

City of Saint Paul
2007 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 Council members. Each of the seven Council members 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.

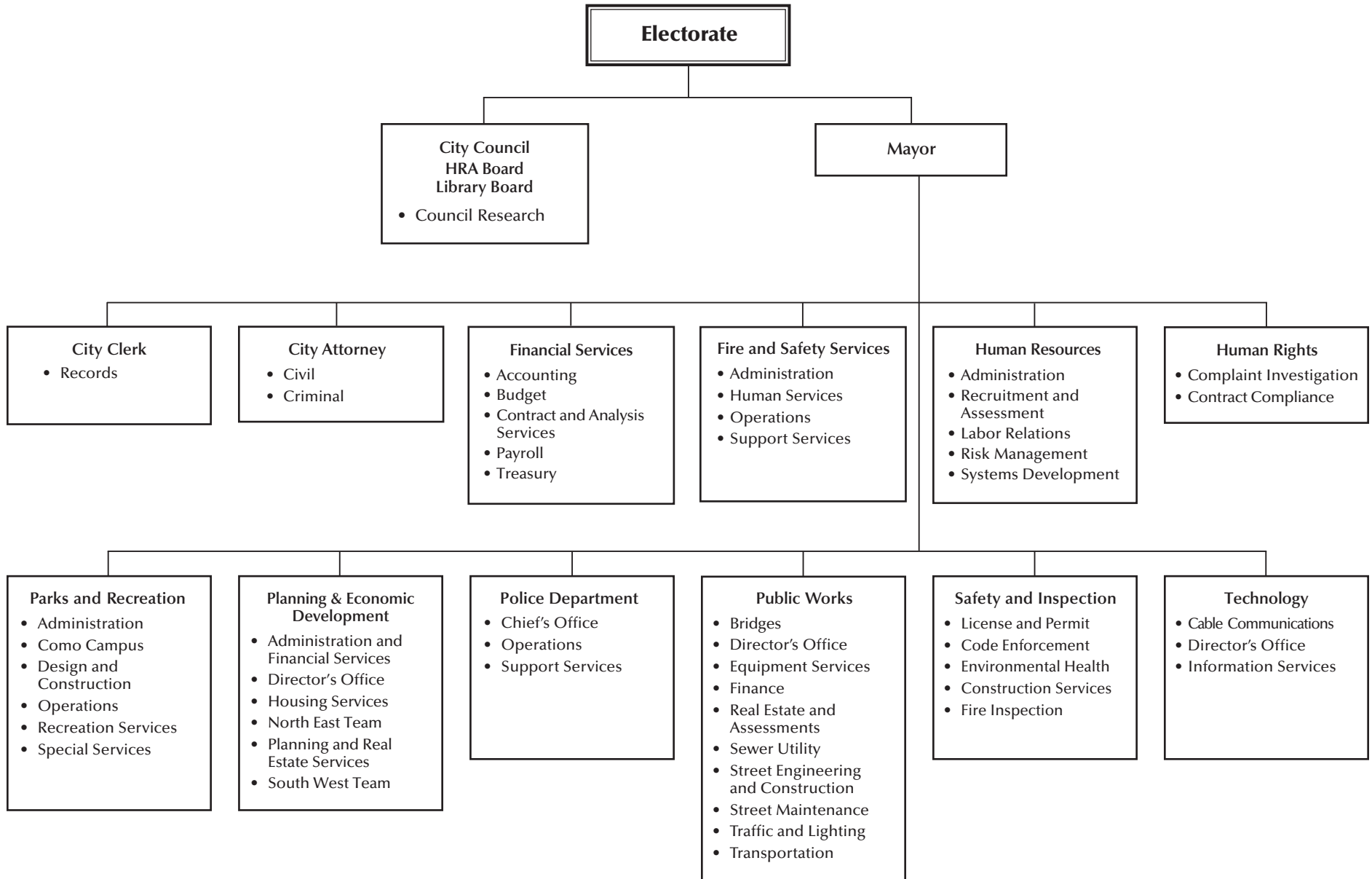
The Council is the legislative body, setting policies by enacting ordinances and resolutions. It can monitor and maintain liaisons with community groups to assure adequate citizen participation. The Council analyzes, adopts and monitors the city budget. Council members prepare and promote the City's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

