

2007 Adopted Budget

City of Saint Paul
Mayor Christopher B. Coleman

Photo and Design Credits

The cover features just a few of the many things that make St. Paul America's most livable city: a vibrant and diverse community, unique and connected neighborhoods, great sports and entertainment, affordable living, a good business climate, and beautiful scenery.

Photo credits:

- Lake Phalen dragon boat race photo courtesy Dragon Festival 2006
- Twin Cities Marathon, 7th Place Mall farmer's market, and Grand Avenue photos courtesy of the St. Paul RCVA.
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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.

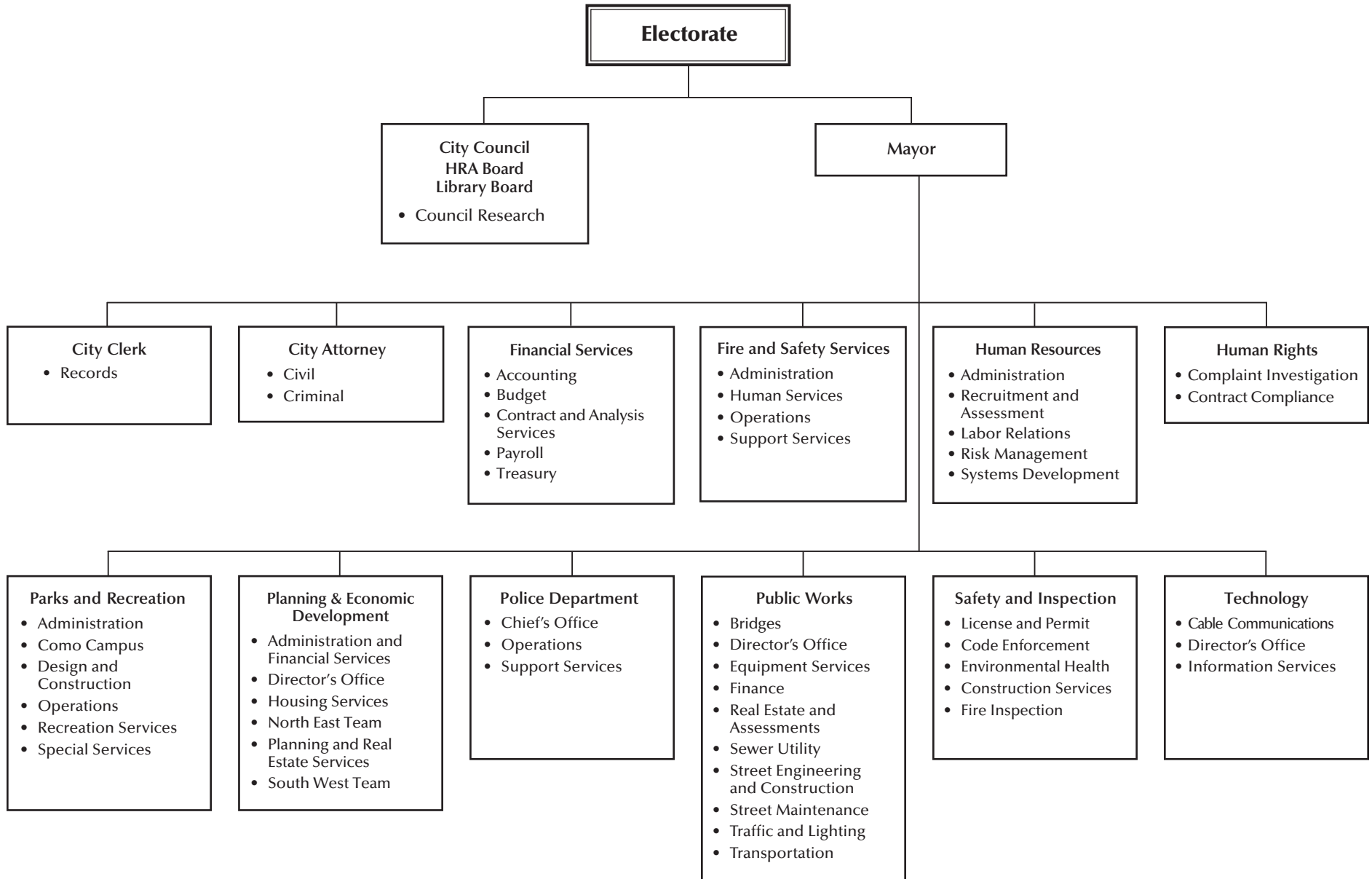
The Council is the legislative body, setting policies by enacting ordinances and resolutions. It can monitor and maintain liaisons with community groups to assure adequate citizen participation. The Council analyzes, adopts and monitors the city budget. Council members prepare and promote the City's 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	

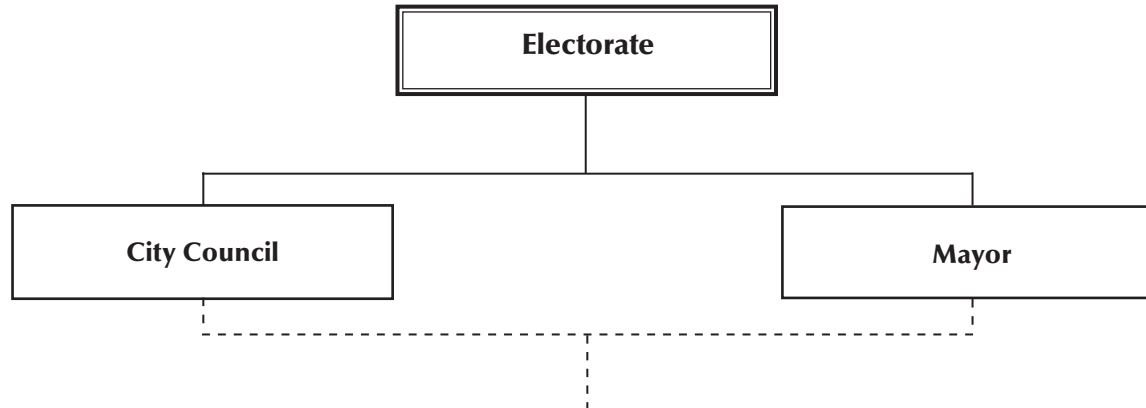
* Serves at pleasure of the Mayor

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

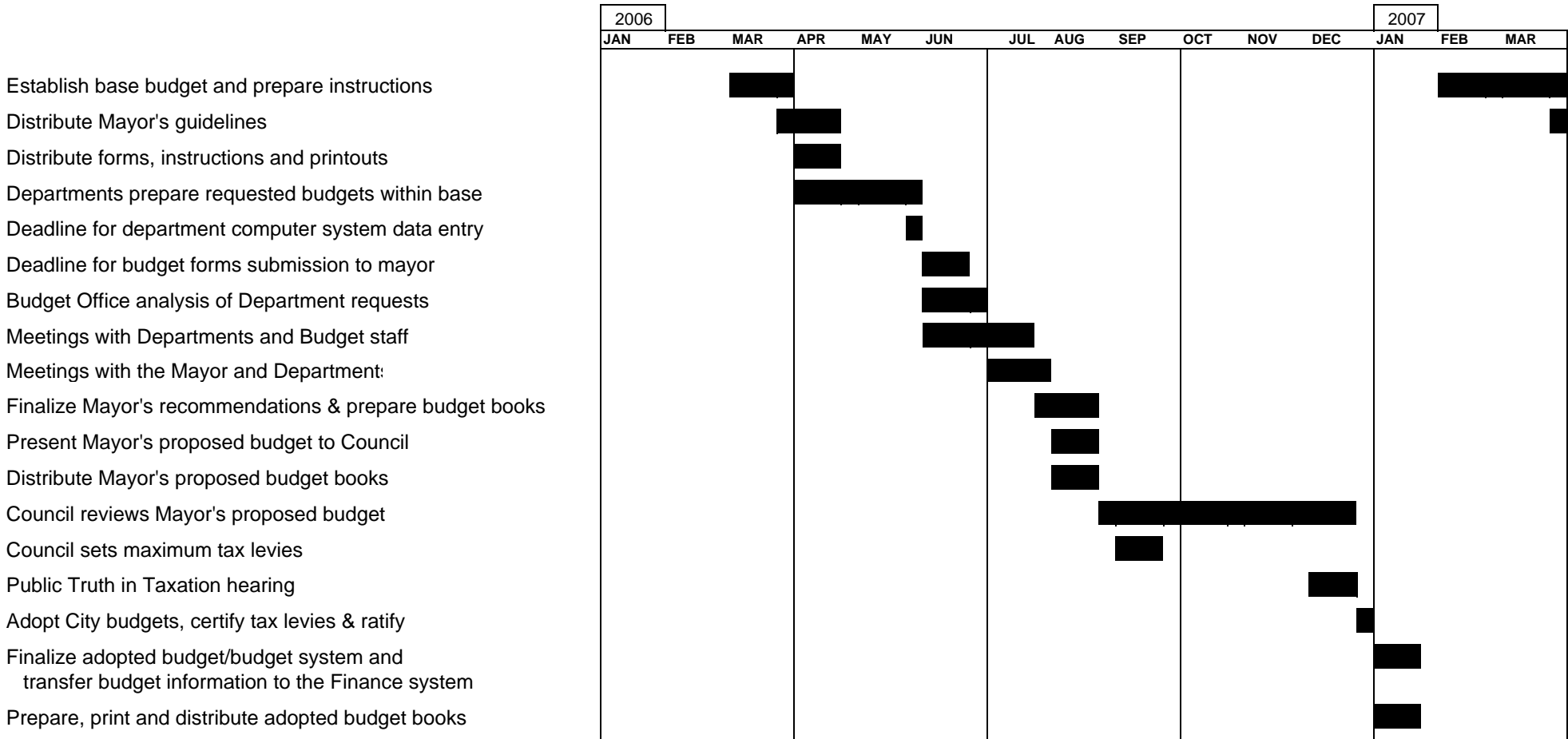
The budget staff finalizes the Mayor’s recommendations and produces the Mayor’s proposed budget. The Mayor then submits the recommended budget to the City Council by August 15, as required by the City Charter.

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



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



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: 2006 Adopted and 2007 Proposed

	2006 <u>Adopted</u>	2007 <u>Adopted</u>	Change <u>Percent</u>
City operations	383,063,895	393,189,730	2.6%
Library operations	<u>14,647,444</u>	<u>15,317,922</u>	4.6%
<i>Total operations</i>	397,711,339	408,507,652	2.7%
City debt service	57,342,935	55,882,529	-2.5%
Library debt service	<u>3,042,988</u>	<u>3,193,699</u>	5.0%
<i>Total debt service</i>	60,385,923	59,076,228	-2.2%
Capital improvements	95,747,000	79,438,000	-17.0%
Library capital improvements	<u>201,607</u>	<u>487,527</u>	141.8%
<i>Total capital improvments</i>	95,948,607	79,925,527	-16.7%
<i>Total combined budgets:</i>	<u><u>554,045,869</u></u>	<u><u>547,509,407</u></u>	-1.2%

Workforce Summary, City and Library Agency Combined

	2006 <u>Adopted</u>	2007 <u>Adopted</u>	Change <u>Percent</u>
City FTEs (All Funds)	2,772.2	2,795.1	0.8%
Library FTEs (All Funds)	<u>189.3</u>	<u>186.6</u>	-1.4%
<i>Total Combined FTEs</i>	2,961.5	2,981.7	0.7%

**Property Tax Levy and State Aid: City, Library Agency and Port Authority Combined
2006 Adopted vs. 2007 Adopted**

	Property Tax Levy*				Pct of City	Pct of City
	<u>2006</u> <u>Adopted</u>	<u>2007</u> <u>Adopted</u>	<u>Amount</u> <u>Change</u>	<u>Pct.</u> <u>Change</u>	<u>06 Total</u>	<u>07 Total</u>
City of Saint Paul						
General Fund	47,258,408	48,976,109	1,717,701	3.6%	73.2%	69.9%
General Debt Service	6,653,277	9,199,202	2,545,925	38.3%	10.3%	13.1%
Saint Paul Public Library Agency	10,621,221	11,887,250	1,266,029	11.9%	16.5%	17.0%
Total (City and Library combined)	64,532,906	70,062,561	5,529,655	8.6%	100.0%	100.0%
Port Authority	1,312,608	1,709,050	396,442	30.2%		
Overall Levy (City, Library & Port)	65,845,514	71,771,611	5,926,097	9.0%		

* 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

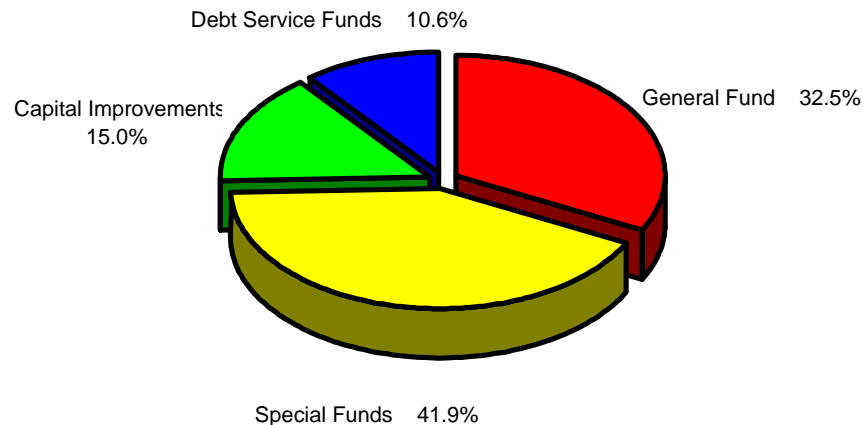
	<u>2006</u> <u>Adopted</u>	<u>2007</u> <u>Adopted</u>	<u>Amount</u> <u>Change</u>	<u>Pct.</u> <u>Change</u>	<u>Pct. Of</u> <u>06 Total</u>	<u>Pct. of</u> <u>07 Total</u>
City of Saint Paul						
General Fund	54,577,670	54,639,729	62,059	0.1%	91.7%	91.1%
General Debt Service	0	0	0	N.A.	0.0%	0.0%
Saint Paul Public Library Agency	4,966,891	5,321,472	354,581	7.1%	8.3%	8.9%
Total (City and Library combined)	59,544,561	59,961,201	416,640	0.7%	100.0%	100.0%

City Composite Summary

Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2005 Actual Budget	2006 Adopted Budget	2007 Adopted Budget
General Fund (Operating)	162,951,558	166,824,455	171,908,169
Special Fund (Operating)	197,535,050	216,239,440	221,281,561
Capital Improvements	65,176,849	95,747,000	79,438,000
Debt Services Funds	47,571,291	57,342,935	55,882,529
Total Budgets (Unadjusted)	<u>473,234,748</u>	<u>536,153,830</u>	<u>528,510,259</u>
Less Transfers	(47,107,653)	(53,946,751)	(59,091,798)
Less Subsequent Year Debt	<u>0</u>	<u>(20,985,514)</u>	<u>(17,654,521)</u>
Adjusted Financing Plan	<u><u>426,127,095</u></u>	<u><u>461,221,565</u></u>	<u><u>451,763,940</u></u>

Composite Summary - Total Budget 2007 Adopted Budget



Composite Summary - Workforce

City of Saint Paul: All Funds Full Time Equivalents (FTEs)			
Department	2005 Adopted Budget	2006 Adopted Budget	2007 Adopted Budget
Attorney	66.8	68.2	66.8
City Clerk (a)	8.5	7.5	2.0
Council	27.7	26.7	26.7
Debt Service Fund	2.0	2.3	2.1
Financial Services	44.2	44.8	45.0
Fire and Safety Services (a)	464.6	474.6	457.6
General Government Accounts	0.1	0.1	2.1
StP-RC Health	60.1	59.9	54.7
Human Resources	32.9	32.4	32.6
Human Rights	7.2	7.2	7.5
License, Inspection and Env. Protection (a)	107.5	107.5	0.0
Mayor's Office	15.0	15.0	17.8
Neighborhood Housing & Property Improvement (a)	34.2	34.6	0.0
Parks and Recreation	532.1	538.9	536.7
Planning and Economic Development	92.2	86.1	83.3
Police	744.6	760.1	788.8
Public Works	435.9	431.6	429.6
Safety and Inspection (a)	0.0	0.0	160.3
Office of Technology	72.9	74.7	81.5
Total	<u>2,748.5</u>	<u>2,772.2</u>	<u>2,795.1</u>
Total General Fund	<u>1,684.8</u>	<u>1,725.5</u>	<u>1,751.7</u>
Total Special Fund	<u>1,063.7</u>	<u>1,046.7</u>	<u>1,043.4</u>

a) In 2007, the Information and Complaint component of City Clerk; License, Inspection, and Environmental Protection (LIEP); and Neighborhood Housing and Property Improvement (NHPI) will be merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspection (DSI).

Composite Spending - By Department

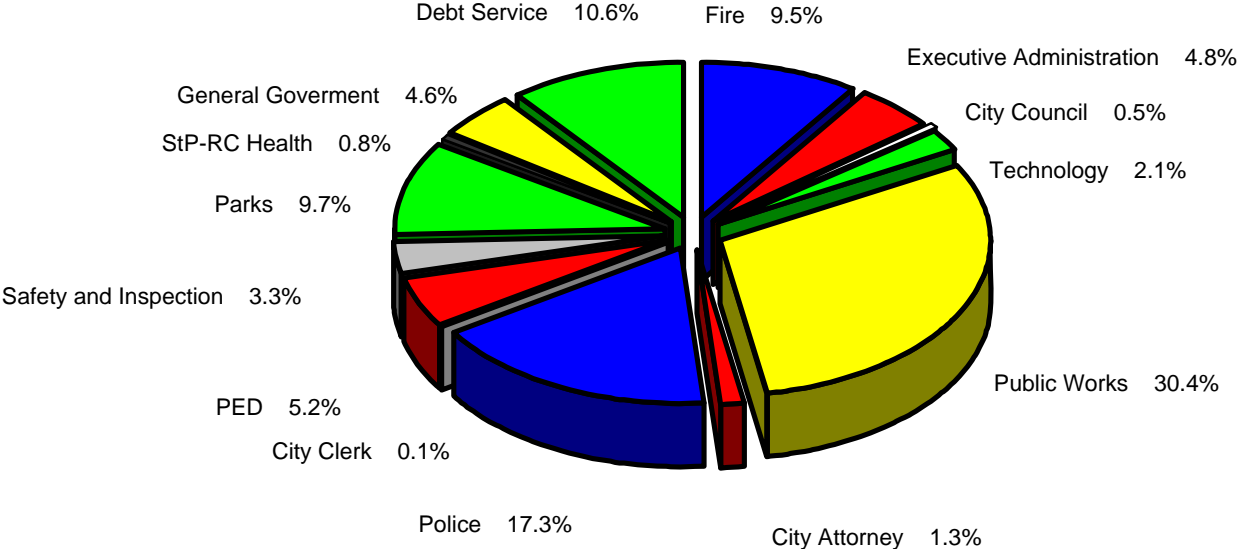
2007 Adopted Budget (By Department and Fund Type)					
Department	General Fund	Special Funds	Debt Service	Capital Budget	Total All Budgets
Attorney	5,772,924	973,054			6,745,978
City Clerk (a)	302,402				302,402
Council	2,316,057	76,015			2,392,072
Debt Service			55,882,529		55,882,529
Financial Services	1,932,082	14,857,447			16,789,529
Fire and Safety Services (a)	44,805,399	5,554,486			50,359,885
General Government Accounts	4,837,134			19,470,000	24,307,134
StP-RC Health		4,131,922			4,131,922
Human Resources	3,070,622	2,497,500			5,568,122
Human Rights	532,865	65,066			597,931
Libraries (b)					0
License, Inspection, and Environ. Prot. (a)	0	0			0
Mayor's Office	1,456,446	769,646			2,226,092
Neighborhood Housing & Property Impr. (a)	0	0		0	0
Parks and Recreation	24,236,154	21,893,252		4,919,000	51,048,406
Planning and Economic Development		18,901,013		8,694,000	27,595,013
Police	68,019,378	12,893,574		10,515,000	91,427,952
Public Works	1,628,464	123,217,975		35,640,000	160,486,439
Safety and Inspection (a)	5,061,804	12,216,043		200,000	17,477,847
Technology	7,936,438	3,234,568			11,171,006
Total	<u>171,908,169</u>	<u>221,281,561</u>	<u>55,882,529</u>	<u>79,438,000</u>	<u>528,510,259</u>

(a) In 2007, the Information and Complaint component of City Clerk; License, Inspection, and Environmental Protection (LIEP); and Neighborhood Housing and Property Improvement (NHPI) will be merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspection (DSI).

