council\Resolution City Tax Levy 121405.xls 12/14/05)

Council File # 05-116
Green Sheet # 3028931

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Hart 40

Referred To: _____ Date: _____

1 WHEREAS, the Mayor has proposed budgets for the City of Saint Paul for the fiscal year beginning January 1, 2006, in accordance with
 2 the City Charter and Chapter 56 of the Administrative Code; and
 3 WHEREAS, the City Council, after publication of the notice in the newspaper on December 6, 2005, participated in a public hearing on
 4 December 13, 2005, on the Mayor's Proposed 2006 budgets, as required by the City Charter and applicable state and Federal laws; and
 5 WHEREAS, the Council has revised the Mayor's proposed budgets as herein set forth; now therefore be it
 6
 7 RESOLVED, that in accordance with the procedures and requirements set forth in the City Charter and other laws applicable thereto,
 8 the Council of the City of Saint Paul does hereby adopt the 2006 budgets as proposed by the Mayor with such monetary changes, addition
 9 and deletions as are hereby adopted and which, along with total budgets, are set forth on the attachments to this resolution; and be it
 10
 11 FURTHER RESOLVED, that the expenditures in dollars as may be made by the several offices, departments, bureaus, and agencies of
 12 city government during the fiscal year 2006 shall be, and are hereby approved, and adoption of these budgets shall constitute
 13 appropriations of the money amounts as set at the department budget total in the General Fund budget, the project total in the Capital
 14 Improvements budget, and the fund budget total in all other cases.
 15
 16 FURTHER RESOLVED, that the estimated financing set forth in the 2006 adopted budgets is hereby approved; and be it
 17
 18 FURTHER RESOLVED, that the adoption of the 2006 budget for the Community Development Block Grant Fund (100) is a multi-year
 19 budget based on estimates for a grant which has a fiscal period that differs from the City's normal budget year (January 1 through
 20 December 31); the authority to implement this adopted multi-year budget commences only at the beginning of the grant period,
 21 and shall extend beyond December 31, 2006, through the end of the grant period and, during the year when the grant is accepted
 22 by the City Council, the budget will be amended to match the actual grant amount for the entire multi-year period; and be it
 23
 24 FURTHER RESOLVED, that the City Clerk is directed to publish the 2006 budget summary pursuant to Minnesota Statutes section
 25 471.6965 in the format prescribed by the Office of the State Auditor; and be it
 26
 27 FINALLY RESOLVED, that the Director of Financial Services is hereby authorized to prepare the final 2006 Budgets in accordance
 28 with the actions taken herein and to equalize, balance or set the final department revenue sources and department appropriations as
 29 necessary.
 30
 31

Name	Yeas	Nays	Absent
Benav	✓		
Bostrom	✓		
Harris	✓		
Helgen	✓		
Lantry	✓		
Montgomery	✓		
Thune	✓		
	7	0	0

Requested by Department of: _____
Office of the Mayor, Financial Services

By: Matt Smith, Director, Financial Services

Approval Recommended by Director of Financial Services: _____
By: [Signature]

Adopted by Council: Date December 14, 2005

Adoption Certified by Council Secretary: _____
By: [Signature]

Approved by Mayor: Date 12/15/05

Approved by Mayor for Submission to Council: _____
By: Randy C. Kelly

Prepared by the Saint Paul Office of Financial Services (G:\SHARED\BUDGET\2006\Council\Resolution City Budget 12 14 05.xls 11/28/05)

Council Action Adopting the City Budget (page 2)