Elected Officials			Appointed Officials		
Office	Name	Term Expires	Department/Office	Director's Name	Term Expires
Mayor	Christopher B. Coleman	01-01-2010	City Clerk	Shari Moore	*
Council members:			City Attorney	John Choi	*
Ward 1	Debbie Montgomery	01-01-2008	Financial Services	Matt Smith	*
Ward 2	Dave Thune	01-01-2008	Fire and Safety Services	Doug Holton	2009
Ward 3	Patrick Harris	01-01-2008	Human Rights	Tyrone Terrill	*
Ward 4	Jay Benanav	01-01-2008	Human Resources	Angie Nalezny	*
Ward 5	Lee Helgen	01-01-2008	Mayor's Chief of Staff	Ann Mulholland	*
Ward 6	Daniel Bostrom	01-01-2008	Parks and Recreation	Bob Bierscheid	*
Ward 7	Kathy Lantry	01-01-2008	Planning and Econ. Dev	Cecile Bedor	*
			Police	John Harrington	2010
			Public Libraries	Melanie Huggins	*
			Public Works	Bruce Beese	*
			Safety and Inspection	Bob Kessler	*
			Technology	Andrea Casselton	*
			Regional Water Services	Steve Schneider	

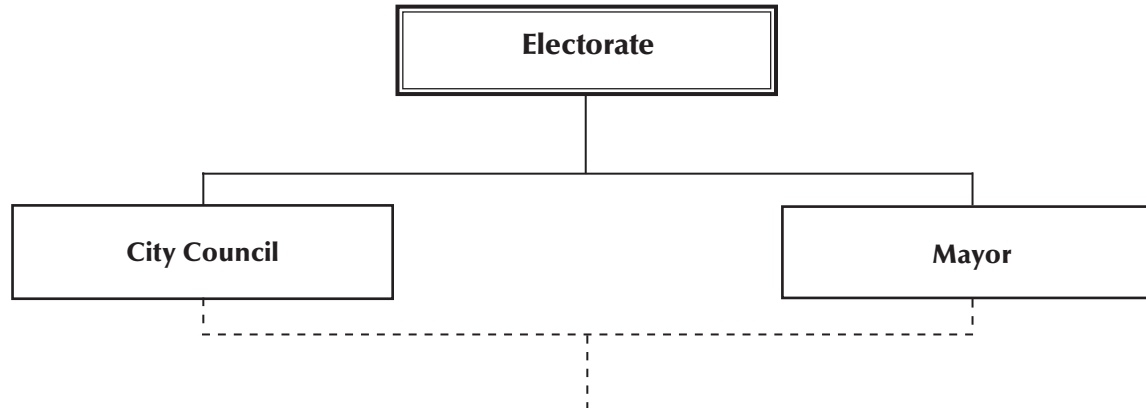
* Serves at pleasure of the Mayor

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 • Affirmative Action Advisory Committee • Saint Paul Airport Relations Council • Bicycle Advisory Board • Business Review Council (BRC) • Capitol Area Architectural Planning Board • Compete St. Paul Board • Cultural Capital Investment Program (Cultural STAR Board) • Police Civilian Review Commission • Saint Paul Civil Service Commission • District Energy Board of Directors • Fair Housing Council • Food and Nutrition Commission | <ul style="list-style-type: none"> • Saint Paul-Ramsey County Health Services Advisory Committee • Heritage Preservation Commission • Ramsey County/City of Saint Paul Homeless Advisory Board • Saint Paul Human Rights Commission • Long-range Capital Improvement