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

Composite Spending - By Department

2007 Adopted Budget



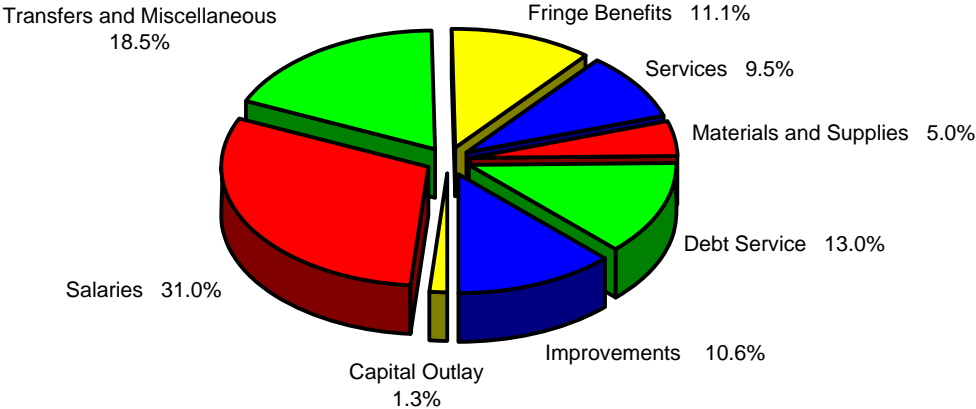
Composite Summary - Spending and Financing

Adopted Spending Summary (2007 Spending by Major Object)					
Object	General Fund	Special Fund	Debt Service	Capital Budget	Total
Salaries	103,771,318	56,781,315	143,536		160,696,169
Services	16,843,778	31,293,580	82,618		48,219,976
Materials and Supplies	8,475,072	17,661,376	6,793		26,143,241
Fringe Benefits	37,181,002	20,424,239	44,811		57,650,052
Transfers and Miscellaneous	3,684,126	74,771,052	280,000	17,228,000	95,963,178
Debt Service	1,055,618	10,158,722	55,324,771		66,539,111
Improvements	5,329	4,270,655	0	62,210,000	66,485,984
Capital Outlay	891,926	5,920,622	0		6,812,548
TOTAL	<u>171,908,169</u>	<u>221,281,561</u>	<u>55,882,529</u>	<u>79,438,000</u>	<u>528,510,259</u>

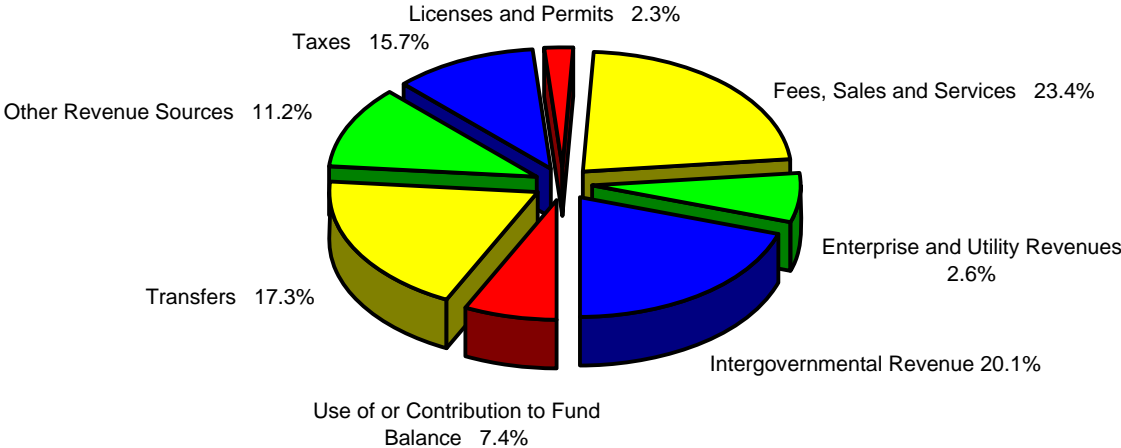
Adopted Financing Summary (2007 Revenue By Source)					
Source	General Fund	Special Fund	Debt Service	Capital Budget	Total
Use of or Contribution to Fund Balance	0	14,956,514	23,270,758		38,227,272
Transfers	18,055,634	10,936,937	12,458,526	60,321,000	101,772,097
Taxes	46,711,020	3,705,350	8,739,582		59,155,952
Licenses and Permits	982,443	10,538,746	0		11,521,189
Intergovernmental Revenue	63,542,411	26,023,092	479,244	15,505,000	105,549,747
Fees, Sales and Services	16,807,077	102,343,691	0		119,150,768
Enterprise and Utility Revenues	22,127,308	12,581,032	0		34,708,340
Other Revenue Sources	3,682,276	40,196,199	10,934,419	3,612,000	58,424,894
TOTAL	<u>171,908,169</u>	<u>221,281,561</u>	<u>55,882,529</u>	<u>79,438,000</u>	<u>528,510,259</u>

Summary - Spending and Financing

2007 Adopted Spending By Major Object



2007 Adopted Revenue By Source





General Fund

General Fund

2007 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 2007 spending and financing plan.

Financing Highlights:

The major financing sources for this fund are:

- ❖ Property taxes – 26.4%
- ❖ State aids (incl. Local Government Aid) – 37.0%
- ❖ Franchise fees – 12.4%
- ❖ Other revenues, aids, and user fees – 24.2%

The adopted 2007 budget includes General Fund financing that maintains 2006 service levels and increases spending at a rate less than inflation. The largest increases in General Fund financing come from ongoing sources, including increased service fees and franchise revenues. State aids continue to decline as a source of funding-2007 paid aids from the state are less than in 1996, despite St. Paul's growth. State aids have declined nearly 20% since 2002.

Certified Local Government Aid (LGA): After years of substantial decreases in the City's LGA, 2007 aid payments will not be reduced. Reductions in State paid aids began in 2003, when Saint Paul's aid was reduced from \$76 million to \$63 million. The 2004 and 2005 reductions decreased the City's LGA to \$53 million. St. Paul's 2007 aid is \$59,961,201, essentially unchanged from 2006 but less than paid aids in 1996. State aid greatly assists the City in maintaining current service levels

without relying on tax increases. Since 2004, LGA has been allocated between the City budget and the Independent Library Agency.

Property Tax Levy: Financing for the adopted budget includes a total levy increase of \$5.5 million in order to fund City operations and service debt. \$48.9 million, about 70%, will finance General Fund operations. The remainder is used for City debt service or is levied on behalf of the Library Agency and St. Paul Port Authority.

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 2007 City budget does not use fund balance, in keeping with City fund balance policy developed in 2006.

City Franchise Fees: The estimated 2007 financing level will increase by \$2 million, thanks in part to the renegotiation of the Xcel franchise agreement.

General Fund Interest Earnings: Interest estimates are projected to increase by \$220,000 from 2006 to 2007 based on planned investment pool balances and interest rates.

Other General Fund Financing: The proposed budget for 2007 includes additional revenues as a result of raising the Certificate of Occupancy fee charged by Fire Prevention as well as hotel and motel tax revenue.

Spending Highlights:

Rate of Growth: Saint Paul's general fund budget is proposed to increase by \$5,083,714, or 3.0%, from \$166,824,455 in 2006 to \$171,908,169 in 2007. Growth in spending for 2007 is primarily driven by inflation, resulting in higher costs to continue services at 2006 levels.

Wage Increases: Salaries and benefits are the most significant cost in the City's operating budgets. The 2007 budget includes planned salaries and the anticipated growth in the city costs of employee insurance and other fringes, including annual increases in PERA employer pension contribution rates adopted by the 2005 State Legislature.

City Council: The adopted budget for 2007 is \$2,316,057, which is an increase of \$5,564 from the \$2,310,493 adopted 2006 budget. The 2007 budget proposal maintains the same staffing level as the 2006 adopted budget.

City Clerk's Office (formerly Citizen Services): The adopted general fund budget for the City Clerk's Office is \$302,402. Two major activities shift to other departments in the proposed budget, including Information and Complaint to Safety and Inspection and Marketing to the Office of Technology and Communications. The City Clerk activity decreased by \$2,670 or nearly 1%. The decrease was absorbed as a result of filling a vacancy at a lower salary level.

City Attorney: The adopted general fund budget is \$5,772,924, a 6.1% increase from the 2006 adopted budget. The budget maintains the same level of staffing as the 2006 adopted budget. It also includes an increase in continuance for dismissal revenues reflecting a change in the distribution method between the Courts and City. This increased revenue helps provide the resources to avoid a potential loss of a prosecutor position. In addition, \$25,000 in revenue was added for recovery of costs related to excessive consumption.

Financial Services: The proposed budget for the Office of Financial Services is \$1,932,082, which is an increase of \$58,923 over the adopted 2006 budget. A reduction for spending restraint was absorbed by non-personnel adjustments. Total FTEs and General Fund FTEs remained the same.

Fire Department: Fire's adopted general fund budget for 2007 is \$44,305,899, and is up \$478,160, or 1.1% from the adopted 2006 budget of \$44,327,239. The numbers for 2007 reflect the reorganization and creation of the Department of Safety and Inspection. As a result, Fire Prevention moves from the Fire department to the new department of Safety and Inspection. The adopted budget maintains the staff complement at the same level in 2007. The budget will include a 10% increase in paramedic transport rates. The additional investments in apparatus replacement begun in 2005 have continued into 2006 and 2007, to help accelerate the turnover of trucks and equipment, and reduce the age of the fleet. Fire apparatus will now be funded as a part of the STAR City Capital Project.

Human Resources: The general fund budget for Human Resources for 2007 is adopted at \$3,070,622, up \$26,758, or 0.9% from the 2006 budget of \$3,043,864. General Fund staff position FTEs have increased from 32.4 in 2006 to 32.6 in 2007.

Human Rights: The adopted general fund budget totals \$532,865, which is an increase of \$5,660, or 1.1% from the 2006 adopted budget. FTE changes are related to shifts from the special fund and an adjustment that accounts for actual 2006 FTE levels (no FTEs added for 2007).

Mayor's Office: The Mayor's Office budget for 2007 is \$1,456,446, which is a 2.5% increase from the 2006 adopted budget of \$1,421,239. The adopted budget reflects a shift of \$20,000 to the new Intergovernmental Relations function. It also includes 1.8 additional FTEs which is being handled through additional revenues and adjusting 2006 spending levels.

Parks: The Parks and Recreation general fund budget is \$24,236,154, and is \$1,032,913 or 4.5% more than the 2006 adopted budget. The budget includes a plan to reorganize recreation centers to hold down costs and provide better service to areas of the City, including a shift from a “building focus” to a “program focus.” The Parks FTE complement decreased by 5.5, primarily due to the recreation services reorganization.

Planning and Economic Development: In 2004, general fund financing was eliminated as a support source for the PED Operations fund, and in 2006, the remaining two general fund budget items were moved to other departments. For the most part, PED has no direct financial support from the general fund.

Police Department: The adopted general fund budget for the Police Department is \$68,019,378 for 2007, compared with \$66,380,718 for 2006. This is an increase of \$1,638,660. The adopted budget allows for funding of regular salaries and fringes for 602 sworn personnel in 2007, including 26 new officers to be trained in academies during 2007. The number of sworn positions budgeted in the general fund is 568.2 FTEs, up from 540.6 in 2006 and 526 in 2005. The budget maintains the additional \$1,000,000 for overtime added in the 2006 budget, to ensure a fully staffed complement of sworn personnel. Another \$200,000 in police overtime was added to the 2007 budget for proactive service and enforcement during the summer. Other increases also included in this budget are: roughly \$90,000 more for vehicle fuel, and \$64,253 more for 800 MHz telecommunications costs. The lease of additional squad cars will be deferred for a year, and an appropriate amount of savings reflecting turnover or vacancies from senior- to entry-level officers due to normal retirement patterns will be recognized.

The Police budget also reflects the early stages of the emergency communications center consolidation with Ramsey County. Support staff for the computer aided dispatch system are a part of the Office of Technology and Communications budget.

Public Works Department: The 2007 general fund budget adopted for Public Works is \$1,628,464, a .2% decrease from the 2006 adopted budget of \$1,632,469, and maintains the same level of service and staffing.

Department of Safety and Inspection: Safety and Inspection is a newly merged department that includes all functions of the former LIEP and NHPI departments, as well as the Fire Inspection function of the Department of Fire and Safety Services and the Information and Complaint function of the former Citizen Services Office. The general fund budget includes animal control, code enforcement, vacant building monitoring, nuisance abatement, information and complaint and fire inspections. The total adopted general fund budget for 2007 is \$5,061,804, which is approximately a 0.5% increase over the 2006 adopted budget for these activities. Significant increases include the addition of a 1.0 FTE Animal Control Officer financed by the Public Works Sewer fund to support sewer baiting and a net increase of \$220,000 to more accurately reflect historical patterns in summary nuisance abatement grounds maintenance. Significant decreases include a net savings of nearly \$300,000 due to staffing and goods and services efficiencies resulting from the department merger.

Office of Technology and Communications: The adopted general fund budget is \$7,936,438, an increase of \$808,858 or 11.4% from the 2006 adopted budget. The increase is related to a variety of factors including staff support for the new Computer-Aided Dispatch (CAD) system, technical support for library wi-fi services, and the shift of Marketing from the former Citizen Services Office. The changes result in a net increase of 6.8 FTEs.

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 2007 budget request to the Mayor, and the Mayor in turn presented the Library budget to the City Council. The Library Board and the City Council have adopted the budget of the Library Agency for 2007. The Library Agency is independent of the City, and, as such, the Library Agency budget is no longer a part of the City budget, and is not reflected in this book. The Library Agency publishes a separate budget 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, 60% 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 enacted 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 currently scheduled to be completely eliminated by 2010.

In coming years, some Tax Increment Finance (TIF) districts will be decertified and returned to the City's property tax base. A total of \$1.4 million dollars in additional tax capacity returned to the general tax base for taxes payable in 2006 as a result of earlier de-certifications, and for taxes payable in 2009, TIF districts valued at nearly \$6.5 million of tax capacity will return to St. Paul's tax base. This additional tax base, much of it in commercial/industrial property, will somewhat ease the property tax burden on homeowners.

Pressure on Homeowners

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 and raised the total levy only 3% in 2006. In 2007, LMV phase out, residential market value growth, and tax levy increases enacted by other jurisdictions will all add to homeowners' and businesses' tax bills, independent of any other decisions by the City. The total property tax bill for a typical St. Paul house (reflecting combined City, County, and school district tax levies) will increase about 17% in 2007.

State Budget Instability and Unpredictability of LGA and Other Policies

Local Government Aid is a significant revenue source for the City's general fund. Nearly 33% of City and Library agency 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 provide basic services. Although the City's 2007 aid amount increased slightly (.8%) over 2006, the new LGA formula has created instability and unpredictability in annual aid payments. The 2007 certified LGA payment, for example, was \$1.5 million less than projected months earlier.

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 – 82% of all General Fund spending is for personnel costs. Negotiated cost of living increases and health and retirement benefit increases added over \$3 million to the 2007 General Fund budget. A 2005 State law increasing the City's share of employee retirement contributions added over \$1.5 million to the 2007 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 67th in the most recent survey.

This practice has also resulted in a gradual reduction of the General Fund balance from its peak of \$49.4 million in 1998 to approximately \$27.25 million at the end of 2005. 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. In 2006, the City enacted a fund balance policy mandating that the General Fund's balance be at least 15% of combined General Fund and Library operating spending. At the current level of reserves, prudent management does not permit the use of fund balance to finance the 2007 operating budget. No General Fund balance will be spent in the 2007 budget.

Various overhead expenditures in the general fund can indirectly be related to special fund programs which receive their own revenue. For 2007, 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)					
	2003	2004	2005	2006	2007
	Actual	Actual	Actual	Adopted Budget	Adopted Budget
Beginning Balances	40,989,467	37,844,899	33,840,384	27,254,757	27,254,757
Revenues and Sources					
Transfers In	9,924,973	10,101,003	13,381,951	18,045,174	18,055,634
Property Taxes	40,107,165	39,235,087	42,990,712	43,658,825	45,464,320
Other Taxes	860,608	838,565	823,080	2,302,429	1,246,700
Licenses and Permits	918,350	872,106	876,144	993,443	982,443
Intergovernmental	76,195,713	65,260,620	57,473,669	64,170,300	63,542,411
Fees, Sales and Services	12,381,517	12,922,433	14,475,067	15,638,879	16,807,077
Franchise Fees	17,576,898	17,983,409	18,559,769	18,179,867	21,318,043
Interest Earned:					
On Investments	2,580,966	3,537,138	3,273,640	2,923,500	3,240,719
On Securities Lending Transactions - (a)	1,026,717	1,775,821	4,157,792	0	0
Inc (Dec) in Fair Market Value of Investments	(855,330)	(819,998)	(1,043,290)	0	0
Miscellaneous	609,142	1,173,740	1,397,396	912,038	1,250,822
Total	161,326,719	152,879,924	156,365,930	166,824,455	171,908,169
Expenditures and Uses (b)					
Attorney	5,030,828	5,063,378	5,318,128	5,441,370	5,772,924
City Clerk (c)	3,522,843	1,039,178	695,279	639,130	302,402
Council	1,963,116	2,217,733	2,193,535	2,310,493	2,316,057
Fire and Safety Services (c)	38,843,171	40,330,000	41,948,414	44,327,239	44,805,399
General Government Accounts - Miscellaneous	7,334,619	8,324,821	10,655,068	5,340,436	4,837,134
Libraries	11,316,692	0	0	0	0
Executive Administration (d)	6,456,537	7,214,764	7,376,299	7,605,533	6,992,015
Neighborhood Housing and Property Improvement (c)	0	2,791,828	3,037,237	2,816,246	0
Parks & Recreation	21,853,684	22,443,561	23,085,748	23,203,241	24,236,154
Planning and Economic Development	793,278	84,358	86,073	0	0
Police	54,885,619	57,257,577	60,931,291	66,380,718	68,019,378
Public Works	4,984,208	5,003,457	2,103,283	1,632,469	1,628,464
Safety and Inspection (c)	0	0	0	0	5,061,804
Technology	7,527,730	5,113,783	5,521,203	7,127,580	7,936,438
Fringe Benefits	0	0	0	0	0
Interest on Securities Lending Transactions - (a)	0	0	0	0	0
Total (e)	164,512,325	156,884,438	162,951,558	166,824,455	171,908,169
Ending Balance					
Reserved	5,334,613	4,340,815	4,187,181	5,100,000	5,100,000
Designated	32,172,784	29,109,596	23,035,751	21,325,000	21,570,000
Undesignated	337,502	389,974	31,825	829,757	584,757
Total (f)	37,844,899	33,840,385	27,254,757	27,254,757	27,254,757

- a) The 2006 adopted financing and spending budgets for Securities Lending Transactions will be amended when the actual amounts are known and available.
- b) For 2003 - 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) In 2007, the Information and Complaint component of City Clerk, License, Inspection, and Environmental Protection (LIEP) and Neighborhood Housing and Property Improvement (NHPI) will be merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspection (DSI).
- d) Executive Administration includes: Financial Services, Human Resources, Human Rights, License Inspection and Environmental Protection, and the Mayor's Office.
- e) The 2006 and 2007 Budget columns on this page do not include "Advances to Other Funds" and "Petty Cash Advances."
- f) Based on the 2003 - 2005 experience, the actual ending total balance for 2006 - 2007 will be greater than the listed budget ending total balance.