05-1163

2006 Budget Balancing Status
General Fund

Office of Financial Services
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	Spending	Financing
Mayor's Proposed Budget...		
General Fund	166,643,929	166,643,929
Mayor's Budget Total	<u>166,643,929</u>	<u>166,643,929</u>
Gap: Excess / (Shortfall)	0	
Technical Changes to the Mayor's Budget...		
Fire		Revise Medic Fees (fewer extractions) (300,000)
Technology	8,269	LIEP financed upgrade for IS staff 8,269
All Departments		Revise Fringes: Retiree Insurance (preliminary est) (1,108,361)
Non Department Financing		Adjust delinquencies in General Fund (from Debt) 75,000
Non Department Financing		Drug Store Tax (repeal) (1,345)
Non Department Financing		Mortuary Tax (repeal) (1,215)
Non Department Financing		Revise Hotel Motel Tax estimates (36,640)
Non Department Financing		Revise Central Service Revenue (from Water) (100,447)
Non Department Financing		Revise Interest Earnings Estimate (Other) 130,000
Budget After Technical Changes	<u>165,543,837</u>	<u>166,417,551</u>
Gap: Excess / (Shortfall)	873,714	
Policy Changes Proposed by the Mayor...		
Non Department Financing		Adjust for Parking Meter Revenue Alternative (memo 10/12/05) 277,487
City Attorney		Continuance for Dismissal Fees 42,369
Non Department Financing		TIF District Closeout (revised estimate) 30,144
Non Department Financing		Hooded parking Meters (revised estimate) (350,000)
Non Department Financing		Parking enforcement collections
Budget After Policy Changes	<u>165,543,837</u>	<u>166,417,551</u>
Gap: Excess / (Shortfall)	873,714	

Council Action Adopting the City Budget (page 3)

05-1163

2006 Budget Balancing Status
General Fund

Office of Financial Services
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Page 2 of 6

	Spending	Financing
Council Changes to the Proposed Budget		
Non Department Financing		Reduce Cultural STAR interest transfer (24,207)
Non Department Financing		Revise Hotel Motel Tax estimates 64,500
Non Department Financing		Transfer In from Special Fund (CSC from Library) 4,315
PED		West Midway TIF decertification 25,000
Council		Transfer from HRA for increase in levy 79,322
Non Department Financing		Revised Xcel Franchise Estimate (to \$17.45m) 196,458
Council	220,000	City Council Financing Alternative
Council	(20,000)	Reallocate costs to Investigation Fund #724
Mayor	130,000	Mayor's Financing Alternative
General Government	90,000	Restore NPPCP General Fund Reduction
General Government	2,500	NPPCP COLA for all programs - 2.5%
CSO	18,143	Restore funding for Vac. Reduction Info/Complaint
Fire	368,178	Funding for 6 Fire Fighters (full year beg Jan 1, 2006)
City Attorney	59,889	Funding for 1 Community Prosecutor
Parks	46,000	Restore funding for Rec Center Maintenance
Parks	46,000	Restore staff time for facility cleaning (used alt plan) Moved to Special Funds
Parks	350,392	Remaining available for parks utility funding
Non Department Financing		Decrease Property Tax/MV Credit Financing (Library) (296,456)
Non Department Financing		Increase LGA Financing (Library) 296,456
Budget After Council Changes	<u>166,808,939</u>	<u>166,808,939</u>
Gap: Excess / (Shortfall)	0	

Council Action Adopting the City Budget (page 4)