Budget (CIB) Committee of Saint Paul • Mayor's Advisory Committee For People With Disabilities • Metropolitan Library Services Agency • Minnesota Landmarks Board • Mississippi Water Management Organizations • Saint Paul Neighborhood Network (SPNN) • Neighborhood Sales Tax Revitalization (STAR Program) | <ul style="list-style-type: none"> • Neighborhood Advisory Committee (Hubert H. Humphrey Job Corps Center) • Our Fair Carousel Board • Saint Paul Parks and Recreation Commission • Saint Paul Planning Commission • Saint Paul Port Authority • Saint Paul Public Housing Agency (PHA) • St. Paul RiverCentre Convention and Visitors 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 Minnesota law, the City charter and the legislative code. The process to develop the budget commences in February.

January - March

The budget for the following year is finalized during this time. This includes preparing, printing and distributing books reflecting the adopted budget. The accounting section of the Office of Financial Services prepares the annual financial report for the previous year. During this time, the “base budget” for the upcoming year 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 following year's 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.

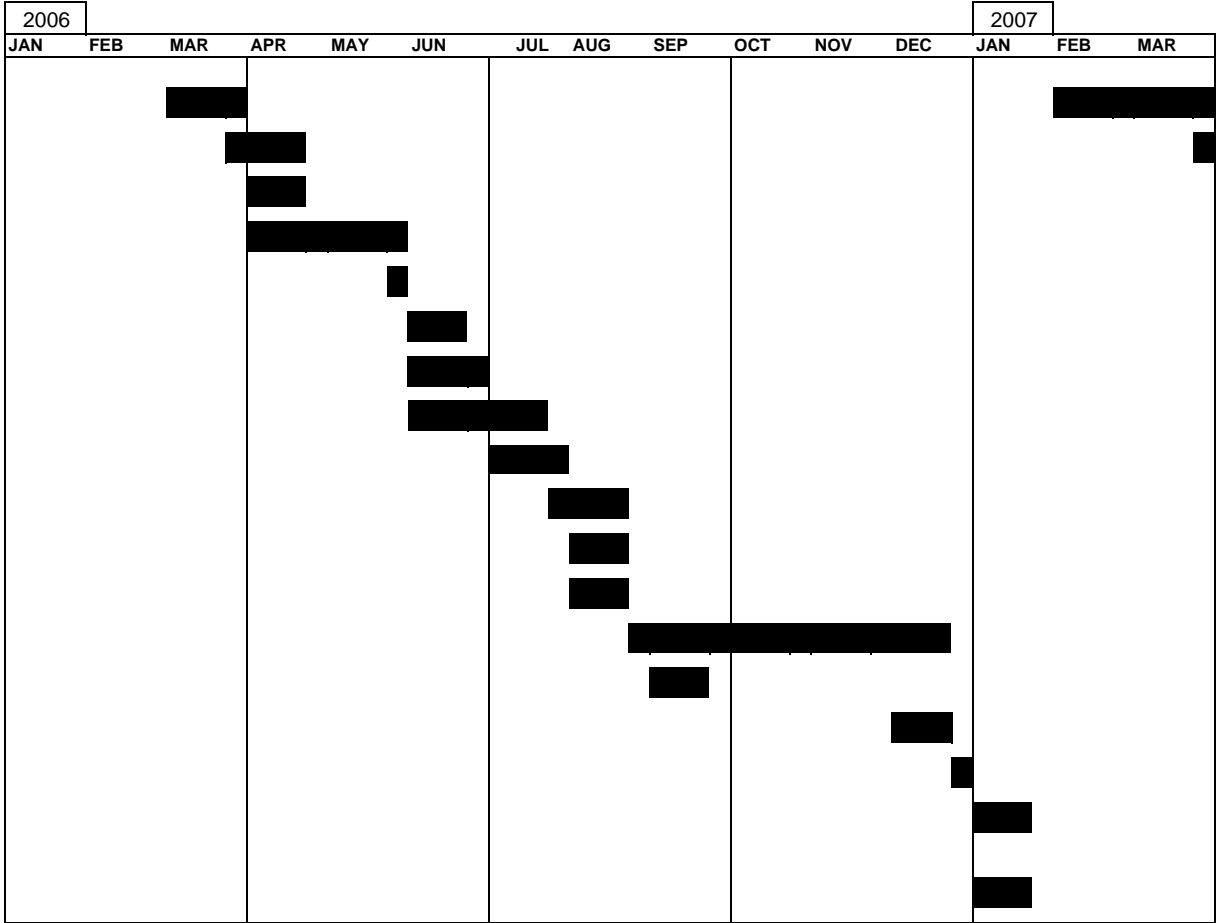
In August, the City Council begins reviewing the Mayor's proposed budget. The Council holds meetings with department directors, management and staff to obtain a clear understanding of the department's goals, service priorities and objectives that are represented in the proposed budget. As required by 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 or equal to, 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.