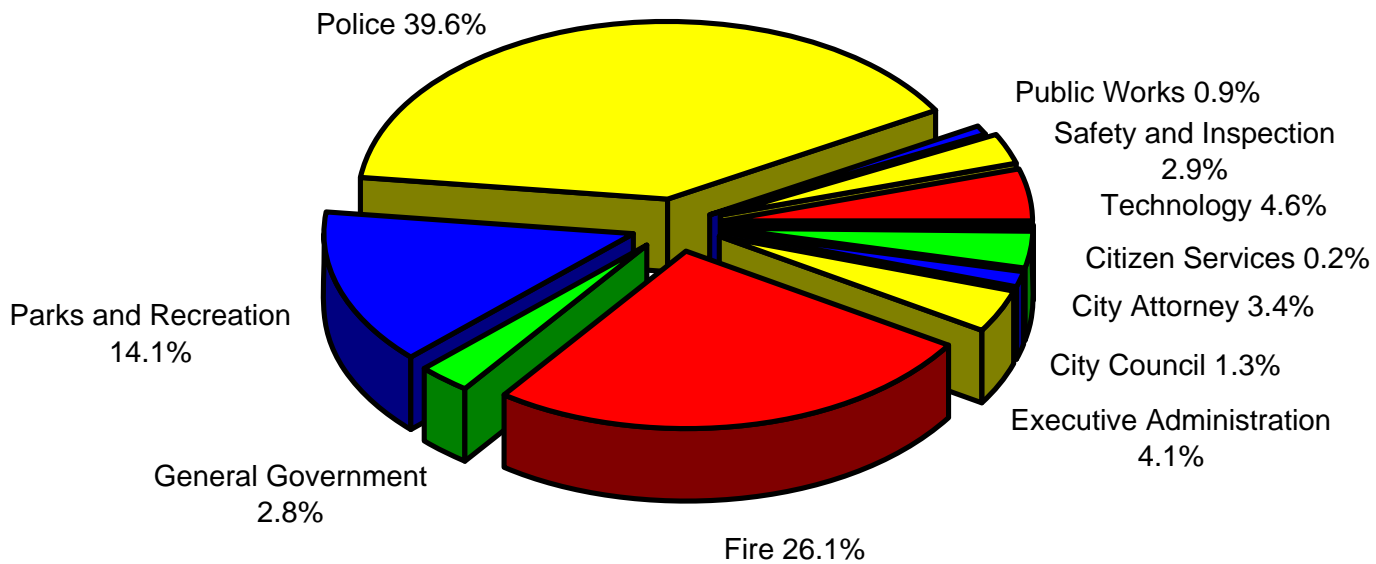
General Fund Budget

General Fund Spending (By Department)			
Department/Office	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Attorney	5,318,128	5,441,370	5,772,924
City Clerk (a)	695,279	639,130	302,402
Council	2,193,535	2,310,493	2,316,057
Financial Services	1,822,359	1,873,159	1,932,082
Fire and Safety Services (a)	41,948,414	44,327,239	44,805,399
General Government Accounts	10,655,068	5,340,436	4,837,134
Human Resources	3,071,329	3,043,864	3,070,622
Human Rights	515,251	527,205	532,865
Independent Library Agency (budget is published separately)			
License, Inspection, and Environmental Protection (a)	716,689	740,066	0
Mayor	1,250,671	1,421,239	1,456,446
Neighborhood Housing and Property Improvement (a)	3,037,237	2,816,246	0
Parks and Recreation	23,085,748	23,203,241	24,236,154
Planning and Economic Development	86,073	0	0
Police	60,931,291	66,380,718	68,019,378
Public Works	2,103,283	1,632,469	1,628,464
Safety and Inspection (a)	0	0	5,061,804
Technology	5,521,203	7,127,580	7,936,438
Total	<u>162,951,558</u>	<u>166,824,455</u>	<u>171,908,169</u>

- a) In 2007, the Information and Complaint component of City Clerk, License, Inspection, and Environmental Protection (LIEP) and Neighborhood Housing and Property Improvement (NHPI) will be merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspection (DSI).

General Fund Budget

2007 Adopted Spending by Department



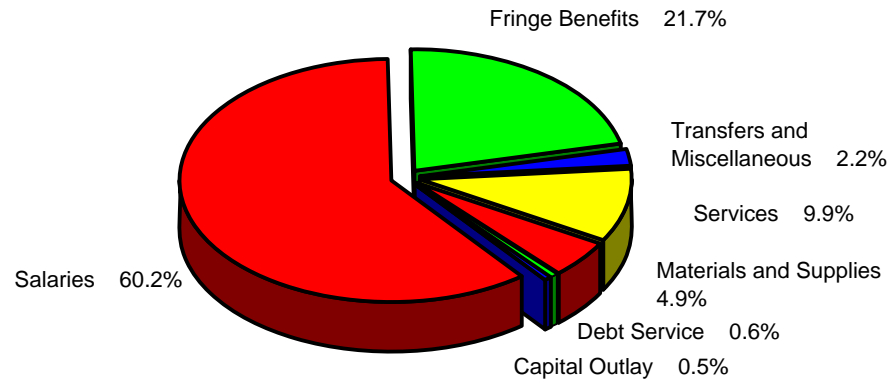
General Fund Budget

General Fund Spending (By Major Object)			
	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Object			
Salaries	96,323,903	102,461,091	103,771,318
Services	14,462,588	14,371,925	16,843,778
Materials and Supplies	8,383,253	7,827,582	8,475,072
Fringe Benefits	31,814,351	34,693,380	37,181,002
Transfers and Miscellaneous	6,062,751	4,491,595	3,684,126
Debt Service	5,078,423	1,055,618	1,055,618
Street, Sewer, Bridge Improvement	0	5,329	5,329
Capital Outlay	<u>826,289</u>	<u>1,917,935</u>	<u>891,926</u>
Total	162,951,558	166,824,455	171,908,169

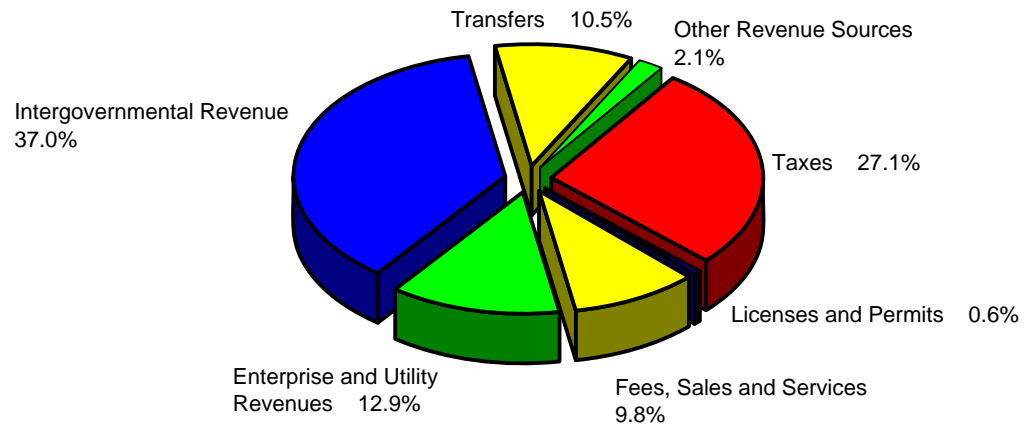
General Fund Financing (Revenue By Source)			
	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Source			
Use of Fund Balance	6,585,628	0	0
Transfers	13,381,951	18,045,174	18,055,634
Taxes	43,813,792	45,961,254	46,711,020
Licenses and Permits	876,144	993,443	982,443
Intergovernmental Revenue	57,473,669	64,170,300	63,542,411
Fees, Sales and Services	14,475,067	15,638,879	16,807,077
Enterprise and Utility Revenues	18,559,769	18,907,348	22,127,308
Other Revenue Sources	<u>7,785,538</u>	<u>3,108,057</u>	<u>3,682,276</u>
Total	162,951,558	166,824,455	171,908,169

General Fund Budget

2007 Adopted Spending By Major Object



2007 Adopted Revenue By Source





Special Funds

Special Funds

2007 Adopted Budget

Highlights:

The City has 52 special funds totaling \$221 million in budgeted spending. The total excludes Regional Water Services, the St. Paul Public Library Agency, and RiverCentre funds, which are submitted as separate budgets. Significant changes are indicated as follows:

City Attorney Outside Services (Fund #025): This fund provided spending authority for an FTE which was funded by the State of Minnesota. This position has since been vacated as well as the funding, reducing the spending and number of FTEs in this fund. Additionally, revenue which helps fund domestic violence staff is eliminated in 2007 as well as the associated .4 FTE.

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. This fund's proposed budget includes a one-time fund balance transfer of \$100,000 to the General Fund.

Special Projects: General Government Accounts (Fund #050): Among its many functions, this fund's budget transfers approximately \$5 million of central service costs to the General Fund. The activity related to central service charges includes a proposed one-time transfer of \$32,250 to the General Fund.

Risk Management Retention Fund (Fund #060): This fund was created during the 2005 budget process to account for workers' compensation costs and to identify and charge workers' compensation expenses to department budgets. The fund also includes other risk-related activities that were included in other funds prior to 2005. Spending for this fund is up 34% over the 2006 Adopted Budget to cover increased workers' compensation costs.

Internal Borrowing: General Government Accounts (Fund #070): \$141,000 is added for the West Midway and Upper Landing loans.

Major Events (Fund #080): The Major Events fund will be created in 2007 to account for spending and financing related to major events, including the 2008 Republican National Convention.

Community Development Block Grant (Fund #100): The adopted community development block grant fund is \$10.3 million, reflecting a potential \$1 million funding reduction from the federal government.

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 one-time fund balance transfer to the General Fund of \$350,000, an increase in the regular general fund transfer of \$268,300 and retention of \$195,000 from the cable franchise agreement for PEG/I-Net capital improvements. The budget also includes \$195,000 in Mayor's contingency spending, financed by fund balance, to cover expenses in the event the PEG capital improvement financing does not materialize.

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

Right of Way Maintenance Fund (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 2007 budget includes an increase of 7.9% in the right-of-way assessments. This increase provides additional revenue to help withstand increased spending due to inflation factors, supports the tree boulevard maintenance and a portion of sidewalk maintenance at a base level and provides additional funding for neighborhood cleanup. It also includes the removal of all deferred spending added during the 2006 process.

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.

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

Traffic, Signal & Lighting Maintenance (Fund #240): Modifying, installing and repairing damage to traffic signal, street lighting and signing systems is the main focus of this fund.

Sewer Service Enterprise (Fund #260): Almost three-fourths of the spending for this fund is determined by Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The program of long-term financing for residential upgrades of sanitary sewer connections continues for 2007. 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 and is increased by \$1,700,000 for 2007. Additionally, the proposed budget includes increases in Storm Sewer System Charges (2.0%) and Sanitary Sewer Rates (2.0%) to offset increasing costs.

License and Permit Special Fund (Fund #320): This fund accounts for revenue received from business licenses, building permits, plan examination, certificate of competency and other fees related to ensuring public safety by monitoring business and construction activity. The number of FTEs increased by 5.0 for 2007 due to FTE shifts from the General Fund and Fund #167, as well as the addition of a Heritage Preservation specialist and a Soil and Water specialist.

Parks and Recreation Street Tree Maintenance (Fund #375): This fund increased by \$115,355 and maintains an existing level of service. The fund is financed with citywide right-of-way assessment transfers from Public Works Fund #225.

Parks and Recreation Como Campus (Fund #380): Adopted spending increased by \$1,252,895, primarily due to costs related to the Visitor's Center and Tropical Encounters exhibit. FTEs increased by 3.9 for facility operation and the provision of educational programs to schools. Increased costs are supported by increases in various revenue sources including instruction fees, facility rental fees, commissions, and transfers-in.

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 2007 budget reflects year eight of a ten-year plan. Costs related to direct police services, including police officer compensation, are planned for in the 2007 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.

Police Special Projects (Fund #436): This fund's proposed budget reflects a decrease in spending due to expectations on several expiring grants, and some one time spending that was planned to occur in 2006 and not repeat in 2007.

Firefighting Equipment Trust (Fund #735): Financial activity is expected to decline in this fund. Planned spending for fire apparatus will now be financed under the provisions of the City's sales tax law, and will now be carried in the new STAR City Capital Project. Revenues that were formerly recorded in Equipment Trust fund will now be collected in the general fund. Planning for the 2007 budget is supported the funding level suggested by the department's apparatus plan for 2007.

CPL Operating (Fund #802): Proposed spending for 2007 increases by \$508,629 for a total of \$3,515,312. This fund collects assessment revenues and passes them on to various other funds which use assessment financing.

Special Fund Budgets

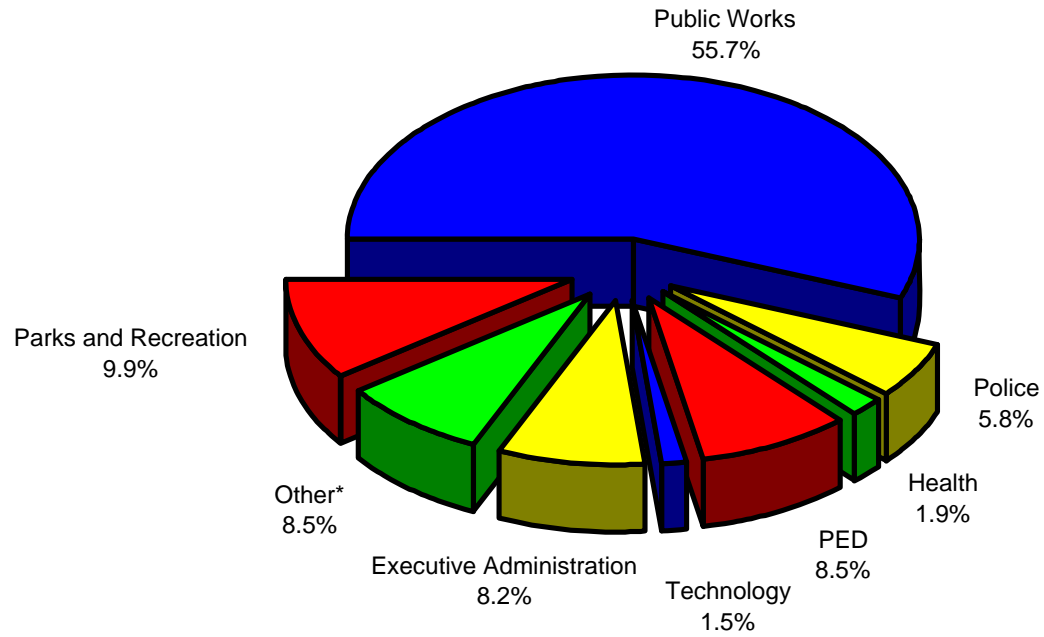
Special Fund Spending (By Department)			
Department	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Attorney	923,129	1,042,110	973,054
Council	62,005	94,499	76,015
Financial Services Office	13,414,926	13,159,096	14,857,447
Fire and Safety Services (a)	2,654,424	7,053,674	5,554,486
StP-RC Health	3,840,090	4,095,050	4,131,922
Human Resources	1,082,166	1,862,742	2,497,500
Human Rights	43,042	67,944	65,066
License, Inspection, and Environmental Protection (a)	10,212,833	11,846,479	0
Mayor's Office	466,198	643,589	769,646
Neighborhood Housing & Property Improvement (a)	559,846	772,008	0
Parks and Recreation	22,502,305	20,195,335	21,893,252
Planning and Economic Development	19,852,045	20,121,419	18,901,013
Police	10,886,319	12,942,113	12,893,574
Public Works	105,965,810	119,258,933	123,217,975
Safety and Inspection (a)	0	0	12,216,043
Office of Technology	4,622,809	3,084,449	3,234,568
Total	197,087,947	216,239,440	221,281,561

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

- a) In 2007, the Information and Complaint component of City Clerk; License, Inspection, and Environmental Protection (LIEP); and Neighborhood Housing and Property Improvement (NHPI) will be merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspection (DSI).

Special Fund Budgets

2007 Adopted Budget



* Other includes City Attorney, City Council, Safety and Inspections, and Fire.

Special Fund Budgets

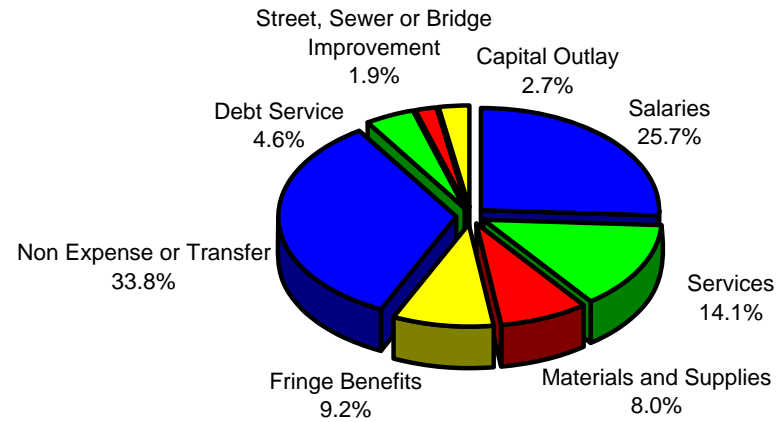
Special Fund Spending (By Major Object)			
Object	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Salaries	49,835,008	55,871,327	56,781,315
Services	31,202,126	30,937,548	31,293,580
Materials and Supplies	17,344,737	16,796,270	17,661,376
Fringe Benefits	18,421,632	19,135,440	20,424,239
Transfers and Miscellaneous	61,217,158	65,372,726	74,771,052
Debt Service	9,641,477	10,406,060	10,158,722
Street, Sewer or Bridge Improvement	3,532,962	3,078,600	4,270,655
Capital Outlay	<u>5,892,847</u>	<u>14,641,469</u>	<u>5,920,622</u>
Total	197,087,947	216,239,440	221,281,561

Special Fund Financing (Revenue By Source)			
Source	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Use of Fund Balance	0	15,062,499	14,956,514
Transfers	14,438,993	9,792,669	10,936,937
Hotel and Motel Taxes	3,580,504	4,094,380	3,705,350
License and Permits	9,991,011	10,311,718	10,538,746
Intergovernmental Revenue	22,483,900	27,305,396	26,023,092
Fees, Sales and Services	97,460,394	100,876,289	102,343,691
Enterprise and Franchise Revenue	9,138,759	12,096,603	12,581,032
Assessments and Other Revenue Sources	<u>33,591,817</u>	<u>36,699,886</u>	<u>40,196,199</u>
Total	190,685,378	216,239,440	221,281,561

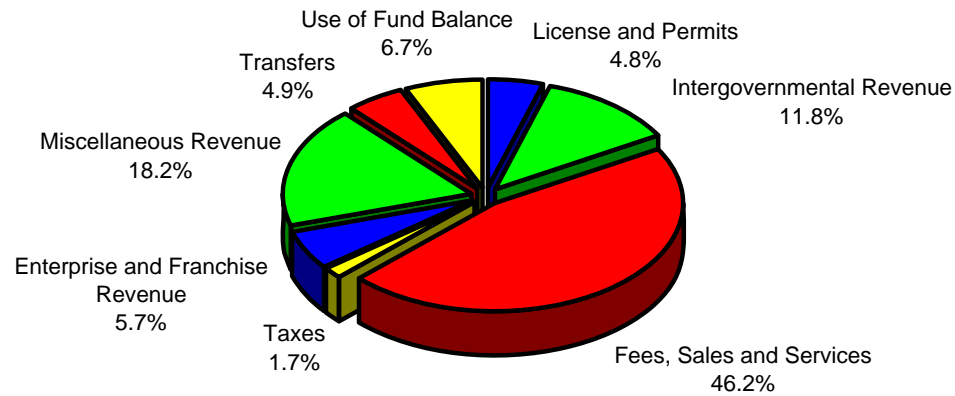
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Special Fund Budgets

2007 Spending By Major Object



2007 Revenue By Source





Debt Service

General Obligation Debt Service Funds Budget

Debt Service Spending (By Major Object)			
Object	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Salaries	143,536	137,302	143,536
Services	82,618	81,982	82,618
Fringe Benefits	44,811	42,089	44,811
Other	1,347,752	786,793	286,793
Debt Service	34,008,177	56,294,769	55,324,771
Equipment, Land, and Buildings	<u>0</u>	<u>0</u>	<u>0</u>
Total	35,626,894	57,342,935	55,882,529

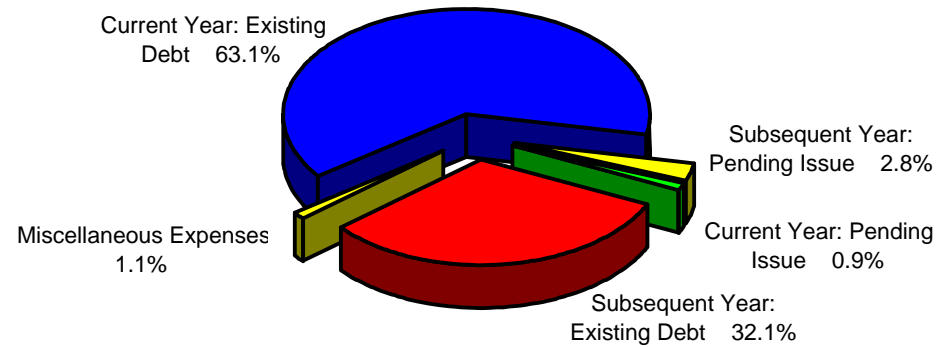
Debt Service Financing (Revenue By Source)			
Source	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Use of (Contribution to) Fund Balance	365,186	27,343,326	23,270,758
Transfers	16,738,876	11,233,636	12,458,526
Taxes	6,142,398	6,246,510	8,739,582
Licenses and Permits	0	0	0
Intergovernmental Revenue	396,752	376,311	479,244
Fees, Sales and Services	0	0	0
Enterprise and Utility Revenue	1,095,058	880,000	0
Other Revenue Sources	<u>10,888,524</u>	<u>11,263,152</u>	<u>10,934,419</u>
Total	35,626,794	57,342,935	55,882,529

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.