05-1163

2006 Budget Balancing Status
Special Funds and Debt

Office of Financial Services
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	Spending	Financing
Mayor's Proposed Budget...		
Special Funds	211,940,944	211,940,944
Debt Service Funds	56,889,487	56,889,487
Mayor's Budget Total	268,830,431	268,830,431
Gap: Excess / (Shortfall)		0
Technical Changes to the Mayor's Budget...		
Debt	Revise interest rate on debt service (CIB)	(45,000)
Debt	Revise interest rate on debt service (Street Bonds)	-
Debt	Revise fund balance applied	(45,000)
Debt	Revise Fringes: Retiree Insurance (preliminary)	(1,567)
Debt	Revise Fund Balance Applied	(1,567)
Fire	Public Safety Garage (adjustment for fuel resale)	175,000
Fire	2004 Urban Area Strategic Initiative Grant	3,122,690
Fire	Carry over of Grant Funds from 2005 into 2006	
LIEP	LIEP financed upgrade for OT staff	8,269
OFS	Contribution to CVB	(41,320)
OFS	Use of Hotel-Motel Tax	(41,320)
Public Works	City Hall Annex Building Improvements	145,500
Public Works	Use of Fund Balance	145,500
Public Works	CHA loan repayment from Real Estate to Sewers	115,551
Public Works	Use of Fund Balance	115,551
Public Works	Transfer in from SF loan repayment	115,551
Public Works	Use of Fund Balance	(115,551)
Public Works	Reduce Parking Meter Revenue	(350,000)
Public Works	Increase hooded meter revenue	30,144
Police	Carry over of Grant Funds from 2005 into 2006	30,144
Police	Cops More 2002	93,593
Police	Recruitment of Community Policing Officers	50,257
Police	Homeland Security Equipment	4,927
Police	2003 Homeland Security Equipment	72,795
Police	2004 Urban Area Strategic Initiative	108,645
Police	2005 Law Enforcement Terrorism Prevention	65,787
Police	2005 Law Enforcement Terrorism Prevention #2	102,500
Police	2003 Homeland Security	2,619
Police	2004 Law Enforcement Terrorism Prevention	25,434
Police	Grant award after proposed budget submitted	
Police	2005 Buffer Zone Protection Grant	145,134
Police	Safe & Sober Grant	15,000
Police	MN Financial Crimes Task Force	101,316
Police	FLARE Grant	304,691
Police	Secure Our Schools	250,840
Police	Human Trafficking Grant	162,729
Police	Other Grant Adjustments	
Police	Auto Theft Grant-SIU	(45,000)
Police	Youth Health & Academic Enrichment	15,000
Police	Auto Theft Grant	40,625
Police	Ramsey City Intergovernmental Mobility	70,663
Police	Police Officer's Clothing Fund (correction)	23,400
OFS	Loss of Water CSC Revenue	(100,447)
OFS	Transfer Out to General Fund	(100,447)
All Departments	Revise Fringes: Retiree Insurance (preliminary est)	(471,032)
Budget After Technical Changes	273,029,174	273,029,174
Gap: Excess / (Shortfall)		0

Council Action Adopting the City Budget (page 5)

2006 Budget Balancing Status
Special Funds and Debt

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Policy Changes Proposed by the Mayor...

	ROW Assessment Changes (spending and financing)	See Below	See Below
Public Works			
Budget After Policy Changes		273,029,174	273,029,174
Gap: Excess / (Shortfall)			0

Council Changes to the Proposed Budget

Council	Reallocate costs to Investigation Fund	20,000	
Council	Increase Use of Fund Balance		20,000
PED	NPPCP COLA for all programs - 2.5% - CDBG share	5,100	
PED	Modify CDBG program for above spending increase	(5,100)	
OFS	Transfer to Rivercentre	(70,000)	
OFS	Use of Hotel-Motel Tax		(70,000)
OFS	Transfer In from Special Fund (Library CSC)		4,315
OFS	Transfer Out to General Fund	4,315	
OFS	Transfer to General Fund (West Midway TIF)	25,000	
OFS	Science Museum Note Proceeds (WM TIF)		250,000
OFS	Transfer from HRA Fund #117 (WM TIF)		100,000
OFS	Excess Tax Increment Dist from RC (WM TIF)		672,000
OFS	Contribution to Fund Balance (WM TIF)		(997,000)
Debt	Use of Fund Balance (from Arena Escrow Account)		500,000
Debt	Transfer of Sales Tax Proceeds to Fund 900 (RivCtr)	500,000	
Parks	Restore Funding for Parks Maintenance	46,000	46,000
Parks	Use of Fund Balance (Fund #375)		113,734
Parks	Increase Tree Trimming Service	113,734	
Public Works	Administration	(815,133)	
Public Works	Street Repair & Cleaning Equipment	(60,000)	
Public Works	Bridge, Fence, Stairway Maintenance	(90,533)	
Public Works	Downtown Streets-Class 1-A	(640,000)	
Public Works	Downtown Streets-Class 1-B	(30,000)	
Public Works	Outlying Comm and Arterial	(636,623)	
Public Works	Residential Streets-Class III	40,429	
Public Works	Oiled & Paved Alleys-Class IV	(18,141)	
Public Works	Retiree Insurance Fringe Savings	(74,355)	
Public Works	Citywide Hazardous Sidewalk Replacement	750,000	
Public Works	Citywide Sidewalk Replacement - Bond Adjustment	525,000	
Public Works	Citywide Curb and Gutter Repair	250,000	
Public Works	Traffic Median/Island Replacement	250,000	
Public Works	Building Repair- Burgess &...	330,000	
Public Works	Pierce Butler Route Bike Signs	26,000	
Public Works	Savings from County Maintenance	(100,000)	
Public Works	ROW Assessments		(737,245)
Public Works	MSA Allocation Adjustment		(532,110)
Public Works	Use of Fund Balance		1,406,000
Public Works	County Aid		(430,000)
Budget After Council Changes		273,374,868	273,374,868
Gap: Excess / (Shortfall)			0