CITY OF SAINT PAUL BUDGET CYCLE

- Establish base budget and prepare instructions
- Distribute Mayor's guidelines
- Distribute forms, instructions and printouts
- Departments prepare requested budgets within base
- Deadline for department computer system data entry
- Deadline for budget forms submission to mayor
- Budget Office analysis of Department requests
- Meetings with Departments and Budget staff
- Meetings with the Mayor and Department:
- Finalize Mayor's recommendations & prepare budget books
- Present Mayor's proposed budget to Council
- Distribute Mayor's proposed budget books
- Council reviews Mayor's proposed budget
- Council sets maximum tax levies
- Public Truth in Taxation hearing
- Adopt City budgets, certify tax levies & ratify
- Finalize adopted budget/budget system and transfer budget information to the Finance system
- Prepare, print and distribute adopted budget books



Overall Summary and Important Features

2007 Adopted Budget

The 2007 adopted budget for the City of Saint Paul is \$528,510,259. 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 1.42% decrease from the 2006 adopted budget, with the primary reduction occurring in the capital improvement budget and small increases in the general and special funds operating budgets. If transfers from one fund to another and subsequent year debt are excluded, the City budget is \$451,763,940. The RiverCentre and Water Utility budgets, like the HRA and Library Agency budgets, are submitted separately. Therefore, they are not included in this book.

General Highlights:

Property Taxes. The 2007 tax levy proposal increases financing by \$5,529,655 for a total City levy of \$70,062,561. The City also levies on behalf of the Port Authority, which will total \$1,709,050 for taxes payable in 2007, or an increase of \$396,442.

Service Charges and Fees. This budget contains a 2.0% increase in the sanitary and storm sewer fees, as well as a 7.9% increase in right-of-way maintenance assessments. Certificate of Occupancy rates have been restructured by creating a tiered system based on volume of units inspected. The change is expected to increase revenue by approximately \$192,000. Additionally, paramedic transport fees increase by 10% to align with the average rates in the metro area.

Capital Improvement Funding: The proposed 2007 capital improvement budget (CIB) of \$79,438,000 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 23-34), special funds (pages 35-42), 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 2007 budget request to the Mayor, and the Mayor presented the Library Agency budget to the City Council. The Library Board and the City Council have adopted the 2007 budget for the Library Agency. The Library Agency 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 operating 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 always 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. Poring 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. We hope this information will help taxpayers see how state revenues and decisions on property tax classification affect local property taxes. They will understand better how the property tax base affects property taxes. They will also see how difficult it is for decision makers to cut the budget without including some of the services taxpayers tell us they hold most dear, such as police, fire, libraries and parks. These services are 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 (CAFR). See the following information.