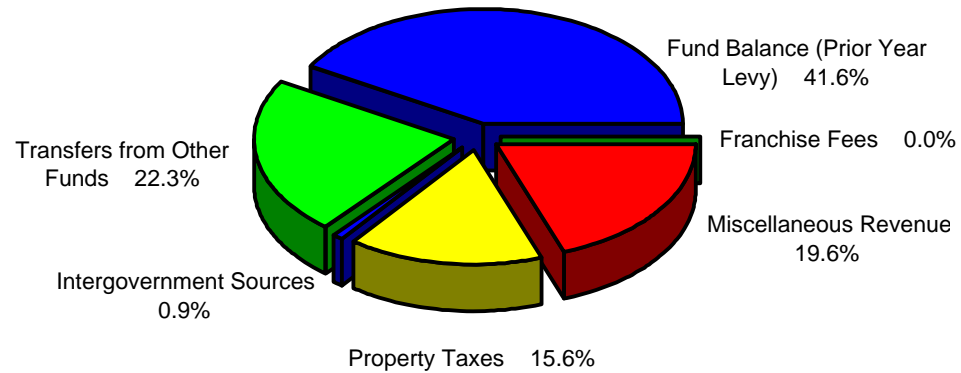
The total 2007 debt service budget is \$55,882,529. \$36,372,383 is for debt service obligations in 2007 (the budget year), and \$19,510,146 is debt service obligations in the first half of 2008 (the subsequent year).

General Obligation Debt Service Funds Budget

2007 Spending by Major Category



2007 Financing by Major Source



General Obligation Debt

Allocation of Revenue to Type of Debt								
as of December 31, 2005								
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Other Sources	Self Supporting Total	Total
Capital Improvements	103,455,000					3,465,000 **	3,465,000	106,920,000
Library Bonds	12,280,000						-	12,280,000
Street Improvements			23,320,000				23,320,000	23,320,000
Tax Increment:								
Riverfront Development				7,685,000			7,685,000	7,685,000
Midway Marketplace				5,130,000			5,130,000	5,130,000
Block 39 Project				14,750,000	21,255,000		36,005,000	36,005,000
Koch Mobil				3,950,000			3,950,000	3,950,000
Water Pollution Abatement							-	-
Sewer Bonds		3,480,000					3,480,000	3,480,000
Sewer Loan (PFA *)		15,824,589					15,824,589	15,824,589
Water Loan (PFA*)		2,747,332					2,747,332	2,747,332
TOTAL	<u>115,735,000</u>	<u>22,051,921</u>	<u>23,320,000</u>	<u>31,515,000</u>	<u>21,255,000</u>	<u>3,465,000</u>	<u>101,606,921</u>	<u>217,341,921</u>
Percent of Total	53.3%	10.1%	10.7%	14.5%	9.8%	1.6%	46.7%	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 the Debt Service Fund

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.
- Invest City funds and manage the City's portfolio to insure safety, while maintaining a competitive yield and liquidity.
- Work with Ramsey County and Saint Paul Public Schools to manage the overall debt on the City of Saint Paul, Ramsey County and Saint Paul Public Schools' tax base.

Statistical Profile

- City Bond Ratings: AAA (Standard & Poor's) and Aa2, (Moody's).
- Debt Burden: 3.7%; Direct Debt Burden: 2.1%
- Payout of Principal: 10 Years: 84.4%; 20 Years: 100%
- City's G.O. Debt Supported by:
 - Tax Levy: 53%
 - Tax Increments: 15%
 - Special Assessments: 10%
 - Water and Sewer Revenues: 10%
 - Other Sources: 12%

2005-2006 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.
- Developed a capital lease financing program for ongoing replacement of parks and public safety equipment.
- Adjusted the structure of the 2005 and 2006 Capital Improvement bonds to pay principal semi-annually to better match property tax cash flows.
- Moved RSVP to the Special Assessment Street Bonds.
- 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.
- Refunded the 1996 Recreational Facilities Gross Revenue Bonds (savings are \$246,971 over the life of the bonds) and 1995 General Obligation Taxable Tax Increment Bonds (savings are \$977,430 over the life of the bonds).
- Adopted a fund balance policy for the General Debt Service Fund.

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Moody's	Aa2	Aa2	Aa2	Aa2
Standard and Poor's	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 -- planned in the adopted budget and actual at year-end

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Budget	23.1%	20.2%	16.34%	16.2%
Actual	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:	2004 Actual	2005 Actual	2006 Estimated	2007 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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Benchmark	3.25	4.00	4.50	5.25
Actual	4.04	4.61	--	--

Debt Service

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
<u>Spending By Unit</u>							
960 GENERAL DEBT SERVICE FUND	26,166,835	22,775,932	39,685,792	37,765,134	37,656,384	-108,750	-2,029,408
961 CITY REV BONDS, LONG TERM DEBT	9,795,359	10,108,220	8,171,813	7,669,791	7,669,791		-502,022
963 G.O. SPEC ASSM DEBT SERV FUND	3,258,970	3,274,177	8,074,195	9,540,014	9,540,014		1,465,819
967 CITY REVENUE NOTES DEBT SERVICE	888,200	1,351,982	1,411,135	1,016,340	1,016,340		-394,795
Total Spending by Unit	40,109,364	37,510,311	57,342,935	55,991,279	55,882,529	-108,750	-1,460,406
<u>Spending By Major Object</u>							
SALARIES	150,896	73,575	137,302	143,536	143,536		6,234
SERVICES	34,213	22,614	81,982	82,618	82,618		636
MATERIALS AND SUPPLIES	6,270	7,034	6,793	6,793	6,793		
EMPLOYER FRINGE BENEFITS	49,897	21,382	42,089	44,811	44,811		2,722
MISC TRANSFER CONTINGENCY ETC	1,799,713	1,595,797	780,000	280,000	280,000		-500,000
DEBT	33,513,029	34,023,267	56,294,769	55,433,521	55,324,771	-108,750	-969,998
STREET SEWER BRIDGE ETC IMPROVEMENT	1,257,533	1,766,642					
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	36,811,552	37,510,311	57,342,935	55,991,279	55,882,529	-108,750	-1,460,406
Percent Change from Previous Year		1.9%	52.9%	-2.4%	-0.2%	-0.2%	-2.5%
<u>Financing By Major Object</u>							
GENERAL FUND							
SPECIAL FUND							
TAXES	10,622,561	7,237,457	7,126,510	10,391,276	8,739,582		1,613,072
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	675,358	396,753	376,311	577,550	479,244		102,933
FEES, SALES AND SERVICES		5,000					
ENTERPRISE AND UTILITY REVENUES	114,660						
MISCELLANEOUS REVENUE	14,096,191	10,455,713	11,263,152	10,934,419	10,934,419		-328,733
TRANSFERS	12,814,651	18,761,444	11,233,636	10,789,602	12,458,526		1,224,890
FUND BALANCES			27,343,326	23,298,432	23,270,758		-4,072,568
Total Financing by Object	38,323,421	36,856,367	57,342,935	55,991,279	55,882,529	-108,750	-1,460,406
Percent Change from Previous Year		-3.8%	55.6%	-2.4%	-0.2%	-0.2%	-2.5%

2007 Budget Plan

2007 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.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services.

Mayor's Recommendation

- The 2007 proposed spending in the General Debt Service Fund (Fund 960) is \$37,765,134, a decrease of \$1,920,658 compared to 2006. The 2007 budget proposes issuing \$11,000,000 of Capital Improvement Bonds (CIB) in 2007, and assumes an estimated interest cost of 5.5% for the bonds in 2007. The \$8,000,000 reduction of CIB bonding in 2006 and 2007 compared to 2005 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 2004 amount reflects only the amount actually spent, and does not reflect the subsequent year debt that is budgeted in 2005 through 2007.
- The budget for the City Revenue Bonds Long-term Debt Fund (Fund 961) is \$7,669,791, down \$502,022 for 2007. This fund is financed with facility lease payments and Minnesota Wild hockey team revenues (payments in lieu of taxes). These bonds are secured by sales tax revenues. The \$502,022 decrease reflects changes in debt service due on the arena bonds.
- The budget for the General Obligation Special Assessment Debt Service (Fund 963) is \$9,540,014, up \$1,465,819 in 2007 compared to 2006. This increase is due to the 2006 bonds issued in the amount of \$12,500,000 and proposed issuance of 2007 bonds in the same amount to provide funding for the City's RSVP program and for its subsequent year budget.
- The budget for the City Revenue Note Debt (Fund 967) is \$1,016,340 and provides funds for: a Science Museum note, which is paid by cultural sales tax (STAR) monies and 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. Spending for the fund decreased by \$394,795 in 2007 compared to 2006 due to reduction of the debt service.
- For General Debt Service and GO Special Assessment Debt, the budget includes appropriations for both the amount needed to meet the debt service obligations in the budget year (2007), and an amount needed to meet the obligations of the first half of the following year (the subsequent year 2008). So, the amount in the budget exceeds the amount spent in the budget year. This budgeted amount for the subsequent year 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.

2007 Budget Plan (continued)

2007 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:

- added a planned sale of 25 year Public Safety bonds of \$10,585,000 as financing for the Western District Police Sub Station,
- revised the planned CIB bond sale, reducing it from \$11,000,000 to \$6,250,000, reflecting changes made to the 2007 financing plans for the Western District Police Sub Station and the Jimmy Lee Recreation Center projects,
- included \$525,000 for sidewalk construction in the \$6,250,000 CIB bond sale, with financing support coming from the City's Street Maintenance Right of Way Fund,
- adjusted the borrowing interest rate on anticipated 2007 bond sales from 5.5% to 4.5%,
- changed the spending in the General Debt Service Fund (Fund 960) from the proposed level of \$37,765,134 to \$37,656,384 to be consistent with the above four actions, and
- accepted a technical change to accurately reflect the anticipated property tax financing and Water Pollution Bond reimbursement as planned in the Mayor's Proposed Budget.

The 2007 adopted Debt Service budget is \$55,882,529, and includes 2.1 FTEs.

Major General Fund Revenues

Property Taxes

Property tax revenues will account for 27% of General Fund revenue in 2007. In any given year several factors affect how much an individual property owner pays in city property taxes:

- City spending and financing needs
- Size of the tax base.
- Composition of the tax base.

City Spending and Financing Needs

The property tax is the primary revenue source that the Mayor and City Council control. The state establishes the guidelines by which property taxes are administered, including how the tax burden is spread among different types of properties, but local elected officials have discretion over how much total property tax revenue to collect. As a result, city spending pressures and the availability of other funding, like state aid and local fees, often dictate the size of the property tax levy in any given year.

Minnesota Property Tax Class Rates <i>Payable in 2007</i>	
Property Type	Class Rate
Residential Homestead	
Up to \$500,000	1.00%
Over \$500,000	1.25%
Residential Non-Homestead	
Single Unit	
Up to \$500,000	1.00%
Over \$500,000	1.25%
2-3 Unit	1.25%
Apartments (4 or more units)	1.25%
Commercial/Industrial	
Up to \$150,000	1.50%
Over \$150,000	2.00%

Property Tax Base

The size of the property tax base is a function of taxable market value and the composition of the tax base. Yearly changes in market values are attributable to many factors, the most important of which is the demand for both residential and commercial property. As property values increase, the size of the tax base also increases. A larger base allows for a broader distribution of the tax burden, which results in a lower tax rate.

Tax Base and Class Rates

The composition of the tax base determines the relative distribution of the tax levy among taxpayers. The State of Minnesota sets a class rate system which allocates different shares of property tax burden based on the use of a property (*see chart*). Apartments, residential homes, and commercial/industrial properties all have a different class rate. Taxable market value and the class rate both determine the tax capacity of an individual property. A higher class rate will result in a relatively higher tax capacity. Based on the class rate structure, one dollar of commercial/industrial property has a greater tax capacity than one dollar of residential property.

St. Paul Taxable Market Value	
Payable in 2005	\$16,403,703,100
Payable in 2006	\$18,550,595,100
Payable in 2007 (prop.)*	\$21,115,078,800

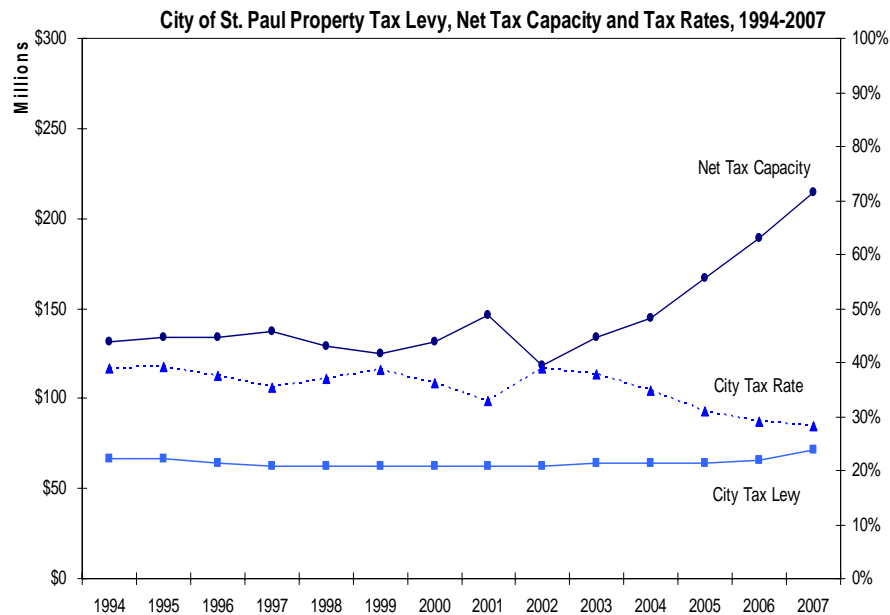
St. Paul Taxable Tax Capacity (mkt. value x class rate)	
Payable in 2005	\$166,905,143
Payable in 2006	\$189,071,923
Payable in 2007 (prop.)*	\$213,586,418

*2007 values are based on proposed rates from Ramsey County Property, Records and Revenue.

Property Taxes

2007 Adopted Budget and Levy

The 2007 adopted City levy is \$71.77 million. Of the proposed levy, \$70.06 million will fund city activities. \$48.98 million will go to the City's General Fund, \$9.19 million for debt service, and \$11.89 million is levied on behalf of the St. Paul Public Library Agency for operations and debt service. The City also levies taxes on behalf of the St. Paul Port Authority, whose 2007 levy is \$1.71 million. Because the City's levy is not growing as fast as St. Paul's tax capacity (see graph below), the City's tax rate will decline again in 2007.



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 2007:

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. Based on proposed tax rates for 2007 including the school referendum approved by voters on November 7, 2006, a home with a taxable value of \$174,800 will have a total property tax bill estimated at \$1,844.

Of the total property tax bill, the largest share goes to the county and then to the school district. The City receives about 24% of the total tax payment – \$442 in this example.

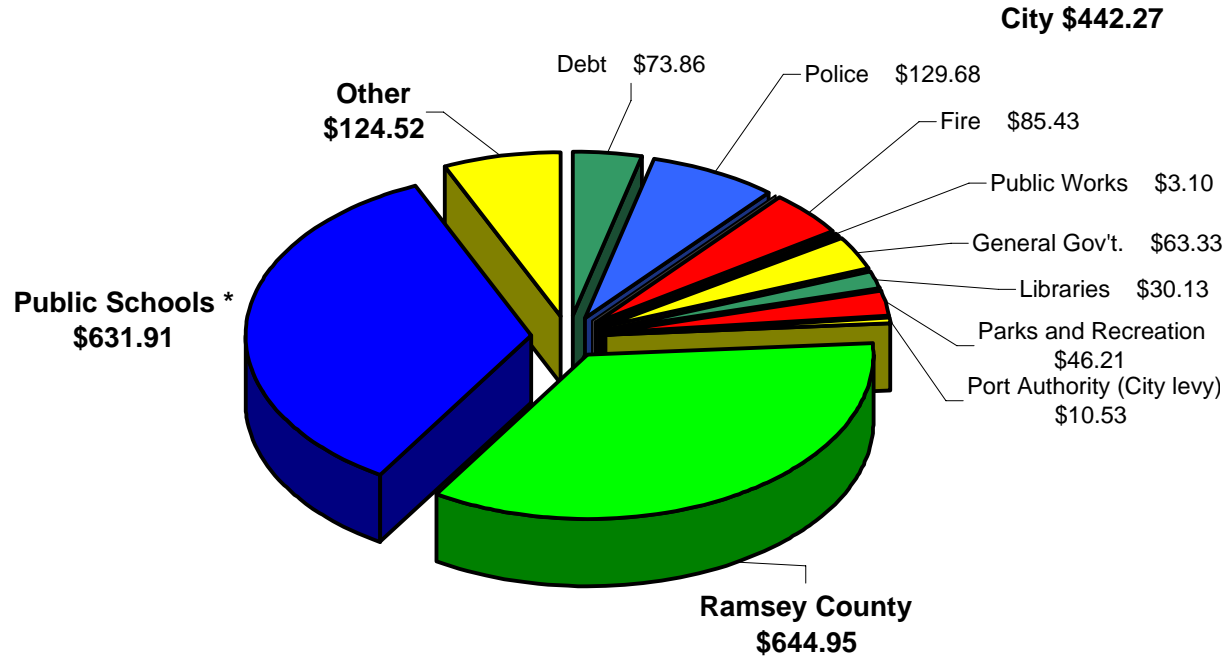
For the typical home in this example, the property tax payment of \$442 to the City of St. Paul would break down to the following amounts:

- \$130 per year for police services
- \$85 per year for fire and emergency medical services
- \$46 per year to operate and maintain the park and rec system
- \$30 per year to operate and buy materials for the Saint Paul Public Libraries
- \$74 per year for capital debt service—the cost of building new libraries, rec centers and playgrounds, and street construction

Property taxes cover only a small part of the total cost of services. In total, property taxes supply only about 11% of the City's total revenue and cover just over 27% of the General Fund budget. In comparison, the City's total proposed 2007 property tax levy for all purposes—just under \$72 million—is less than the nearly \$81 million total operating budget of the Police Department.