Council Action Adopting the City Budget (page 6)

05-1103

2006 Budget Balancing Status
Capital Improvement Budget

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	Spending	Financing
Mayor's Proposed Budget...		
Capital Improvement Budget	65,215,000	65,215,000
Mayor's Budget Total	65,215,000	65,215,000
Gap: Excess / (Shortfall)		0
Technical Changes to the Mayor's Budget...		
Neighborhood STAR Revised 1/2 cent sales tax estimate		157,587
Cultural STAR Revised 1/2 cent sales tax estimate		31,517
Rivercentre Revised 1/2 cent sales tax estimate		126,070
Budget After Technical Changes	65,215,000	65,530,174
Gap: Excess / (Shortfall)		315,174

Council Changes to the Proposed Budget

Neighborhood STAR	GO Bonds for Econ Development	25,000,000	25,000,000
Capital Bonds (10 yr)	Western District Office	775,000	-
Capital Bonds (10 yr)	Jimmy Lee Rec Center	(825,000)	-
Capital Bonds (10 yr)	Case/Duluth Playground Equipment	50,000	-
Capital Bonds (10 yr)	Citywide Hazardous Sidewalk Replacement	750,000	750,000
Capital Bonds (10 yr)	Citywide Haz. Sidewalk Repl. - Adjust Bonding	525,000	525,000
Capital Bonds (10 yr)	Building Repair-Burgess & Topping Sts.	330,000	330,000
Capital Bonds (10 yr)	Pierce Butter Route Bike Signs	26,000	26,000
Capital Bonds (10 yr)	Dale University Streetscape	150,000	150,000
Street Bonds (20 yr)	Adjustment for Sidewalk move to ROW	(525,000)	-
Street Bonds (20 yr)	Street Paving & Curb & Gutters	(338,000)	-
Street Bonds (20 yr)	Rice Street Streetscape	638,000	-
Street Bonds (20 yr)	Street Paving Reserves	225,000	-
Street Bonds (20 yr)	Rice Street Streetscape	212,000	212,000
Street Bonds (20 yr)	Seiby Ave Cult Heritage Dist	200,000	200,000
Neighborhood STAR	Dale University Streetscape	150,000	-
Neighborhood STAR	Dale University Streetscape - 2005 Contingency	-	150,000
Neighborhood STAR	Rice Street Streetscape - 2005 Contingency	200,000	200,000
Neighborhood STAR	Loan Repayments	-	400,000
Neighborhood STAR	Interest Earnings	-	(12,504)
Neighborhood STAR	Reserve for Mayor's Dev. Initiatives	387,496	-
Neighborhood STAR	Use of Fund Balance	-	1,400,000
Neighborhood STAR	Neighborhood Investment Program	1,400,000	-
Neighborhood STAR	Other Non-Housing	157,587	-
Neighborhood STAR	Rev. 1/2 cent sales tax est. (SEE ABOVE \$157,587)	-	-
Cultural STAR	Release City Cultural Affairs & Promotions	-	100,000
Cultural STAR	City Cultural Affairs & Promotions	100,000	-
Cultural STAR	Interest Earnings	-	(24,207)
Cultural STAR	Transfer to GF	(24,207)	-
Cultural STAR	Loan Repayments	-	157,700
Cultural STAR	Use of Fund Balance	-	550,000
Cultural STAR	Science Museum Note Repayment	(218,735)	-
Cultural STAR	Cultural Star Program	957,952	-
Cultural STAR	Rev. 1/2 cent sales tax est. (SEE ABOVE \$31,517)	-	-
Rivercentre	Rev. 1/2 cent sales tax est. (SEE ABOVE \$126,070)	126,070	-
Budget After Council Changes		95,644,163	95,644,163
Gap: Excess / (Shortfall)			0