Other Publications and Information

The Office of Financial Services (OFS) publishes this summary document each year 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. All of these publications are available for viewing in Saint Paul Public Libraries, in the Government Documents Section, or by calling the Office of Financial Services at 651-266-8797. Our Web site 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 (CAFR)
*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, 2005-2010
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

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, trust and agency funds. The modified accrual basis of accounting is used to budget and account for financial resources in the majority of City funds. 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 as 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.

A resolution was passed in 2003 establishing a separate library board; therefore, the library budget is published by the Library Agency as a separate document and is no longer included in this publication.

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.

Council Action Adopting the City Property Tax Levy

Council File # 06-1111

Green Sheet # 3035251

RESOLUTION CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Hart 24

Referred To: _____ Committee: _____ Date: _____

SUBSTITUTE RESOLUTION

1
2
3 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2007 budgets for the City of Saint Paul, and
4
5 WHEREAS, the proposed 2007 General and General Debt Service budgets have been reviewed and approved or adjusted by the City
6 Council, and
7
8 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
9 the Library Board has made, and
10
11 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined, and
12
13 WHEREAS, the Port Authority of the City of Saint Paul requested a property tax levy to finance economic development budgets under laws
14 of Minnesota, Chapters 469.053 subd 4, and 6,
15
16 NOW THEREFORE BE IT RESOLVED, the City Council in anticipation of adopting the General Fund, General Debt Service, and Library
17 Agency budgets for the fiscal year 2007, and in accordance with section 11 04 of the City Charter, does hereby levy taxes on all taxable
18 property within the Saint Paul corporate limits, to be collected in the amounts set forth below, and
19
20 BE IT FURTHER RESOLVED, the City Council requests the City Clerk to forward this resolution to the Ramsey County Department of
21 Property Records and Revenue in accordance with the applicable provisions of the City Charter and other laws, and
22
23 BE IT FINALLY RESOLVED, the City Council requests the Office of Financial Services to complete and forward any state forms required
24 identifying these adopted levies;

Description	Tax Levy Payable in 2006	Tax Levy Payable in 2007	%
City levy for city operations and shrinkage	47,258,408	48,976,109	3.63%
City levy for Debt Service and shrinkage	6,653,277	9,199,202	38.27%
City levy for Library Agency operations and shrinkage	<u>10,621,221</u>	<u>11,887,250</u>	11.92%
City Levy for City Government	64,532,906	70,062,561	8.57%
City levy for Port Authority levy per Mn. Stat. 469.053	<u>1,312,608</u>	<u>1,709,050</u>	30.20%
Total Levy	65,845,514	71,771,611	9.00%

	Yeas	Nays	Absent
Benav	✓		
Bostrom	✓		
Harris	✓		
Heigen	✓		
Lantry	✓		
Montgomery	✓		
Thune	✓		
	11	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: _____

Form Approved by City Attorney:

By: _____

Approved by Mayor for Submission to Council:

By: [Signature]

Adopted by Council. Date 12/13/06

Adoption Certified by Council Secretary.

By: [Signature]

Approved by Mayor. Date 12/18/06

By: [Signature]

Council Action Adopting the City Budget (page 1)

Council Action Adopting the City Budget (page 2)