Estimated 2007 Saint Paul Property Taxes

2007 TNT Tax Rates Applied to a Typical Home Valued at \$174,800



* In addition to the TNT rate, the total for Public Schools includes the impact of the levy referendum that was approved by voters on November 7, 2006.

City of Saint Paul	24.0%
Ramsey County	35.0%
Saint Paul Schools	34.2%
Other	6.8%
	100.0%

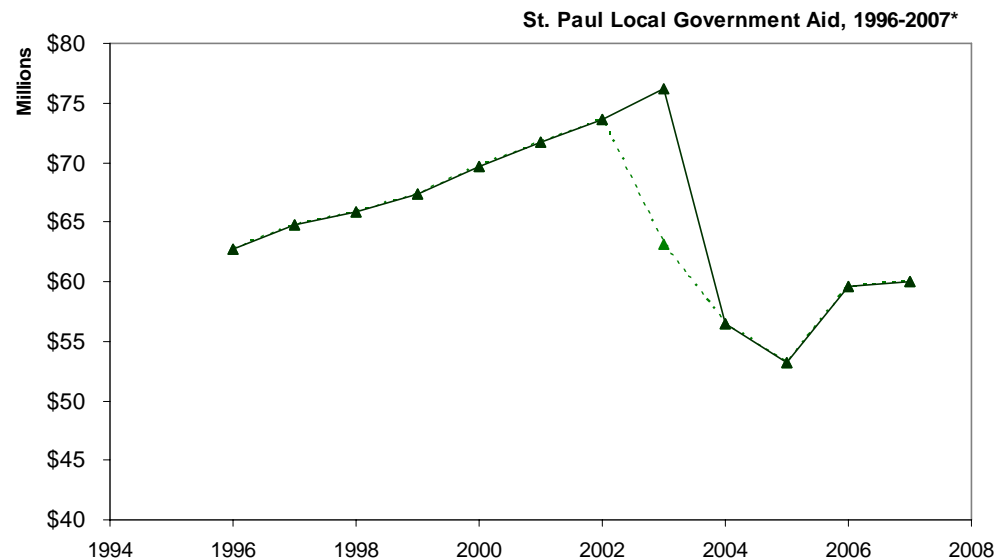
Local Government Aid (LGA)

Local Government Aid was initiated in 1971 as part of the “Minnesota Miracle”, and was intended to provide property tax relief to Minnesota cities. The state provides Local Government Aid to cities throughout Minnesota based on a “need/capacity” formula that compares each city’s tax base to an estimated level of spending needs based on local conditions. Cities which will not have enough local revenue capacity to meet their spending needs under this formula receive Local Government Aid.

For many years, LGA was adjusted each year based on changes in population, housing, inflation, and other local factors. In 2003, the Governor and Legislature approved changes to the funding formula and levels that greatly reduced St. Paul’s LGA. Local Government Aid dropped from \$76 million in certified aid in 2003 to \$53 million by 2005, a 30% funding cut over two years.

In 2006, the Legislature increased the City’s LGA funding, but St. Paul’s LGA is still \$16.2 million below the certified 2003 level, despite growth in the city’s need.

St. Paul Local Government Aid 1996-2007		
	LGA Funding	Change
1996	\$62,744,907	-
1997	\$64,717,916	3.1%
1998	\$65,835,021	1.7%
1999	\$67,345,179	2.3%
2000	\$69,653,919	3.4%
2001	\$71,739,170	3.0%
2002	\$73,554,056	2.5%
2003	\$76,129,865	3.5%
2003*	\$63,082,166	-14.2%
2004	\$56,488,168	-10.5%
2005	\$53,151,835	-5.9%
2006	\$59,544,561	12.0%
2007	\$59,961,201	0.7%



* The Legislature adjusted LGA in the second year of its 2002-03 biennial budget and reduced St. Paul’s previously certified LGA funding by \$13 million. The original certified amount and revised amount are both reflected here.

Franchise Fees

Utilities pay the City of St. Paul a fee for use of City streets and right-of-ways in delivering services to the citizens and businesses of St. Paul. This fee represents usage charges for City-owned assets that utilities may use or disrupt in the process of constructing, installing, and maintaining their distribution and delivery systems.

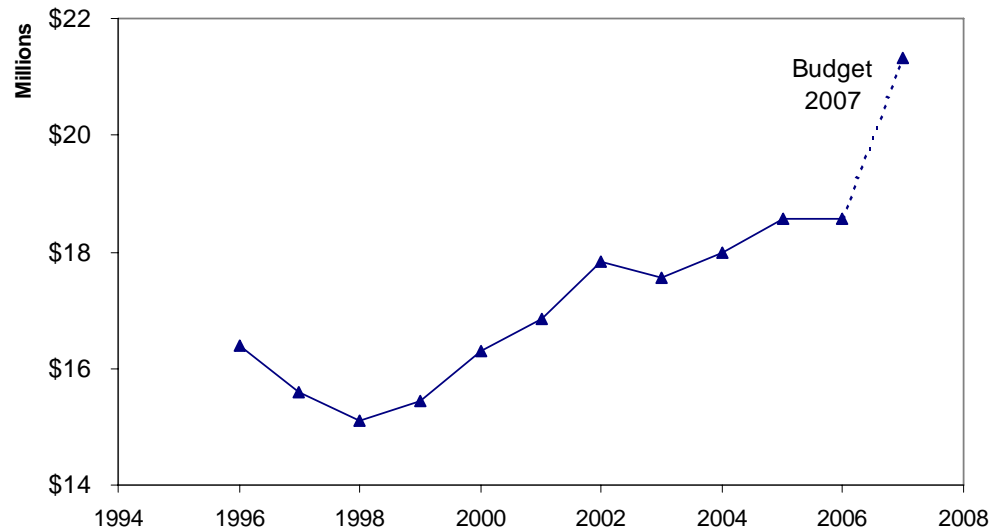
Under state law, utilities may pass on their fees to utility customers on monthly bills. For each utility, the franchise fee is based on a negotiated formula adopted by City Council ordinance. Most of this revenue goes to the General Fund, but some franchise revenue supports debt service or specific City programs.

St. Paul Franchise Agreements for 2007:

- ❖ Xcel Energy supplies natural gas and electrical service to St. Paul homes and businesses.
- ❖ Norenco, now owned by NRG Thermal, supplies steam power to the Rock-Tenn facility on Vandalia St.
- ❖ District Cooling, part of District Energy, supplies cooled water for air conditioning in most of downtown St. Paul.
- ❖ District Energy* provides heat to much of downtown St. Paul and electricity to Xcel Energy.
- ❖ Energy Park is the heating and cooling utility serving customers in the Energy Park development.
- ❖ Empire Builder is the heating and cooling utility serving the Empire Builder development north of downtown St. Paul.

Franchise Revenues (General Fund), 1996-2007

	Budget	Actual	
1996	\$15,582,313	\$16,377,281	105.1%
1997	\$16,027,700	\$15,582,715	97.2%
1998	\$16,407,700	\$15,115,816	92.1%
1999	\$16,360,345	\$15,441,543	94.4%
2000	\$16,426,045	\$16,303,980	99.3%
2001	\$16,426,045	\$16,842,475	102.5%
2002	\$17,516,184	\$17,839,903	101.8%
2003	\$17,516,184	\$17,557,960	100.2%
2004	\$17,730,603	\$17,983,410	101.4%
2005	\$17,840,511	\$18,559,769	104.0%
2006**	\$18,209,867	\$18,553,748	101.9%
Budget 2007	\$21,318,043	-	



* District Energy's franchise fees have financed both the General Fund and Debt Service Fund over recent years. In 2007, District Energy's franchise fees will go to the General Fund. Property tax financing will be substituted in the Debt Service fund.

** 2006 earnings are tentative, and may be revised to reflect year-end changes.

Paramedic Fees

The St. Paul Fire Department's paramedics and emergency medical technicians respond to over 25,000 emergency calls each year. Most of their calls require ambulance trips to hospitals from fires, accidents or other incidents. For these transportation and life support services, the Fire Department charges a series of fees. Most of these fees are paid through insurance, and are based on the prices of private providers and other municipalities. Medicare and Medicaid reimburse for paramedic services at a fixed rate below that of most providers, which can reduce the collected fee per run.

St. Paul is one of the few paramedic services which does not charge additional fees for high-level Advanced Life Support (ALS-2) services, including assisted breathing and other crucial life support functions. St. Paul also has one of the Metro area's lowest treatment fees for individuals who are treated and released at the scene of an incident.

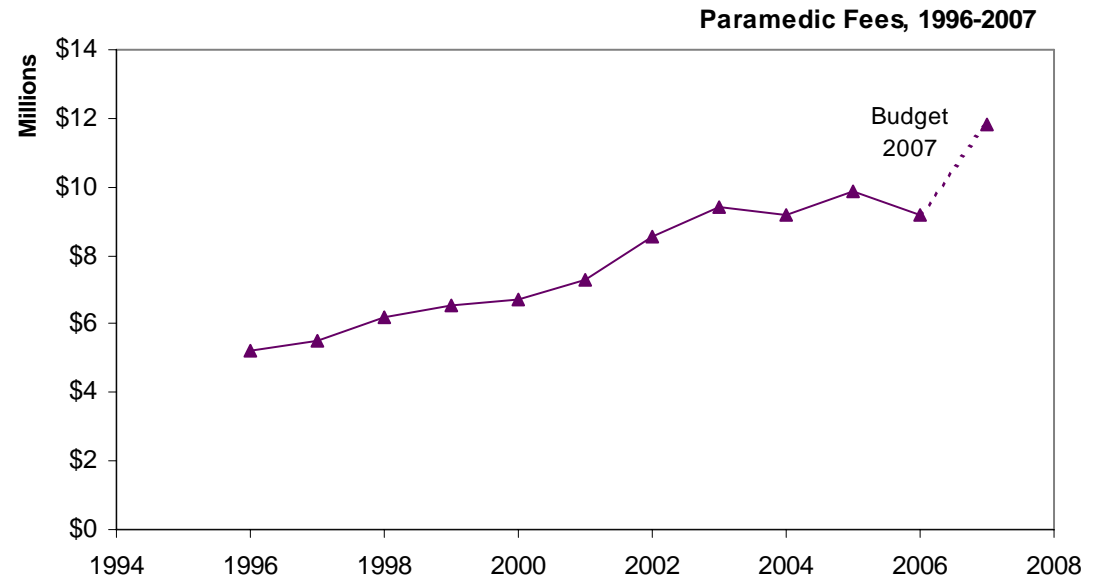
Paramedic fees support the General Fund, which also supports the majority of spending on Fire and Safety Services.

2006 Paramedic Fees, St. Paul and other Ramsey County providers

	ALS-1	ALS-2	Average
Cottage Grove	\$1,528	\$1,528	\$1,528
Lakeview Hospital	\$1,234	\$1,564	\$1,399
HealthEast-St. John's	\$1,300	\$1,400	\$1,350
Woodbury	\$1,134	\$1,354	\$1,244
Maplewood	\$1,170	\$1,295	\$1,233
HealthEast-St. Joseph's	\$1,200	\$1,239	\$1,219
ALF Ambulance	\$993	\$1,280	\$1,137
Oakdale	\$1,000	\$1,200	\$1,100
St. Paul	\$1,065	\$1,065	\$1,065
HCMC	\$975	\$985	\$980
White Bear Lake	\$565	\$625	\$595

ALS is Advanced Life Support. ALS-1 includes EKG, blood sugar, IV, and other procedures. ALS-2 includes 3 or more medications and invasive procedures.

	Budget	Actual	
1996	\$5,050,000	\$5,242,043	103.8%
1997	\$5,377,854	\$5,507,135	102.4%
1998	\$6,401,260	\$6,210,572	97.0%
1999	\$6,866,260	\$6,549,344	95.4%
2000	\$6,400,000	\$6,700,541	104.7%
2001	\$6,540,000	\$7,274,858	111.2%
2002	\$7,339,000	\$8,530,288	116.2%
2003	\$9,563,455	\$9,402,844	98.3%
2004	\$9,926,767	\$9,200,000	92.7%
2005	\$10,655,407	\$9,856,956	92.5%
2006*	\$10,200,000	\$9,183,233	90.0%
Budget 2007	\$11,835,896	-	0.0%



* 2006 paramedic fees are collections through December 2006, but may be revised to reflect bad debt or other changes.

State Pension Aids

The state distributes aid to Police and Fire retirement programs in counties and municipalities based on fire and auto insurance premiums collected in the state. Taxes paid by insurers on those premiums are used to supplement police and fire pension contributions. St. Paul receives aid for Police and Fire pensions based on a number of factors:

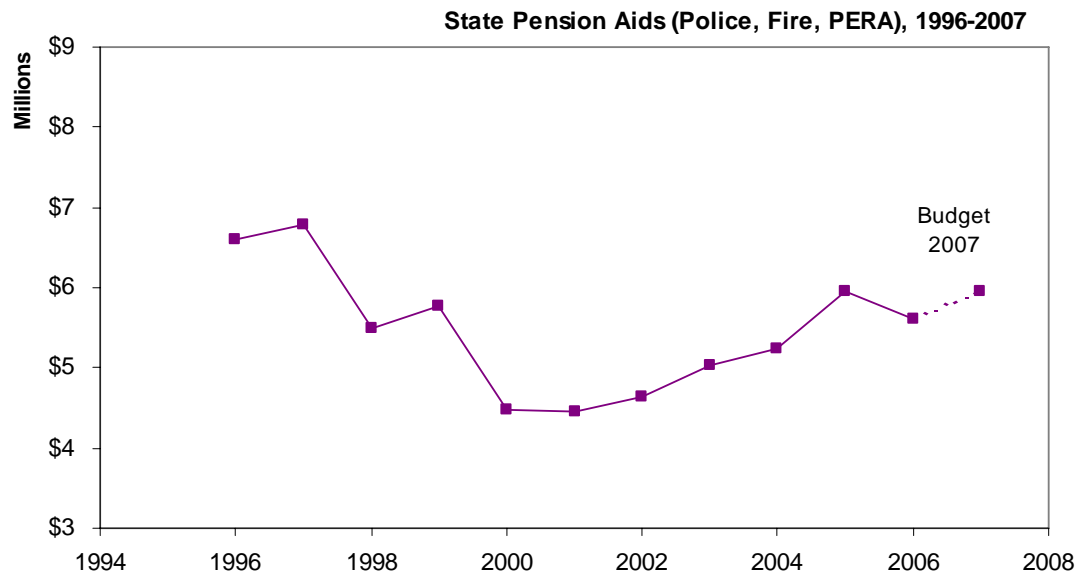
- the number of full-time firefighters and sworn police officers St. Paul employs
- the uncovered liabilities (if any) of the police and fire pension funds
- the premiums collected by insurance companies in Minnesota

Only fire and auto insurance premiums are used to calculate pension aid.

State aid is also given to support PERA, the pension fund that includes non-Police and Fire City employees. The vast majority (91%) of state pension aid for St. Paul goes to Police and Fire. Between 1997 and 2000, state amortization aid payments meant to cover unfunded liabilities dropped due to the Police pension fund reaching fully funded status.

In 2007, pension aids are budgeted to remain stable at \$5.96 million, based on actual 2005 and 2006 state aids.

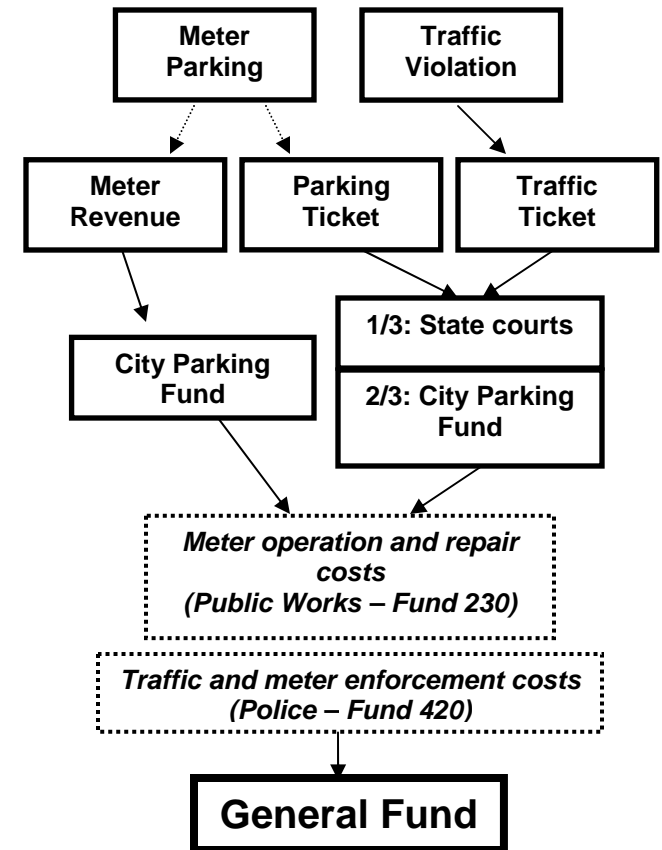
	Budget	Actual	
1996	\$5,768,993	\$6,595,119	114.3%
1997	\$5,978,993	\$6,788,089	113.5%
1998	\$6,339,518	\$5,502,098	86.8%
1999	\$6,482,512	\$5,776,685	89.1%
2000	\$4,717,512	\$4,479,120	94.9%
2001	\$4,945,633	\$4,455,051	90.1%
2002	\$5,170,633	\$4,646,512	89.9%
2003	\$5,170,633	\$5,027,280	97.2%
2004	\$5,223,442	\$5,248,407	100.5%
2005	\$5,418,354	\$5,957,264	109.9%
2006	\$6,186,094	\$5,599,961	90.5%
Budget 2007	\$5,957,264	-	0.0%



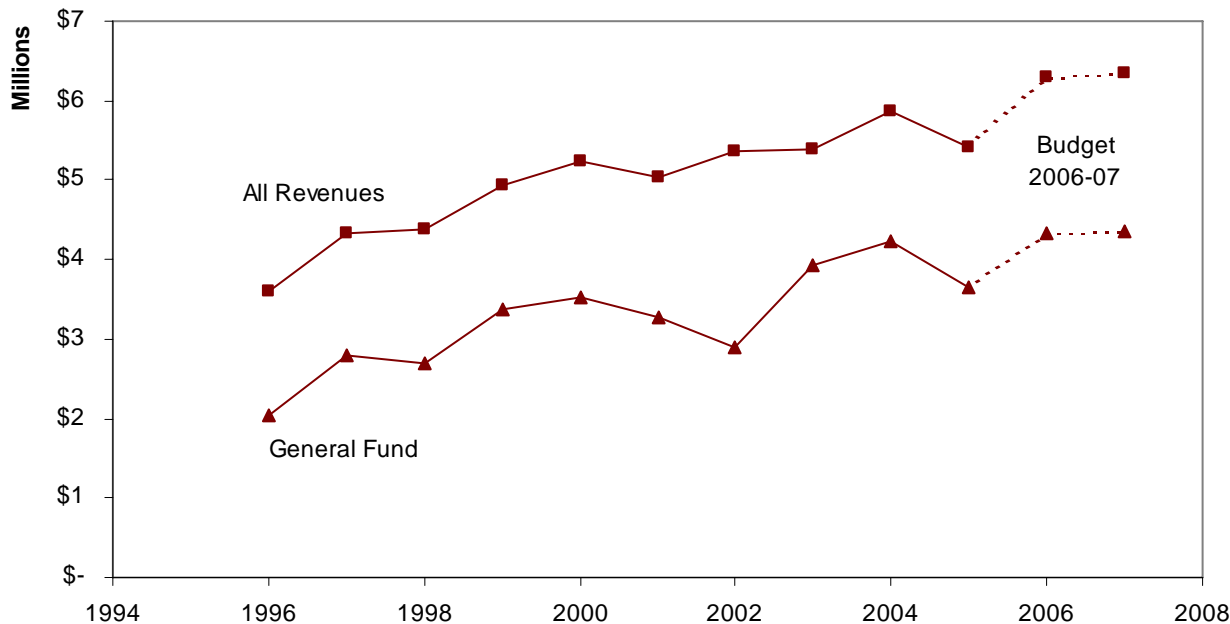
Parking Meters and Fines

The City operates over 1,000 parking meters in areas around St. Paul, and St. Paul Police enforce both parking rules and the state's traffic laws on St. Paul streets and highways. Revenues from meters and parking and traffic violations are budgeted at \$6.3 million for 2007, and the General Fund is budgeted to receive \$4.35 million of that amount. Meter payments are collected by a contracted vendor on behalf of the City, and fines are collected through the state court system. The courts retain 1/3 of the revenue to cover costs, and the remainder is transferred to the City.