Council Action Adopting the City Budget (page 7)

05-1103

Office of Financial Services
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Policy Changes Identified by the City Council (Adopted 12-14-05)

PED	An annual report is requested to be presented to the HRA Board by April 1 identifying estimated revenues from TIF decertifications.
Non Department Financing	Higher education student fee proposal evaluated and results reported to the City Council by June 1, 2006.
Public Works	Financing from parking meters be evaluated & a report provided by Feb 1, 2006; quarterly reports be furnished on revenue collections thereafter.
Council	State legislation be prepared allowing for income adjusted property tax relief for the ROW assessments.
Public Works OFS	See separate resolution regarding Right-of-Way Maintenance. Short-term financing plan be developed to allow both Jimmy Lee and the Western District Police Station to be contracted in 2006.
PED	STAR Board to recommend guidelines and project priorities for use of bond proceeds by March 1, 2006.
All Departments	City departments complete an energy self-audit to identify options to further reduce energy costs with results reported to the City Council by April 1, 2006.
RiverCentre HRA/OFS	See separate resolution regarding RiverCentre. Alternative option B selected from OFS report dated 12-9-05 for repayment of West Midway TIF; loan agreement to be made with HRA.
OFS	City Council to review and approve guidelines for making short-term loans from the Internal Loan Fund #070.
Parks	Refocus Parks & Rec Coordinator position (HB).
PED	Refocus staff to provide for Central Corridor Planner.
Library	City Council with the assistance of the Library Board will develop and approve a Fund Balance Policy for the PLA budgets by March 2006.
HRA	City Council with the assistance of the HRA Executive Director, will develop and approve a Fund Balance Policy for the Authority's budgets by June 1, 2006.
Water	City Council, with the assistance of the SPRWS Board will develop & approve a Fund Balance Policy for the Water Utility Fund by June 1, 2006.

Glossary

Activity. An activity is a subunit of a fund. Each fund contains one or more activities, a specific and distinguishable budgetary unit of work or service. Activities are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

Activity Manager. Each activity manager shares in the authorities and responsibilities of the fund manager outlined below. Additionally, each activity manager's responsibilities include attaining the performance objectives assigned to their activity, approving spending payments and directing the day-to-day operations of their activity.

Activity Number. A five (5) digit number which uniquely identifies the activity. The first digit indicates the fund type while the second digit indicates the department.

Fund type:

- 0 General Fund
- 1 Internal Service Funds
- 2 Enterprise Funds
- 3 Special Revenue Funds
- 4 Special Assessment Funds
- 5 Trust and Agency Funds
- 6 Permanent Improvement Revolving Funds
- 7,9 Bond Funds (includes Capital Improvement Bond Funds)
- 8 Debt Service Funds

Department:

- 0 Administrative Units (includes: Affirmative Action, City Attorney, Citizen Service, City Council, Financial Services, Human Resources, Human Rights, Labor Relations, Licence Inspections and Environmental Protection and Mayor)
- 1 Technology and Management Services
- 2 Public Works
- 4 Police
- 5 Fire
- 6 Planning and Economic Development
- 9 General Government Accounts
- 11 Libraries (new structure)
- 31 Parks
- 32 Public Health
- 33 License Inspections and Environmental Protection
- 34 Libraries (old structure)
- 99 Debt Service

For example, Risk Watch (35115) is a special revenue fund activity in the Department of Fire and Safety Services. Similarly, Accounting Bureau (02020) is a general fund activity in the Public Works Department. See *Fund Number*.

Allocation. A portion of a lump-sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See *Appropriation*.

Appropriation. An expenditure authorized by the city council for a specified amount and time period.

Assessed Valuation. The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

Bond. A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

Budget Document. The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

Capital Allocation. Assignment of available capital (dollars) to specific uses.

Capital Expenditure. Actual spending of capital (dollars) for capital improvement projects.

Capital Improvement. The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

Capital Improvement Budget (C.I.B.). A plan for capital expenditures (physical development of the City) to be incurred each year, over a fixed number of years, in order to meet capital needs arising from the long-term work program.

Capital Outlay. Equipment, machinery, vehicles, or furniture items included in the operating budget. See *Capital Improvement Budget*.