Council File # 06-1112
Green Sheet # 3035089

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

25

Presented By: Kathy Bart

Referred To: _____ Date _____

1 WHEREAS, the Mayor has proposed budgets for the City of Saint Paul for the fiscal year beginning January 1, 2007, in accordance with
2 the City Charter and Chapter 56 of the Administrative Code; and
3
4 WHEREAS, the City Council, after publication of the notice in the newspaper on December 5, 2006, participated in a public hearing on
5 December 12, 2006, on the Mayor's Proposed 2007 budgets, as required by the City Charter and applicable state and Federal laws; and
6
7 WHEREAS, the Council has revised the Mayor's proposed budgets as herein set forth; now therefore be it
8
9 RESOLVED, that in accordance with the procedures and requirements set forth in the City Charter and other laws applicable thereto,
10 the Council of the City of Saint Paul does hereby adopt the 2007 budgets as proposed by the Mayor with such monetary changes, addition
11 and deletions as are hereby adopted and which, along with total budgets, are set forth on the attachments to this resolution; and be it
12
13 FURTHER RESOLVED, that the expenditures in dollars as may be made by the several offices, departments, bureaus, and agencies of
14 city government during the fiscal year 2007 shall be, and are hereby approved, and adoption of these budgets shall constitute
15 appropriations of the money amounts as set at the department budget total in the General Fund budget, the project total in the Capital
16 Improvements budget, and the fund budget total in all other cases.
17
18 FURTHER RESOLVED, that the estimated financing set forth in the 2007 adopted budgets is hereby approved; and be it
19
20 FURTHER RESOLVED, that the adoption of the 2007 budget for the Community Development Block Grant Fund (100) is a multi-year
21 budget based on estimates for a grant which has a fiscal period that differs from the City's normal budget year (January 1 through
22 December 31), the authority to implement this adopted multi-year budget commences only at the beginning of the grant period,
23 and shall extend beyond December 31, 2007, through the end of the grant period and; during the year when the grant is accepted
24 by the City Council, the budget will be amended to match the actual grant amount for the entire multi-year period; and be it
25
26 FURTHER RESOLVED, that the City Clerk is directed to publish the 2007 budget summary pursuant to Minnesota Statutes section
27 471 6965 in the format prescribed by the Office of the State Auditor; and be it
28
29 FINALLY RESOLVED, that the Director of Financial Services is hereby authorized to prepare the final 2007 Budgets in accordance
30 with the actions taken herein and to equalize, balance or set the final department revenue sources and department appropriations as
31 necessary.

	Yeas	Nays	Absent
Benanav	✓		
Dostrom	✓		
Harris	✓		
Helgen	✓		
Lantry	✓		
Montgomery	✓		
Thune	✓		

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: [Signature]

Approved by Mayor for Submission to Council: _____

By: [Signature]

Adopted by Council: Date 12/13/06

Adoption Certified by Council Secretary: _____

By: [Signature]

Approved by Mayor: Date 12/18/06

By: [Signature]

06-1112

2007 Budget Balancing Status
General Fund
Dollar Tracker-December 13, 2007 Budget Meeting

Office of Financial Services
Report date/time: 12/22/2006 2:00:00 PM FINAL
Page 1 of 3

	Spending	Financing
Mayor's Proposed Budget...		
General Fund	171,210,398	171,210,398
Mayor's Budget Total	171,210,398	171,210,398
Gap: Excess / (Shortfall)		0
Technical Changes to the Mayor's Budget...		
City Attorney		25,000
General Government Accounts	(47,500)	
General Government Accounts	47,500	
General Government Accounts		Budget Neutral
Mayor's Office		55,074
Mayor's Office		(55,074)
Public Works		(1,700,000)
Non Department Financing		1,700,000
Non Department Financing		150,000
Non Department Financing		45,800
Non Department Financing		42,639
Parks		5,400
Parks	5,400	
Parks	(20,000)	
Parks	20,000	
Parks		21,768
Police		(81,500)
Police	81,500	
Technology		50,000
Safety & Inspection	3,000	
Safety & Inspection	(3,000)	
Safety & Inspection		Budget Neutral
Budget After Technical Changes	171,237,566	171,551,005
Gap: Excess / (Shortfall)		313,439
Policy Changes Proposed by the Mayor...		
none		
Budget After Policy Changes	171,237,566	171,551,005
Gap: Excess / (Shortfall)		313,439
Council Changes to the Proposed Budget...		
Police	889,217	
Non Department Revenue		889,217
General Government Accounts	109,934	
Non Department Revenue		30,000
Non Department Revenue		(206,593)
Non Department Revenue		(319,827)
Fire		(725,000)
Fire		560,317
Police	(40,986)	
Police		31,708
Non Department Revenue		166,989
Fire	(120,000)	
Fire	120,000	
Parks		75,000
Parks	5,362	
Police	641,680	
Non Department Revenue		(689,217)
Police	(347,458)	
Technology	32,800	32,800
Technology	(12,221)	(12,221)
Safety & Inspection		17,194
City Council		(79,522)
Non Department Revenue		16,203
Non Department Revenue		81,016
General Government Accounts	90,000	90,000
Budget After Council Changes	172,034,169	172,034,169
Gap: Excess / (Shortfall)		0