As of 2005, City revenues are collected by the Department of Public Works in the City Parking Fund (#230), and a portion is retained to cover costs of meter collection and maintenance. Costs of enforcement are transferred to the Police Department's Parking Enforcement Fund (#420). The remainder, with certain exceptions, is transferred to the General Fund. The flow chart at right illustrates the movement of revenues from collection to the General Fund.



Parking Meters and Violations, 1996-2007



	Budget	Actual	
1996	\$ 2,343,173	\$ 2,048,734	87.4%
1997	\$ 2,440,444	\$ 2,791,021	114.4%
1998	\$ 2,847,074	\$ 2,694,054	94.6%
1999	\$ 2,962,742	\$ 3,361,625	113.5%
2000	\$ 3,179,076	\$ 3,530,274	111.0%
2001	\$ 3,869,950	\$ 3,282,280	84.8%
2002	\$ 3,868,494	\$ 2,900,191	75.0%
2003	\$ 3,928,286	\$ 3,934,738	100.2%
2004	\$ 3,884,407	\$ 4,234,327	109.0%
2005	\$ 3,901,394	\$ 3,644,042	93.4%
Budget 2006	\$ 4,318,351	-	0.0%
Budget 2007	\$ 4,350,059	-	0.0%

Interest Earnings

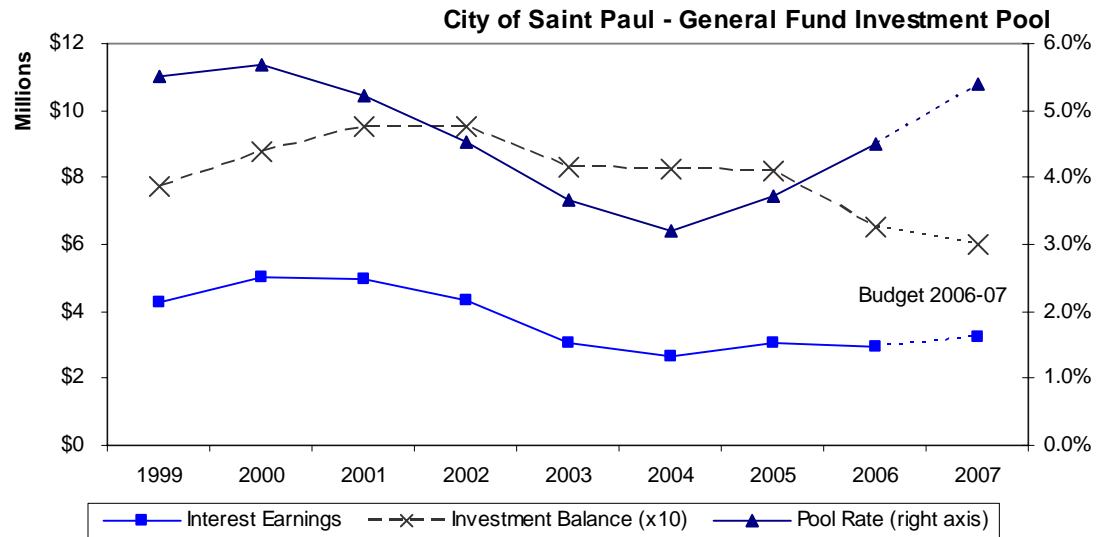
The City's investment pool earns annual returns based on two key factors: the investment balance of the pool (total amount invested), and the performance of the market. Interest earnings in certain Special Funds have also been awarded to the General Fund in past years.

The City's Investment Policy sets guidelines and restrictions on investments based on the duration of those investments and their relative risk. Investment objectives are **safety, liquidity, return, and loss avoidance**. The investment pool is currently invested in compliance with the City's Investment Policy and State statutes. State law restricts the types of securities municipal governments may invest in.

As of the 3rd quarter of 2006, the City internally managed 58% of its portfolio and 42% was managed by 5 outside firms.

In 2007, interest earnings are forecast to increase 7.5% from 2006, from \$2.92 to \$3.14 million. This is based on an increase of .75% in rate of return, from 4.5% in 2006 to 5.25% in 2007.

	Budget	Actual	
1996	\$1,420,000	\$1,778,452	125.2%
1997	\$1,750,000	\$2,667,491	152.4%
1998	\$1,925,000	\$3,910,890	203.2%
1999	\$2,275,000	\$4,255,477	187.1%
2000	\$3,075,000	\$5,007,569	162.8%
2001	\$3,675,000	\$4,965,250	135.1%
2002	\$2,991,274	\$4,319,715	144.4%
2003	\$2,275,000	\$3,047,557	134.0%
2004	\$2,901,500	\$2,632,212	90.7%
2005	\$2,587,865	\$3,046,535	117.7%
Budget 2006	\$2,923,500	-	0.0%
Budget 2007	\$3,240,719	-	0.0%



Hotel & Motel Tax

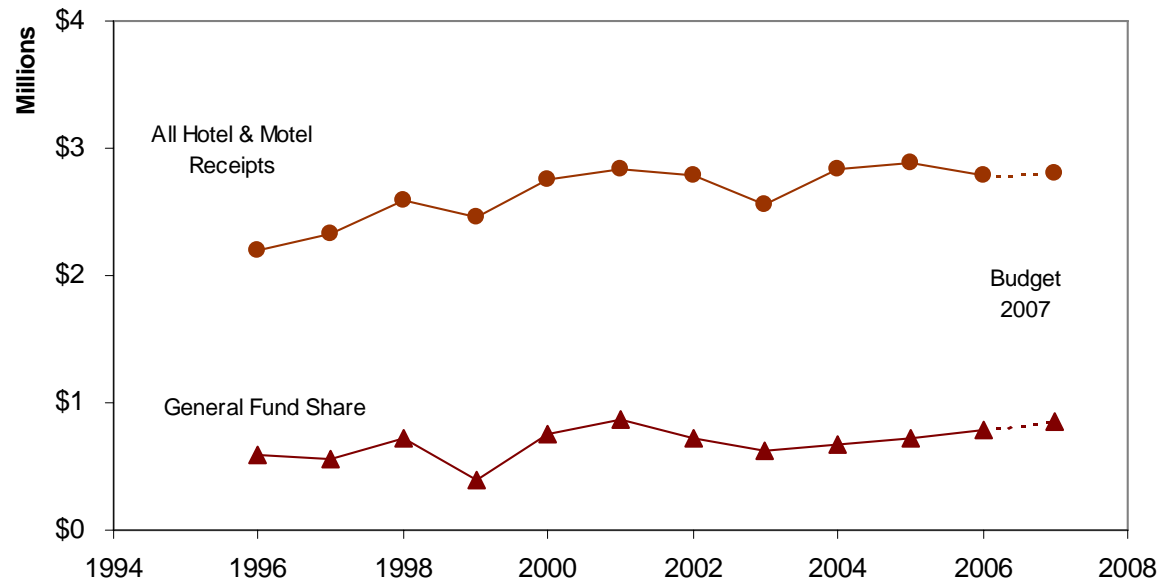
The City charges a 6% tax on all room charges in St. Paul, in addition to the state sales tax. For hotels and motels under 50 rooms, the tax is 3%. The tax rate is set by state law.

The receipts from the hotel and motel tax are divided among the City's General and Debt Service Funds as well as the RiverCentre Convention and Visitors Bureau and other City promotional efforts. Most of the revenue from the Hotel & Motel Tax is spent on efforts to promote the City as a destination for conventions and tourism, and to pay debt on visitor destinations like the RiverCentre.

Of the 6% tax, roughly 1.65% goes to the General Fund to support City operations.

	Budget	Actual	
1996	\$565,250	\$582,840	103.1%
1997	\$565,000	\$549,560	97.3%
1998	\$532,650	\$728,333	136.7%
1999	\$506,322	\$398,863	78.8%
2000	\$573,822	\$750,797	130.8%
2001	\$786,296	\$863,568	109.8%
2002	\$839,198	\$725,949	86.5%
2003	\$668,700	\$629,440	94.1%
2004	\$609,080	\$673,208	110.5%
2005	\$734,900	\$726,526	98.9%
Budget 2006	\$762,760	\$794,072	104.1%
Budget 2007	\$850,700	-	0.0%

Hotel & Motel Tax Revenue (All Funds), 1996-2007



* 2006 revenue is tentative and may be revised to reflect year-end changes.



Department Summaries



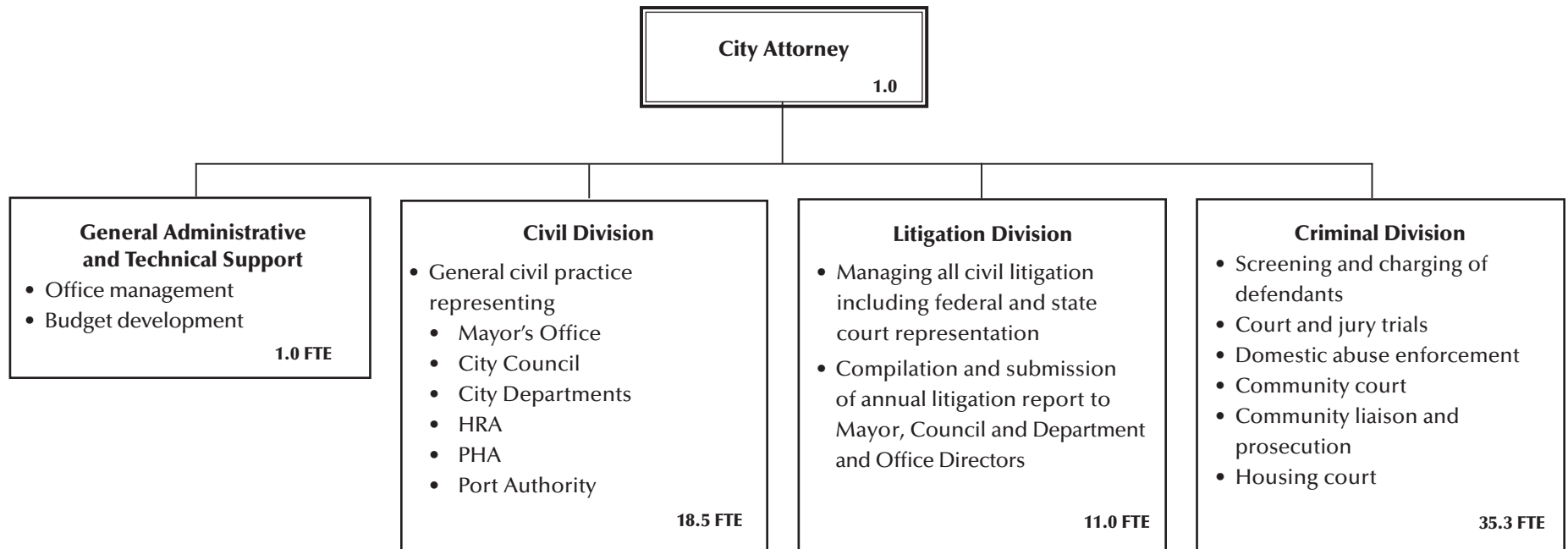
City Attorney's Office

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 66.8 FTEs)

7/31/06

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, 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 on the legal issues surrounding 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 public finance issues
- defend the city against lawsuits brought in federal and state courts
- conduct investigations and file lawsuits 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
- attend Council meetings
- conduct community education and community outreach on legal issues identified by the community
- support and participate in numerous problem solving courts and initiatives aimed at crime prevention, crime reduction and community strengthening.

Statistical Profile

- Criminal Division staff handled 15,932 cases in 2005.
- Community Court Program has ordered offenders to serve at least 78,400 hours of community service since its inception in 1999.
- In 2005, Community Court submitted 524 new cases to probation and court ordered offenders provided 9,837 hours of community service to the community.

2005-2006 Accomplishments

The CAO is proud of the following 2005-2006 accomplishments:

- Civil Division provided 43,751 hours of legal advice to the Mayor, Council, departments and agencies, opened 453 files, including Holman Field site plan/variances, Super Target parking variance, Grand Ave rezoning, smoking ban, development and police matters and Xcel Franchise.
- Criminal Division staff handled 15,932 cases in 2005.
- Honors: Criminal Division recognized by MADD for support to the problem-solving DWI Court. Deputy-Policy Setter Prosecutor Award and Special Courts Prosecutor-Front Line Prosecutor Award.
- Domestic Team assisted in creating a Domestic Abuse Service Center for victims of domestic violence in the City of Saint Paul.
- Purchased unlimited licenses for case management system, Legal Edge, allowing police to check status of cases and help with property room evidence management.
- One position added to community prosecution team. All members received national training scholarships, a site visit and program development assistance from American Prosecutors Research Institute. Work with communities and agencies to address concerns to ensure their voices are heard during the court process. Involved in programs like the Police Homeless Outreach Program, community education and intervention efforts and outreach to communities of color.
- Added a prosecutor to the Housing Unit for the summer of 2005 to assist with the CARE detail to address chronic problem properties using civil and criminal prosecution tools.
- CAO will generate additional revenues to support functions and add revenues to the general fund. In 2005, generated \$729,387.
- Community Court Program ordered offenders to serve at least 78,400 hours of community service since 1999, DWI Court has 23 participants and Mental Health Court has had more than 60 referrals for 25 slots. There are 21 active participants.
- Criminal Division used interns and volunteers as law clerks, and worked with Hamline Law School to supervise volunteer interns.
- Criminal Division continues to support the Joint Prosecution Unit (JPU). In 2005 the JPU received money and was able to contract with Wilder Foundations Violence Prevention
- Continue to meet or exceed Affirmative Action hiring goals.
- Civil Litigation Division concluded 28 cases in 2005. Of those, eight were classified as significant because of important policy issues or the potential for an award against the City in excess of \$50,000.
- Submitted the 2005 Annual Litigation Report.
- Litigation settlements/payouts: 45% lower than the previous year.

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Civil Legal Professional Hours	30,445	43,751	43,751	43,751
Civil Files Opened	356	453	453	453

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

Performance Indicator:

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 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		
As of July 12, 2006, cases sitting open more than 30 days without charges:			69	69

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Total litigation settlements and judgments	\$1,299,595	\$714,700	\$585,000	\$585,000
Concluded Cases	46	28	40	40
New Cases	45	42	40	40
Cases in which City prevailed	19 (59%)	15 (54%)	20 (50%)	20 (50%)

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

Performance Indicator:

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Criminal Cases	16,697	15,932	15,932	15,932

City Attorney

Department/Office Director: **JOHN J CHOI**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	5,063,378	5,318,128	5,441,370	5,772,924	5,772,924		331,554
025 CITY ATTORNEY:OUTSIDE SERVICES FUND	841,092	923,129	1,042,110	973,054	973,054		-69,056
Total Spending by Unit	5,904,469	6,241,258	6,483,480	6,745,978	6,745,978	0	262,498
Spending By Major Object							
SALARIES	4,054,022	4,275,306	4,626,080	4,756,551	4,756,551		130,471
SERVICES	432,080	474,827	394,866	416,882	416,882		22,016
MATERIALS AND SUPPLIES	62,796	135,861	75,093	73,453	73,453		-1,640
EMPLOYER FRINGE BENEFITS	1,355,572	1,354,572	1,386,800	1,445,464	1,445,464		58,664
MISC TRANSFER CONTINGENCY ETC		691	641	53,628	53,628		52,987
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	5,904,469	6,241,258	6,483,480	6,745,978	6,745,978	0	262,498
Percent Change from Previous Year		5.7%	3.9%	4.0%	0.0%	0.0%	4.0%
Financing By Major Object							
GENERAL FUND	5,063,378	5,318,128	5,441,370	5,772,924	5,772,924		331,554
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	723,461	785,751	864,532	973,054	973,054		108,522
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	74,491	75,600	77,730				-77,730
TRANSFERS	22,954	14,911	19,848				-19,848
FUND BALANCES			80,000				-80,000
Total Financing by Object	5,884,284	6,194,390	6,483,480	6,745,978	6,745,978	0	262,498
Percent Change from Previous Year		5.3%	4.7%	4.0%	0.0%	0.0%	4.0%

2007 Budget Plan

2007 Priorities

- Continue providing outstanding legal services to the Mayor, City Council, and City departments on housing, development, licensing, zoning, labor, and other governmental operations.
- Reorganize the Criminal Division to provide 2 supervisory positions to assist in the daily oversight of the Community Prosecution Unit, the Domestic Unit and the Trial Unit.
- Review the duties of the paralegals in the Criminal Division; reorganize to ensure maximum support for attorneys and full utilization of their skills.
- Address upcoming issues with the Minnesota State Court Information System (MINCIS).
- Conduct Praxis Audit; review all internal policies and protocols to ensure victim safety and offender accountability within the Domestic Unit.
- Look for grant funding to meet expanding needs of the Criminal Division.
- Continue work to make the Domestic Abuse Service Center a reality.
- Explore volunteer attorney and internship programs, and partnerships with area law schools to add additional resources to the office.
- Revise office policies dealing with charging decisions to ensure efficient and uniform screening of cases.
- Ensure all victims and witnesses are contacted and informed of their rights.
- Work with the police department and courts to reduce police overtime through more efficient management of resources.
- Support and encourage Community Prosecution Team; work with the American Prosecutors Research Institute to ensure our city is aware of national trends and developments in the community prosecution arena.
- Continue to support the Joint Prosecution Unit.
- Continue to work toward diversifying the office to reflect the community.
- Review all litigation resolved during 2006; 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 the Housing Prosecutor to strengthen the services provided to citizens.
- Track results of initiatives such as the police homeless outreach project, DWI and Mental Health court.
- Obtain and implement a file management system for legal opinions and court filings.
- Work with the Police Department to become more efficient in the electronic information exchange.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. The allocated spending restraint for CAO in 2007 was \$30,736.

Mayor's Recommendation

The City Attorney's proposed general fund budget for 2007 is \$5,772,924, an increase of \$331,554 from the 2006 adopted budget. Staffing levels of attorneys are maintained in this budget consistent with the priority for public safety. In addition to the spending restraint of \$30,736, an additional \$80,000 spending reduction carried over from 2006 needed to be met. This was achieved through a reduction in salary costs due to staff turnover. Additional spending was included to provide for reorganization of the Criminal Division. Continuance for dismissal (CFD) revenues are projected to increase, reflecting a change in the distribution method between the Courts and City. This increased revenue provides the resources to avoid the potential loss of a prosecutor position.

The proposed special fund budget is \$973,054, a decrease of \$69,056 from the 2006 adopted budget. The budget reduces staff by 1.4 FTEs (one Office Manager, which was contracted with the State and is now vacant, as well as .4 of an FTE in response to a loss of the associated funding source. The proposed budget reflects the changes, as indicated above, as well as a reduction in spending for cell phone expenses.

Council Actions

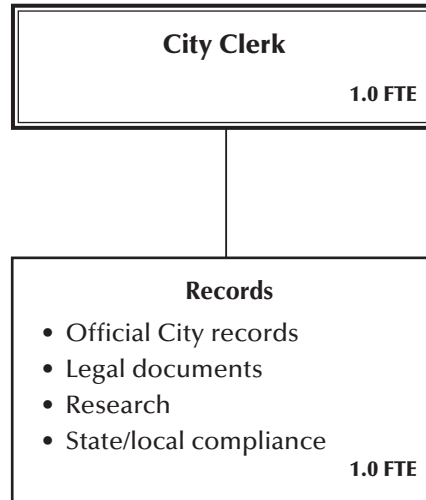
The City Council adopted the City Attorney budget and recommendations as proposed by the Mayor and approved the following changes:

- Added \$25,000 in additional revenue for recovery of costs related to excessive consumption.