Capital Projects Fund. A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary, or fiduciary funds.

CIB. Acronym for capital improvement budget.

Debt Service Fund. A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

Division. An organizational subunit of a department in the general fund. Each department has one or more divisions, which are responsible for one or more activities.

Encumbrances. Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

Enterprise Fund. A fund established to account for city operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs (expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

Expenditures. Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds).

Glossary—Continued

Expenses. Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See *Expenditures*.

FMS, or FM-80. Reference to the City of Saint Paul's financial management computer system.

F.O.R.C.E. Acronym for focusing our resources on community empowerment. This is a unit within the Police Department dedicated to combat problems, at the neighborhood level, of street level narcotics, problem properties and disruptive behavior.

Fiduciary Fund. A fund established to account for resources held for the benefit of parties outside the government.

Financing Plan. Identifies sources of revenues that support the spending plan.

Full Time Equivalent (FTE). A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

Fund. Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements. The individual funds are organized by fund type. See *Fund Type*.

Fund Balance. An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

Fund Manager. Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such information to their department director and the director of the office of financial services. See *Performance Plan*, *Spending Plan*, and *Financing Plan*.

Fund Number. A three-digit number which uniquely identifies the fund. For example, the general fund is fund number 001, parks and recreation grant fund is 860 and the fire clothing trust fund is 736. There is no significance to the sequence of numbers. See *Activity Number*.

Fund Type. A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see *Fund*.

GIS. Acronym for geographic based information systems.

General Fund. The fund used to account for all financial resources not specifically earmarked for other purposes. The general fund is the primary operating fund for the City of Saint Paul.

Governmental Funds. All funds other than fiduciary and proprietary funds. Includes the general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. The measurement focus is on spending or financial flow rather than on net income. See *Fiduciary Funds* and *Proprietary Funds*.

HRPRBA, or HRMS. Acronym for human resources, payroll, benefits administration. This acronym once referred to the development of the city's automated system for human resources, payroll, benefits administration.

Internal Service Fund. A fund established to account for the financing of goods or services provided by one city department to other city departments, divisions or funds on a cost-reimbursement basis.

LGA. Acronym for local government aid. See *State Aids*.

LLEBG. Acronym for local law enforcement grant, which is a federal grant program.

MSA. Acronym for municipal state aids. See *State Aids*.

Object Code. A four-digit code assigned to a specific type of receipt or expenditure. A major object code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personal services, materials, supplies, and equipment are major object codes.

Operating Budget. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

Operating Transfer In/Out. Inter-fund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

Glossary—Continued

PED. Acronym for planning and economic development department.

Performance Plan. A fund manager's estimate of the service level desired by the mayor, city council, and residents of the city. Includes mission statement, objectives and performance indicators.

Permanent Fund. A fund established to account for the custody and administration of assets held in a trust capacity. The assets held in a trust fund must be spent or invested in accordance with the conditions of the trust. Expendable trust funds are similar to governmental funds in that the measurement focus is on spending or financial flow rather than on net income. Non-expendable trust funds are similar to proprietary funds, with the measurement focus on determination of net income. See *Agency Fund* and *Fiduciary Fund*.

P.I.R. Acronym for public improvement revolving (fund).

Proprietary Funds. Any fund which attempts to determine net income. Measurement focus is on cost of services similar to private sector for-profit organizations. This category includes enterprise and internal service funds.

Recoverable Expenditure. An expenditure made for, or on behalf of, another governmental unit, fund, or department, private individual, firm, or corporation which will, subsequently, be recovered in cash or its equivalent.

Retained Earnings. An equity account reflecting the accumulated earnings of an enterprise or internal service fund which are not reserved for any specific purpose.

Special Assessment. Charges which the local government collects from property owners to pay for specific services or capital improvement projects such as streets, sewers, etc., which benefit a particular piece of real estate.

Special Revenue Fund. A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

Spending Plan. Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

STAR. Acronym for sales tax revitalization program. This is also referred to sometimes as cultural sales tax revenue.

State Aids. The following are the major types of intergovernmental revenues received by the City of St. Paul from the State of Minnesota:

Local Government Aid (LGA): Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula is based on "need" as well as "capacity".