Council Action Adopting the City Budget (page 3)

06-1112

2007 Budget Balancing Status Special Funds and Debt Dollar Tracker-December 13, 2007 Budget Meeting

Office of Financial Services
Report date/time: 12/22/2006 2:00:00 PM FINAL
Page 2 of 3

	Spending	Financing
Mayor's Proposed Budget...		
Special Funds	218,152,521	218,152,521
Debt Service Funds	55,991,279	55,991,279
Mayor's Budget Total	274,143,800	274,143,800

Gap: Excess / (Shortfall) 0

Technical Changes to the Mayor's Budget...

Debt	Correct WPA Reimbursement	1,700,000	
Debt	Correct Property Tax Financing	(1,700,000)	
Fire	Roll unspent grant balances over into 2007:		
Fire	2004 UASI Grant (CAD equipment)	519,750	519,750
Fire	2005 UASI Supplemental Grant (800 MHz radio)	685,945	685,945
Fire	2006 UASI Grant (800 MHz radio system)	1,043,000	1,043,000
OFS	Establish new activity for CAS disparity study	300,000	300,000
OFS	Revise Hotel Motel Tax	92,970	92,970
Mayor's Office	Establish new activity for Early Childhood Initiative	248,914	248,914
Mayor's Office	Shift portion of Education Director Salary to Early Childhood Initiative	(49,500)	(49,500)
Parks	Summary Abatement budget refinements	Budget Neutral	
Parks	Add back Music in the Parks	21,768	21,768
Police	Roll unspent grant balances over into 2007:		
Police	Cops More 2002	58,100	58,100
Police	Secure Our Schools	244,000	244,000
Police	African American Immigrant & Muslim Healing	115,935	115,935
Police	St. Paul Police Foundation (2006 Donations)	6,425	6,425
Police	Minnesota Military Affairs (new agreement)	11,500	11,500
Police	Adjust Clothing Trust Fund (for any new officers)	Budget Neutral	
Police	State E911 Fee	Budget Neutral	
Safety & Inspection	Remove HPC Annual Awards from special fund	(8,000)	(8,000)
Safety & Inspection	Matching Funds. Grant for HPC Comp. Plan Development	20,000	20,000
Safety & Inspection	Reflect DSI Reorganization in the budget	Budget Neutral	
Technology	Delay PEG capital spending projects from 2006 to 2007	31,000	31,000
Technology	Reflect PEG spending and financing adjustments in the budget	Budget Neutral	
Public Works	Additional transfer to cover overhead costs of 2 animal control officers	17,194	17,194

Budget After Technical Changes 277,502,801 277,502,801

Gap: Excess / (Shortfall) 0

Policy Changes Proposed by the Mayor...

Debt	Debt Restructuring (interest rate and 25 year bonds)	(150,000)	(150,000)
Undetermined	Advance Funding/Costs for the Republican National Convention	Place Holder	

Budget After Policy Changes 277,352,801 277,352,801

Gap: Excess / (Shortfall) 0

Council Changes to the Proposed Budget...