City Clerk's Office

The City Clerk's Office promotes democracy by preserving and researching the city's legislative and electoral history in an accurate and efficient manner.



(Total 2.0 FTEs)

7/29/06

About the City Clerk's Office

What We Do (Description of Services)

- Maintain and preserve the records of the City Council from 1854 to the present.
- Publish and codify ordinances.
- Publish public hearing notices and miscellaneous council actions.
- Administer legal documents and follow city and state laws to ensure compliance by the city including: appeals, claims, petitions, summons and statements of economic interest.
- Perform simple and complex forms of research.
- Act as the Responsible Authority for Data Practices Act requests.
- City contact for records retention schedule.
- Administer the oath of office and maintain custody of the city seal.
- Oversee the election contract and act as the city liaison to the Ramsey County Elections Office.
- Submit council documents to Ramsey County and the State of Minnesota as required.

2005-2006 Accomplishments

- 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.
- Worked with Human Resources to expand the use of our digital imaging system to the Regional Water Utility.
- Expanded our use of the imaging system to begin scanning older documents.
- Worked with Council Research and the Cable Office on the Granicus webcasting and minute maker project.

Statistical Profile

- 1,212 City Council files were processed in 2005, plus approximately an additional 1,000 pages of agendas, minutes and miscellaneous files.
- Approximately 200 ordinances and public hearing notices were published.
- 580 legal documents including summons, claims, appeals and petitions were administered.

Key Performance Measures

Performance Objective: Request and maintain statements of economic interest from elected and appointed officials				
Performance Indicator: State Auditor conducts a yearly audit and includes the results in their annual reports				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of forms sent out to be filled out	63	52	83	80
Number of forms returned in compliance	63	49		
Number of City Employees/Elected Officials in non-compliance.	0	3		

Performance Objective: Publish all ordinances and resolutions requiring publication by city code, city charter and state statute				
Performance Indicator: City Departments would contact City Clerk questioning the non publication and possibly liability to the City				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of documents passed by Council needing publication	126*	79*	135	135
Percentage of documents published	100	100		
*does not include resolutions				

Performance Objective: Prepare and submit election resolutions for setting of polling locations and canvassing of election results				
Performance Indicator: Failure to meet deadlines will result in the city being in violation of city charter and state statutes. This could affect the official results of an election.				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Resolutions submitted for passage within appropriate timelines.	100%	100%	100%	100%

Performance Objective: Submit all ordinances to the Municipal Code Corporation for the codification into the existing Charter, Legislative and Administrative Codes				
Performance Indicator:				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Ordinances requiring codification	120	70	80	90
Percentage codified	100%	100%		

City Clerk

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

		2004	2005	2006	2007	2007	Change from	
		2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2006
		Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted
Spending By Unit								
001	GENERAL FUND	1,039,179	695,278	639,130	302,402	302,402		-336,728
	Total Spending by Unit	1,039,179	695,278	639,130	302,402	302,402	0	-336,728
Spending By Major Object								
	SALARIES	378,671	322,680	354,308	108,097	108,097		-246,211
	SERVICES	455,647	196,745	154,098	146,284	146,284		-7,814
	MATERIALS AND SUPPLIES	36,664	13,871	11,405	6,589	6,589		-4,816
	EMPLOYER FRINGE BENEFITS	126,350	114,442	114,411	39,508	39,508		-74,903
	MISC TRANSFER CONTINGENCY ETC	35,477	47,541	700	700	700		
	DEBT							
	STREET SEWER BRIDGE ETC IMPROVEMENT			2,984				-2,984
	EQUIPMENT LAND AND BUILDINGS	6,371		1,224	1,224	1,224		
	Total Spending by Object	1,039,179	695,278	639,130	302,402	302,402	0	-336,728
	Percent Change from Previous Year		-33.1%	-8.1%	-52.7%	0.0%	0.0%	-52.7%
Financing By Major Object								
	GENERAL FUND	1,039,179	695,278	639,130	302,402	302,402		-336,728
	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	1,039,179	695,278	639,130	302,402	302,402	0	-336,728
	Percent Change from Previous Year		-33.1%	-8.1%	-52.7%	0.0%	0.0%	-52.7%

2007 Budget Plan

2007 Priorities

- Continue to bring up to date the publishing and indexing of Council Proceedings books from 2001 to the present.
- Continue to digitally image past council proceedings to make better use of the imaging system and to expediate requests for these documents.
- Continue to research best practices for the functions of the City Clerk's Office to best preserve the City's historical data.
- Work with City Departments to ensure that all data practices requests are responded to within a timely and accurate manner, ensuring that our policies are updated and in compliance with state law.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. A spending restraint of \$1,661 was applied to the budget to help control general fund spending.

Mayor's Recommendation

The City Clerk (formerly Citizen Services) proposed budget for 2007 is \$302,402. The budget is 52.7% less than the 2006 Citizen Services budget, which is primarily related to shifting of the Information and Complaint and Marketing functions to NHPI and the Office of Technology and Communications, respectively. The City Clerk portion of the budget is \$2,670 less than in 2006. The reductions are absorbed through filling a vacant clerk-typist position at a lower salary level. The proposed budget reflects the changes indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

Council Actions

The City Council adopted the City Clerk budget and recommendations as proposed by the Mayor.

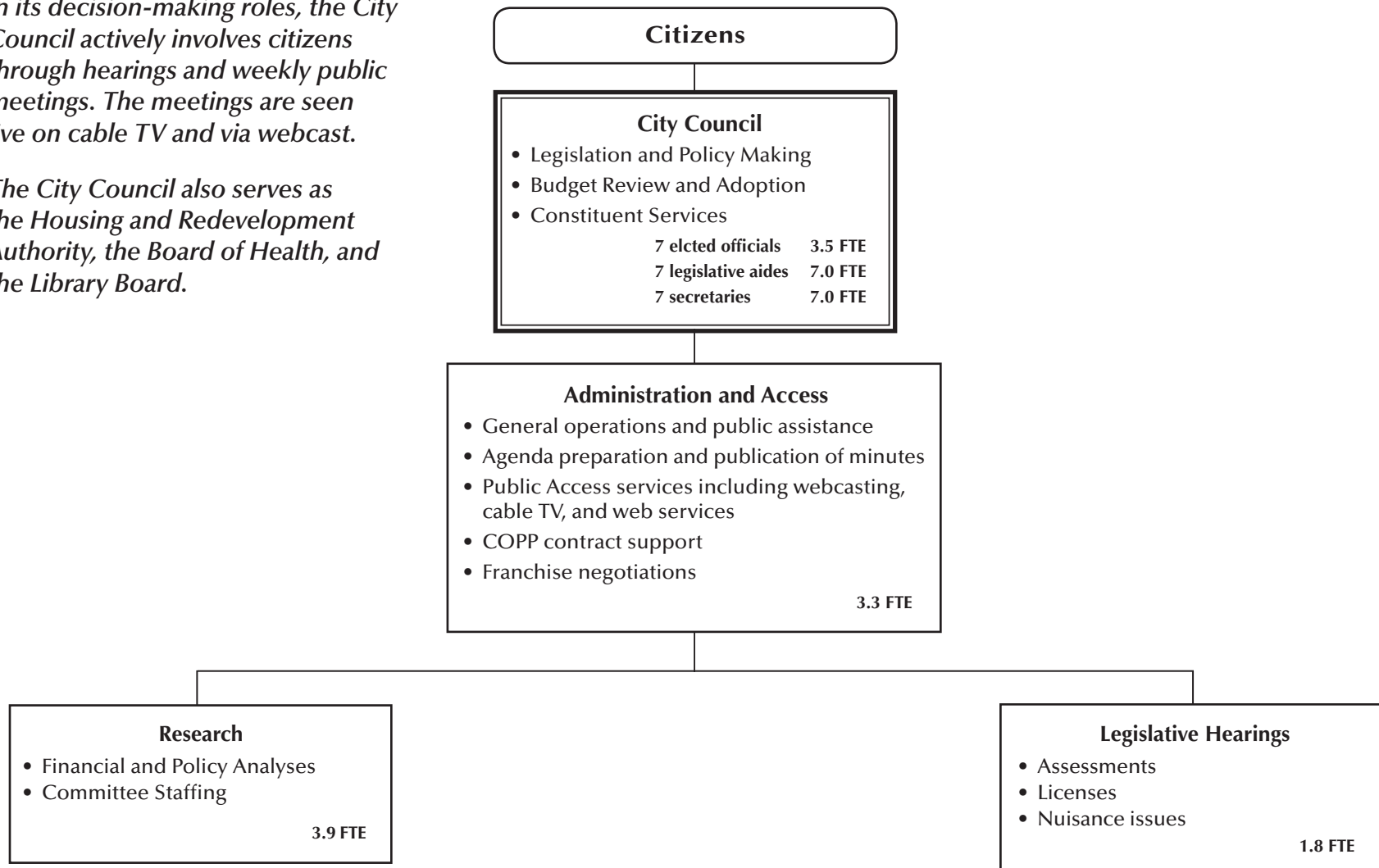


City Council

The City Council makes legislative, policy, budget approval, and performance auditing decisions for the City of Saint Paul. There are seven members on the City Council. Councilmembers are elected by wards to serve four year terms. The current terms end on December 31, 2007.

In its decision-making roles, the City Council actively involves citizens through hearings and weekly public meetings. The meetings are seen live on cable TV and via webcast.

The City Council also serves as the Housing and Redevelopment Authority, the Board of Health, and the Library Board.



(Total 26.5 FTEs)

7/27/06

About the Saint Paul City Council

What We Do (Description of Services)

- The City Council makes legislative, policy, budget approval and performance auditing decisions for the City of Saint Paul. There are seven members on the City Council. Councilmembers are elected by wards to serve four-year terms. The current terms end on December 31, 2007.
- In its decision-making roles, the City Council actively involves citizens through hearings and weekly public meetings. The meetings are seen live on cable TV and via webcast.
- The City Council also serves as the Housing and Redevelopment Authority, the Board of Health and the Library Board.

2005-2006 Accomplishments

- City Council considered 2,068 agenda items in 2005.
- Council Research and Operations offered a full-range of background analyses and research for legislative and policy decisions.
- Legislative Hearing Officer conducted hearings on more than 500 matters including assessments, license applications and nuisance issues.
- Chief Budget Analyst supported the City Council's budget review process and completed fiscal analyses on financial plans.
- Managed the Community Organizational Partnership Program (COPP), which provided services to citizens through a network of 41 contracts with local non-profits.
- Directed the daily operations of the City Council office.
- Agenda preparation and publication of meeting minutes.
- Sponsored the monthly Council Matters cable TV program.
- Supported the Ad Hoc Legislative Committee.
- Convened Sustainable Saint Paul.
- Participated in the National Urban Fellow program.
- Initiated webcasting of public meetings.

Statistical Profile

- Considered 2,068 agenda items as part of the weekly City Council meetings
- Contracted with 41 local non-profits to provide services to citizens
- FTEs:

Wards:	17.5
Research:	3.9
Legislative Hearings:	1.8
Administration and Access Services	<u>3.3</u>
TOTAL:	26.5

Key Performance Measures

Performance Objective: Provide timely information to Councilmembers and the public				
Performance Indicator: Meetings conducted weekly				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of City Council meetings	48	45	45	45
Items considered at City Council meetings	2,241	2,068	2,100	2,100
Webcast meetings			45	45
Council Matters show	12	9	12	12

Performance Objective: Legislative Hearing Officer provides a fair, accessible and straightforward process for Sain Paul citizens				
Performance Indicator: Evaluations of the Legislative Hearing Officer completed by individuals bringing appeals to legislative hearings				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
% of legislative hearing appellants reporting satisfaction	96%	95%	96%	95%

Performance Objective: Address issues of domestic violence, services for children, youth and families and other priorities through the Community Organization Partnership Program (COPP)				
Performance Indicator: Provide appropriations consistent with issues prioritized				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Total number of contracts awarded	46	41	40	35

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Charter Commission Meetings	9	8	10	10
Public Hearings	2	1	2	2
Charter Commission Committee Meetings	11	20	15	13

Performance Objective: Ad Hoc Legislative Advisory Committee: Provide timely information regarding the state and federal legislative priorities for the City. Participate in strategic, regional collaborative efforts to set joint legislative agendas with the City of Minneapolis and Ramsey County				
Performance Indicator: Number of Ad Hoc Legislative Advisory Committee meetings, outcomes after each state legislative and congressional session.				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of Ad Hoc Legislative Advisory Committee Meetings held		12	12	12

City Council

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	2,217,733	2,193,535	2,310,493	2,316,057	2,316,057		5,564
724 PUBLIC UTILITIES INVESTIGATION FUND	65,161	62,005	94,499	76,015	76,015		-18,484
Total Spending by Unit	2,282,894	2,255,540	2,404,992	2,392,072	2,392,072	0	-12,920
Spending By Major Object							
SALARIES	1,514,234	1,532,727	1,646,513	1,658,314	1,658,314		11,801
SERVICES	176,297	195,061	170,406	145,258	145,258		-25,148
MATERIALS AND SUPPLIES	21,885	34,614	40,769	40,609	40,609		-160
EMPLOYER FRINGE BENEFITS	520,713	469,191	502,842	523,429	523,429		20,587
MISC TRANSFER CONTINGENCY ETC	23,359	23,947	44,462	24,462	24,462		-20,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	26,406						
Total Spending by Object	2,282,894	2,255,540	2,404,992	2,392,072	2,392,072	0	-12,920
Percent Change from Previous Year		-1.2%	6.6%	-0.5%	0.0%	0.0%	-0.5%
Financing By Major Object							
GENERAL FUND	2,217,733	2,193,535	2,310,493	2,316,057	2,316,057		5,564
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	70,238	71,980	74,945	74,945	74,945		
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES			19,554	1,070	1,070		-18,484
Total Financing by Object	2,287,971	2,265,515	2,404,992	2,392,072	2,392,072	0	-12,920
Percent Change from Previous Year		-1.0%	6.2%	-0.5%	0.0%	0.0%	-0.5%

2007 Budget Plan

2007 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 for 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.
- Administer the COPP contracts.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. The allocated spending restraint for the City Council offices in 2007 was \$12,754.

Mayor's Proposed

The City Council's proposed general fund budget for 2007 is \$2,316,057. This is an increase of \$5,564 from the 2006 adopted budget. The allocated spending restraint of \$12,754 and an additional reduction of 48,074 were resolved through delayed hiring of a vacant position and general spending reductions. The special fund budget is \$76,015, which is a decrease of \$18,484 from the adopted 2006 budget. The proposed budget reflects the changes, as indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

Council Actions

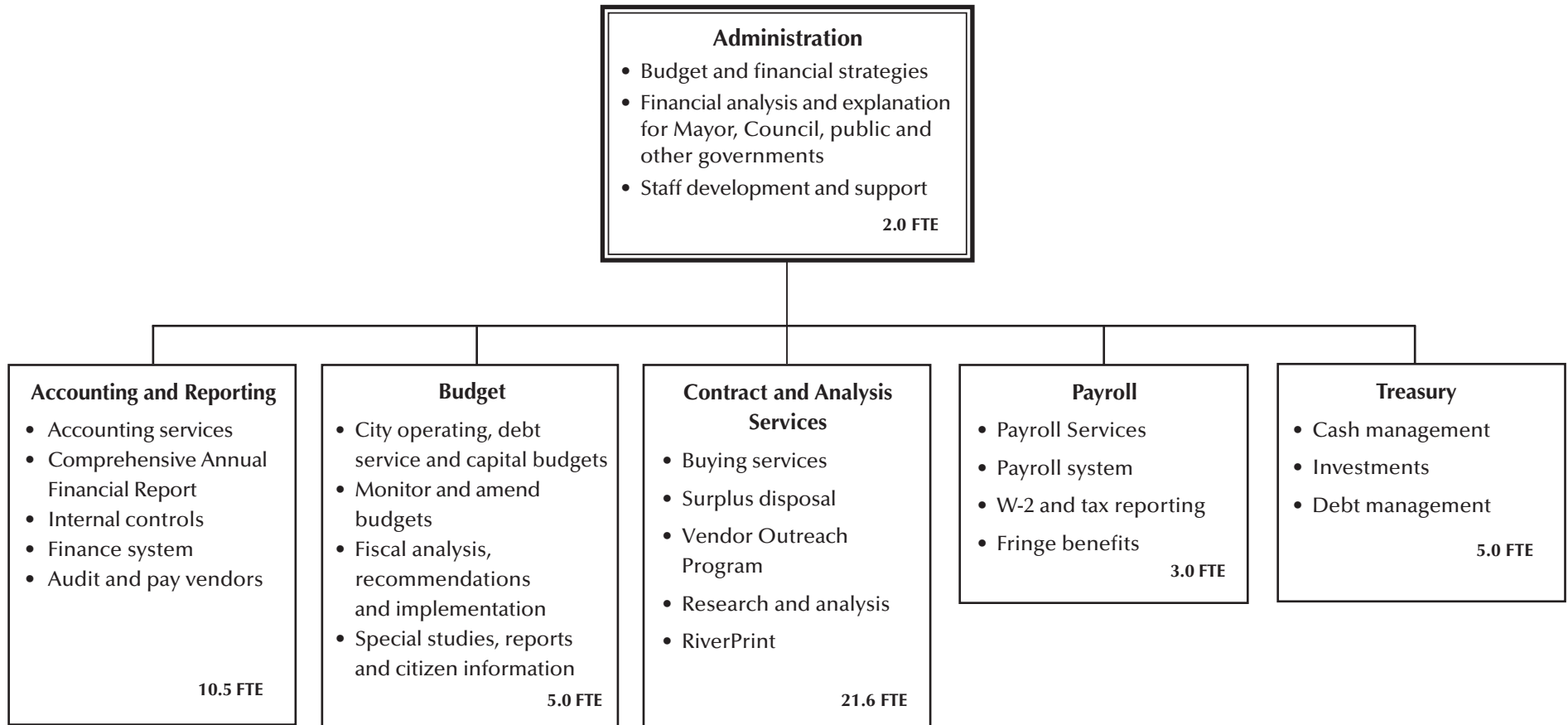
The City Council adopted the Council's budget and recommendations as proposed by the Mayor and approved the following changes:

- Eliminated a revenue transfer to the General Fund of \$79,322 from the Housing and Redevelopment Authority which had previously been anticipated. (This did not affect the Council's department budget, however.)



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)

8/02/06

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:

- Manage more than \$75 million in cash balances, investing them to earn a competitive rate of return, while guaranteeing the city can meet its cash needs.
- Ensure all financial transactions and accounting practices conform to generally accepted accounting principles, state law and city administrative code and policies.
- Ensure that 3,400 hardworking city employees receive their pay and benefits accurately and on time.
- Pay \$207 million annually to vendors who provide the city with goods and services, within 35 days of notice.
- Get the best price on over \$92 million worth of contracts for construction, goods and services.
- Sell city debt instruments at the lowest borrowing cost.
- 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 25.4% from 2002-2006.
- General Fund balance as percent of 2006 budget: 16.3%
- Percent of payroll checks issued on time without errors: 99.9%
- Percent of vendor checks paid within 35 days of invoice date: 90%
- 2005 General Fund actual-to-budget spending as percentage of budget: 97.8%
- 2005 General Fund actual-to-budget revenues as percentage of budget: 99.2%

2005-2006 Accomplishments

We're proud of the following 2005 and 2006 accomplishments:

- Received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Reporting.
- Maintained the city's AAA (Standard & Poor's) and Aa2 (Moody's) bond ratings.
- Developed and implemented balanced 2005 and 2006 operating, capital and debt budgets for the city.
- Implemented online access of gross payroll, check and labor registers. Because departments review and print their own reports, staff time is saved by eliminating distribution. Central payroll prints 1,600 fewer pages biweekly.
- Transferred payment of employee mileage reimbursement to the payroll system, reducing complex year-end processing and eliminating issuance of 3,000 vendor checks per year.
- Completed an RFP for new CAD and 800 MHz systems.
- Implemented online e-procurement/surplus auction system.
- Developed contracts for the new Rondo Library—a unique public/private collaboration.
- Implemented GASB 40—Deposit and Investment Risk Disclosures, and GASB 42—Impairment of Capital Assets and Insurance Recoveries.
- Developed and adopted General Fund and General Debt Service Fund policies.
- Worked collaboratively with Ramsey County and Saint Paul Public Schools to share information and contract for an actuarial valuation of the city's retiree health insurance liability.
- Maintained \$10 million in the City of Saint Paul's Socially Responsible Investment Fund.
- Awarded new merchant services contract with more than 50% savings in bank fees.
- Implemented electronic check service at several city locations, improving funds availability.
- Developed a Cash Handling Manual and hosted training sessions for cash handlers.
- Executed the city's first Interest Rate Swap agreement.