Market Value Homestead Credit (MVHC). The MVHC program reduces the property tax owed on a homestead property by 0.4% of the homestead's market value, up to a maximum per property of \$304. The maximum credit of \$304 occurs at a market value of \$76,000. For homesteads with market values over \$76,000, the credit is reduced by 0.09% of the excess market value. Homesteads with market value of \$413,778 and higher do not receive any credit. On each homeowner's property tax bill, the market value homestead credit is allocated to the local taxing districts according to the share of the total tax rate that each taxing district represents.

Municipal State Aids (MSA). This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

Tax Increment District. A tax increment district is a designated geographical area where a city is undertaking redevelopment or development activity. Any increase in assessed valuation due to new development activity is captured by the district. Property taxes levied against those captured values are used to finance the public improvement costs incurred to induce the private development activity. Public improvement costs can be financed by issuing bonds or by a pay-as-you-go plan.

City of Saint Paul Budget Documents: General Description

The Mayor must propose to the City Council, by August 15 of each year, a complete financial plan for the next calendar year. After considering the Mayor's recommendations, the City Council must adopt the annual budget by December 20. The annual financial plan for the City of Saint Paul is composed of spending, financing and performance plans for three types of budgets: operating, debt service and capital improvements.

Operating Budget: The annual operating budget is a twelve-month financial plan that provides for the delivery of city services; support and planning for service delivery; routine maintenance; minor remodeling and repairs of existing structures; acquisition of vehicles, mobile, mechanical and office equipment; and other items having an estimated useful life of less than three years. The primary financing sources for the operating budget are property taxes, state aids, dedicated revenues, user charges, and grants.

The operating budget accounts for financial resources through various funds. The general fund, which is the largest of the city's operating funds, supports basic city services such as public safety and recreation. Other operating funds, commonly referred to as special funds, include internal service funds, enterprise funds, special assessment funds, special revenue funds and trust and agency funds. For the majority of city funds, the modified accrual basis of accounting is used to budget and account for financial resources. Under this method, expenditures generally are recognized when incurred and revenues are recognized when they become both measurable and available. Internal service and enterprise funds use the accrual basis of accounting, however, where expenses are recognized when incurred and revenues are recognized when earned.

Debt Service Budget: The annual debt service budget provides for the payment of interest and principal on short and long-term general obligation debt. It also includes reserves for a part of the following year's debt service. Primary financing sources for debt service budgets are property taxes, transfers from other funds, interest earnings, and dedicated revenues such as tax increments, special assessments to benefited properties, and utility user fees. Debt service for revenue bonds is usually budgeted in a special fund budget.

Capital Improvement Budget: The annual capital improvement budget includes appropriations for all projects having an estimated useful life in excess of three years (other than the acquisition of office or mechanical equipment, or minor remodeling or repairs of existing structures). Projects are financed with general obligation or revenue bonds, aids, grants, and special revenues received by the city for capital improvements, and all monies appropriated in the general fund and special fund budgets for capital projects. The capital improvement budget does not finance vehicles or mobile equipment.

Although the capital improvement budget is adopted annually, project selection and prioritization occurs on a biennial basis. A special citizen committee reviews project proposals submitted by civic organizations, neighborhood groups and city departments, and then develops project recommendations that serve at the basis for the mayor's proposed capital budget. When the biennial budget is adopted by the City, the first year becomes law, while the second year serves as a guide for the following year's appropriations. The capital improvement budget is also part of a ten-year program developed by the city's planning commission to plan for the physical development or redevelopment of city-owned land, buildings, and other improvements, as well as to induce the private development of housing and business facilities. Budget appropriations are multi-year in nature and remain until a project is either completed or canceled.

Starting in 2004, the library budget is no longer included in this publication. This is a result of a resolution passed in 2003, to establish a separate library board. Therefore, the library budget is published by the Library Agency as a separate document.

Budget Structure

Budgets are requested and approved at the activity level. Activities are aggregated into divisions in the general and special operating funds. Funds and divisions are then aggregated into departments or offices. Departments manage operating (general fund and special funds) budgets, debt service budgets, and capital improvement budgets. Overall management of the general operating fund is the responsibility of the Director of the Office of Financial Services.