Fire	Shift special fund capital spending to STAR	Budget Neutral	
Police and Public Works	Shift special fund capital spending to STAR	Budget Neutral	
Other Department	Shift other capital spending to STAR	Budget Neutral	
Public Works	Move portion of sidewalk spending to CIB	(510,549)	
Public Works	Add cost for bond payment related to sidewalk CIB spending	68,924	
Public Works	Reduce use of fund balance	(441,625)	
Technology	Document Management	(300,000)	(300,000)
Debt	Add revenue related to bond payment from ROW fund for sidewalk spending in CIB	68,924	68,924
Debt	Increase debt payment on CIB bonds to include sidewalks	68,924	
Technology	Place PEG grant spending (redirect from SPNN) in Mayor's Contingency	195,000	
Technology	Use of Fund Balance to keep OCC whole (from Mayor's PEG Contingency)	195,000	

Budget After Policy Changes 276,875,100 276,875,100

Gap: Excess / (Shortfall) 0

Council Action Adopting the City Budget (page 4)

06-1112

2007 Budget Balancing Status Capital Improvement Budget Dollar Tracker-December 13, 2007 Budget Meeting

Office of Financial Services
Report date/time: 12/22/2006 2:00:00 PM FINAL
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	Spending	Financing
Mayor's Proposed Budget...		
Capital Improvement Budget	68,554,000	68,554,000
Mayor's Budget Total	68,554,000	68,554,000

Gap: Excess / (Shortfall) 0

Technical Changes to the Mayor's Budget...

Sewer Utility Fund	Sewer Tunnel Rehabilitation project	3,000,000	3,000,000
Capital Improvement Bonds	Western District Police Station	(5,275,000)	(5,275,000)
Public Safety Bonds	Western District Police Station	10,585,000	10,585,000
RiverCentre	Revised Sales Tax Revenue Estimate		180,000
RiverCentre	RiverCentre Debt Service	180,000	
Neighborhood STAR	Revised Sales Tax Revenue Estimate		225,000
Neighborhood STAR	Neighborhood STAR Program	225,000	
Cultural Star	Revised Sales Tax Revenue Estimate		45,000
Cultural Star	Loan Repayment Estimate Revised		(162,181)
Cultural Star	Cultural STAR Program	(117,181)	

Budget After Technical Changes 77,151,819 77,151,819

Gap: Excess / (Shortfall) 0

Council Changes to the Proposed Budget...

Public Works	CIB Revised for Public Safety Bonds and ROW Sidewalks		
Public Works	Move portion of ROW sidewalk spending to CIB	510,549	
Public Works	Increase CIB Bond		510,549
STAR	Create the Capital Program (equipment)		Budget Neutral
STAR	and place funding for all Fire apparatus into Mayor's Contingency		
STAR	Eliminate Mayor's NIIF Program	(700,000)	
STAR	Reduce neighborhood star program spending and redirect to public safety cap program	(825,000)	
STAR	Fund new public safety capital program with previous NIIF and NH Star program allocations	1,525,000	
STAR	Eliminate Mayor's NIIF funding proposal to create the Capital Program (equipment)		

Budget After Council Changes 77,662,368 77,662,368

Gap: Excess / (Shortfall) 0

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. In addition, 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, City Clerk, City Council, Financial Services, Human Resources, Human Rights, Labor Relations, License Inspections and Environmental Protection and Mayor)
- 1 Technology and Communications
- 2 Public Works
- 4 Police
- 5 Fire
- 6 Planning and Economic Development
- 9 General Government Accounts
- 11 Libraries
- 31 Parks
- 32 Public Health
- 33 License Inspections and Environmental Protection
- 99 Debt Service

For example, Risk Watch (35115) is a special revenue fund activity in the Department of Fire and Safety Services. Similarly, Director's Office (02000) 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.

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 (CIB): 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.

CMMS: Acronym for Computerized Maintenance Management System.

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.

Glossary - Continued

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) *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.

FORCE: 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 block grant, which is a federal grant program.

Glossary - Continued

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: Interfund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

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*.

PIR: 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 Saint 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". The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

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.