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected*
Budget	23.1%	20.2%	16.3%	16.2%
Actual	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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Moody's	Aa2	Aa2	Aa2	Aa2
Standard & Poor's	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:	2004 Actual	2005 Actual	2006 Estimated	2007 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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Benchmark	3.99	3.25	4.50	5.25
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-owned, minority-owned and small business vendors				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Total Dollars to Certified Vendors	8,987,660	16,313,420	16,000,000	17,925,000
Utilization of City Total	9.00%	14.03%	16.00%	17.00%

* City fund balance policy, adopted in 2006 and refined during the 2007 budget process, requires the General Fund to maintain an unreserved fund balance of at least 15% of adopted spending. The fund balance represented above is both reserved *and* unreserved fund balance as a percentage of adopted General Fund spending for 2007. Beginning with the 2008 Proposed budget, the measure above will use only *unreserved* fund balance.

Financial Services Office

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	1,849,559	1,822,359	1,873,159	1,932,082	1,932,082		58,923
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	6,926,483	7,042,356	7,107,891	7,331,900	7,514,870	182,970	406,979
070 INTERNAL BORROWING FUND	496,966	526,077	591,145	732,500	732,500		141,355
080 CITYWIDE MAJOR EVENTS					300,000	300,000	300,000
124 CONTRACT AND ANALYSIS SERVICES	897,828	861,091	1,024,894	1,029,954	1,329,954	300,000	305,060
127 ST PAUL/RAMSEY COUNTY PRINT CENTRAL	1,145,247	1,298,716	1,628,483	1,664,811	1,664,811		36,328
165 OFS SPECIAL PROJECTS FUND	270,182	294,153	0	0	0		
802 CPL OPERATING FUND	2,466,506	3,392,534	2,806,683	3,315,312	3,315,312		508,629
Total Spending by Unit	14,052,772	15,237,285	15,032,255	16,006,559	16,789,529	782,970	1,757,274
Spending By Major Object							
SALARIES	2,337,990	2,284,370	2,448,865	2,542,431	2,542,431		93,566
SERVICES	1,132,281	1,216,015	1,329,105	1,366,943	1,966,943	600,000	637,838
MATERIALS AND SUPPLIES	530,099	467,166	693,841	748,363	748,363		54,522
EMPLOYER FRINGE BENEFITS	783,614	719,120	753,627	790,411	790,411		36,784
MISC TRANSFER CONTINGENCY ETC	7,491,425	8,294,907	7,524,885	8,450,911	8,633,881	182,970	1,108,996
DEBT	496,966	526,077	566,145	707,500	707,500		141,355
STREET SEWER BRIDGE ETC IMPROVEMENT	1,275,397	1,582,190	1,555,787	1,400,000	1,400,000		-155,787
EQUIPMENT LAND AND BUILDINGS	5,000	147,441	160,000	0	0		-160,000
Total Spending by Object	14,052,772	15,237,285	15,032,255	16,006,559	16,789,529	782,970	1,757,274
Percent Change from Previous Year		8.4%	-1.3%	6.5%	4.9%	4.9%	11.7%
Financing By Major Object							
GENERAL FUND	1,849,559	1,822,359	1,873,159	1,932,082	1,932,082		58,923
SPECIAL FUND							
TAXES	1,992,638	1,782,238	2,334,380	1,662,380	1,755,350		-579,030
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	6,016						
FEES, SALES AND SERVICES	6,888,402	7,093,685	7,347,699	7,504,621	7,864,621		516,922
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	4,373,965	4,726,374	4,221,145	4,652,812	4,652,812		431,667
TRANSFERS	21,263	183,546	116,616	206,939	326,939		210,323
FUND BALANCES			-860,744	47,725	257,725		1,118,469
Total Financing by Object	15,131,843	15,608,202	15,032,255	16,006,559	16,789,529	782,970	1,757,274
Percent Change from Previous Year		3.1%	-3.7%	6.5%	4.9%	4.9%	11.7%

2007 Budget Plan

2007 Priorities

- Begin implementation of recommendations from the Citywide Accounts Payable Process Redesign Study, completed in mid-2006. Our goal is to improve the performance and efficiency of the “procurement to payment” process across City departments. Potential benefits include better cash flow management, higher quality data and management information, increased efficiency and reduced risk of late payments and penalties.
- Implement GASB 45—Accounting and Financial Reporting for Other Post Employment Benefits (OPEB). This new accounting standard requires the City to conduct an actuarial valuation and recognize the future cost of retiree health insurance when that cost is incurred.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the 2007 anticipated growth in salaries and fringes related to the bargaining process. It also includes 2% inflation growth on goods and services.

Mayor’s Recommendation

The proposed budget continues the same level of services as the 2006 budget. The recommended 2007 General Fund budget of the Office of Financial Services (OFS) is \$1,932,082, which is \$58,923 (3%) more than the adopted 2006 budget. The department’s \$10,407 spending reduction target plus inflationary increases were achieved through a \$11,027 reduction in Purchasing Services (the City’s share) and shifting of other costs. The proposed budget reflects the changes indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

In Special Projects Fund 050, the transfer of special funds Central Service revenue to the General Fund was increased by \$215,149. In the Internal Borrowing Fund 070, spending was increased by \$141,355 to cover spending for the West Midway Loan (\$120,000) and the Upper Landing Interfund Loan. Spending for the CPL Operating Fund 802 increased by \$656,832 to reflect the transfers to other funds for assessment revenues.

FTEs remained the same, at 47.1, including those budgeted in the debt service budget.

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

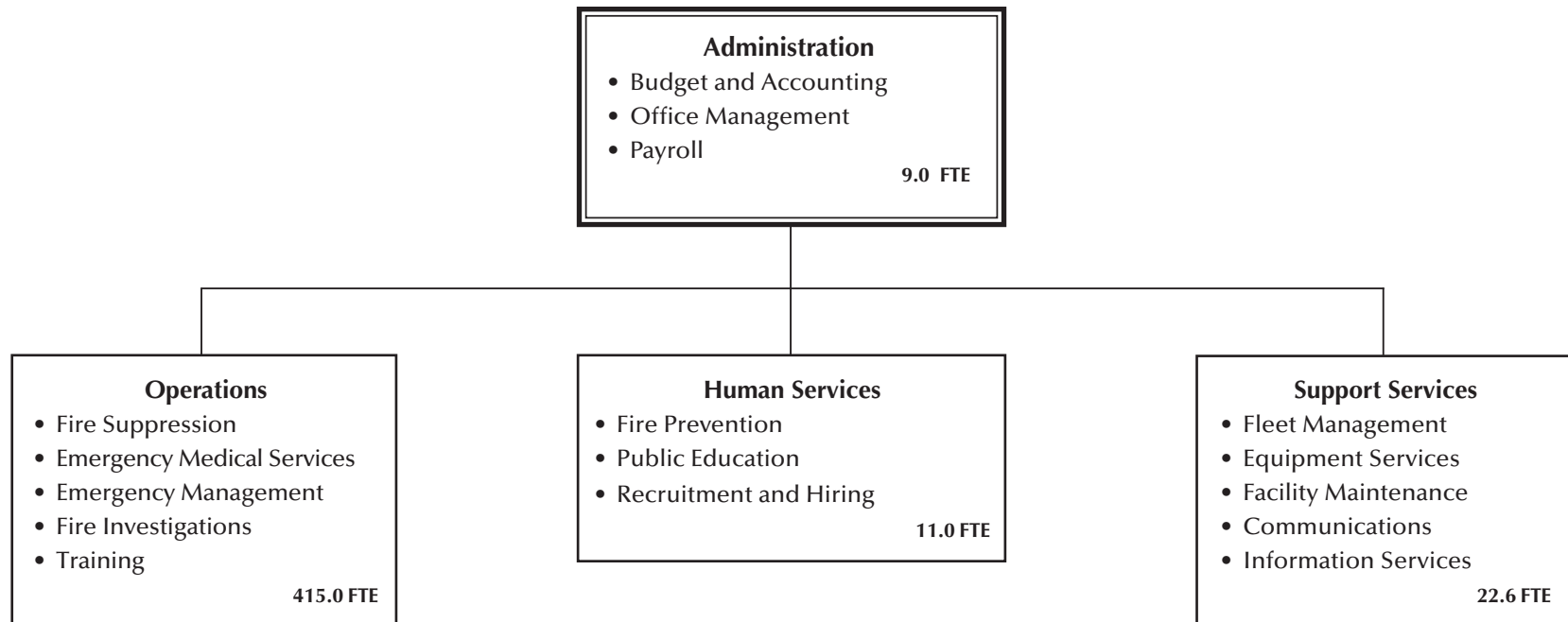
Council Actions

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

- Added \$300,000 in spending and financing to Fund 124 for a full Disparity Study of City and HRA contracting practices. Pursuant to US Supreme Court rulings, the City must perform a Disparity study periodically to justify its contracting program for women-owned and minority-owned businesses.
- Approved a technical change to the estimated Hotel/Motel tax revenue, increasing total spending and financing in Fund 050 by \$92,970.
- Increased spending in Fund 050 by \$90,000 to fund COPP. Spending will be financed with Fund 050 fund balance.
- Established a new fund, Fund 080, to account for spending and financing related to major events, including the 2008 Republican National Convention taking place in St. Paul. \$300,000 in initial spending and financing was authorized.

Fire and Safety Services

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



(Total 457.6 FTEs)

1/28/07

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 operations 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.

2005-2006 Accomplishments

- We're proud of the following 2005-2006 accomplishments:
- Government-to-government cooperative arrangement was solidified between the State of Minnesota and the City of Saint Paul (see next point).
 - A new downtown City fire station was completed in the State Human Services building on May 5, 2006.
 - All National Fire Protection Association (NFPA) health and wellness standards were met through the 2004 Assistance to Firefighters Grant.
 - Six fire engines, one ladder truck, four paramedic units, one rescue boat and one District Chief vehicle were purchased through the department's revised vehicle replacement plan.
 - All fire companies were fully staffed with a minimum of four fire suppression personnel in compliance with NFPA 1710.
 - Received overall ratings of 5.2 for Fire and 5.4 for EMS out of a 6.0 total in our customer satisfaction surveys for 2005.
 - In 2005, hired 34 highly successful fire recruits. This was a very dedicated, talented and diverse class of which 39% are protected class.
 - Rewrote and updated Standard Operating Procedures 600 series dealing with Tactical/Command procedures.
 - Accepted a grant and contracted with the State of Minnesota for the establishment of collapse rescue team.
 - All personnel were trained in Emergency Response Defense Driving.
 - Rewrote and updated the City of Saint Paul Emergency Operations Plan (EOP) to address natural, technological, and man-made disasters. The plan was approved by the State of Minnesota and the Federal Emergency Management Agency (FEMA).
 - Completed an all-hazards disaster mitigation plan. This plan followed the newly-released FEMA "state and local mitigation planning" model in the development of the plan.
 - Held three exercises with top city officials, state and county agencies, and other community partners in the City of Saint Paul Emergency Operations Center located in the Police Griffin Building.

Statistical Profile

• 2005 Total Emergency Responses:	41,941
Total Fire Unit Responses:	13,782
Total Medical Unit Responses:	28,159
• 2005 Total Dollar Loss:	\$10,426,742
• Loss Due to Arson :	\$ 1,035,816
• Arson Arrests:	13
• Average Response Time:	4 minutes 22 seconds

Key Performance Measures

Performance Objective: Fire Loss				
Performance Indicator: Reduce the number and size of fires. To remain below the average of 4 similar sized midwestern cities; Minneapolis, Madison, Akron, Fort Wayne				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
City of Saint Paul	\$9,291,248	\$10,426,742	\$10,600,000	\$10,600,000
Midwest Cities Average	\$9,685,356	\$10,625,085	\$11,000,000	\$11,000,000

Performance Objective: Civilian Fire Death				
Performance Indicator: Reduce the number of fatal fires. To remain below the average of 4 similar sized midwestern cities (see above)				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
City of Saint Paul	2.0	3.0	2.0	2.0
Midwest Cities Average	2.5	3.5	4.0	4.0

Performance Objective: Emergency Response Times				
Performance Indicator: To achieve the national standard for Fire and EMS of a eight minute response time 90% of the time				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Fire	99%	98%	98%	98%
Emergency Medical Services	98%	97%	97%	97%

Performance Objective: Fire Spread for Structure Fires in Saint Paul				
Performance Indicator: To minimize fire spread through safe and aggressive firefighting				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Confined to Object/Room of Origin	74%	82%	78%	78%
Confined to Building of Origin	98%	96%	98%	98%

Performance Objective: Customer Service Rating				
Performance Indicator: To achieve a overall customer service rating of 5.0 or greater out of a possible 6 total				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Customer Satisfaction - Fire Incidents	5.2	5.2	5.2	5.2
Customer Satisfaction - Medical Incidents	5.4	5.4	5.5	5.5

Fire & Safety Services

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	40,331,497	41,948,414	44,327,239	46,757,303	44,805,399	-1,951,904	478,160
505 EQUIPMENT SERVICES FIRE-POLICE	2,148,569	2,296,523	2,746,243	2,926,294	2,926,294		180,051
510 FIRE RESPONSIVE SERVICES	27,389	11,565	3,167,390	45,200	2,293,895	2,248,695	-873,495
735 FIRE FIGHTING EQUIPMENT	369,884	132,432	907,758	561,638	87,204	-474,434	-820,554
736 FIRE PROTECTION CLOTHING	224,753	213,905	232,283	255,615	247,093	-8,522	14,810
Total Spending by Unit	43,102,092	44,602,838	51,380,913	50,546,050	50,359,885	-186,165	-1,021,028
<u>Spending By Major Object</u>							
SALARIES	28,306,703	29,179,857	29,811,244	31,228,433	30,273,121	-955,312	461,877
SERVICES	2,145,111	2,072,342	2,146,703	2,437,794	2,371,826	-65,968	225,123
MATERIALS AND SUPPLIES	2,597,397	2,917,323	2,884,098	3,194,468	3,840,537	646,069	956,439
EMPLOYER FRINGE BENEFITS	8,460,903	9,645,821	10,899,834	11,809,027	11,518,202	-290,825	618,368
MISC TRANSFER CONTINGENCY ETC	240,495	243,324	867,401	273,783	476,221	202,438	-391,180
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	1,351,482	544,171	4,771,633	1,602,545	1,879,978	277,433	-2,891,655
Total Spending by Object	43,102,092	44,602,838	51,380,913	50,546,050	50,359,885	-186,165	-1,021,028
Percent Change from Previous Year		3.5%	15.2%	-1.6%	-0.4%	-0.4%	-2.0%
<u>Financing By Major Object</u>							
GENERAL FUND	40,331,497	41,948,414	44,327,239	46,757,303	44,805,399	-1,951,904	478,160
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	13,461	1,394	3,122,690		2,248,695		-873,995
FEES, SALES AND SERVICES	2,832,815	2,832,202	3,057,584	3,294,145	2,780,043		-277,541
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	35,051	48,013	43,200	43,200	43,200		
TRANSFERS	229,573	232,283	232,283	255,615	247,093		14,810
FUND BALANCES			597,917	195,787	235,455		-362,462
Total Financing by Object	43,442,397	45,062,306	51,380,913	50,546,050	50,359,885	-186,165	-1,021,028
Percent Change from Previous Year		3.7%	14.0%	-1.6%	-0.4%	-0.4%	-2.0%

2007 Budget Plan

2007 Priorities

- Maintain instrumental business and community relationships through recognition by the Fire Chief and City leaders of civilians, employees and organizations.
- Implement new Computer Aided Dispatching (CAD) mobile applications (incident, status change, mapping, messaging, pictometry) in all emergency vehicles.
- Initiate special operations division to supervise Hazardous Materials, Collapse Rescue and Blended Entry Teams.
- Complete City plan for pandemic flu.
- 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.
- Improve capabilities and efficiency of emergency operations center and build staff skills.
- Develop technical and financial plans for siren control and monitoring system replacement.
- Maintain full staffing on all fire suppression and emergency medical services (EMS) response vehicles.
- Consolidate a portion of the Fire Prevention Division with the Citizen Service Office, the Office of License Inspection and Environmental Protection, and the Department of Neighborhood Housing and Property Improvement into a single organization called the Department of Regulatory Services. This reorganization of City services is intended to improve and maintain the City's housing stock by better coordinating the delivery of all code enforcement and inspection activities.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth for 2007 in employee salaries and fringes related to the bargaining process. It also includes 2% inflation growth on goods and services.

Mayor's Recommendation

The proposed budget for Fire and Safety Services for 2007 is \$46,757,303 in the general fund, which represents an increase of \$2,430,064, or 5.5%, over the 2006 adopted budget. The general fund includes funding for operating costs for Fire Station 8, 2007 recruit and paramedic classes, increased motor fuel costs, implementation of wireless penbase and 800 MHz radio communications systems upgrades, and normal personnel step increases and promotions. The proposed budget reflects the changes as indicated above, as well as a reduction in spending for cell phone expenses. The 2007 budget offsets some new expenses by raising revenue. For certificate of occupation inspections, implementing a tiered structure based on units inspected, and increasing some maximum inspection fees will generate new ongoing financing (\$192,782). Raising paramedic transport fees to the expected average metro area level will bring in an additional \$1,615,896. FTEs in the Proposed General fund budget remain unchanged from the 2006 adopted budget at 458.6.

The proposed special funds budget is \$3,788,747, which is \$3,264,927 less than the 2006 adopted budget. \$3,122,190 of this decrease is a result of the loss of the 2004 Urban Area Strategic Initiative grant. There are 16.0 special fund FTEs in the Public Safety Vehicle maintenance unit, the same as in 2006.

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

Council Actions

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

- accepted technical changes to revise grant budgets, carrying federal UASI funding over into 2007 for the computer added dispatch system and the 800 MHz radio conversion,
- shifted some planned equipment purchases from the General Fund and Fire's special funds to STAR financing and the new STAR City Capital project equipment program,
- moved funding for the 2007 Fire Recruit Academy into contingency, and
- reflected the reorganization of the new Department of Safety and Inspection by shifting the Fire inspection function and budget from the Fire Department to the Department of Safety and Inspection.

The 2007 adopted budget is \$44,805,399 for the general fund and \$5,554,486 for special funds. FTEs are 441.6 in the general fund and 16 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:

- Pass through of the employer share of Citywide employee insurance, retiree insurance, pension and other benefit costs, recovered through the fringe benefit allocation system
- Citywide tort liability costs that are not department specific
- Funding for citywide elections,
- Spending related to legal services provided by those other than staff attorneys
- Funding for the Citizen Participation Program, Neighborhood Crime Prevention Program and City Council's Non-profit Performance Contract Program
- Support for the financial forms and reports used by all departments
- Costs of the City's memberships in municipal organizations, such as the League of Cities and the Association of Metropolitan Municipalities,
- Costs for legislative analysis and support for the overall financial good and betterment of the City,
- Fees paid to the State for the citywide financial audit
- Costs of the Charter Commission and the Capital Improvement Budget Committee
- Business parking costs for City Councilmembers and the pass through of employees' payments for the MetroPass Program
- Charges for the maintenance and upkeep of City Hall.

2005-2006 Accomplishments

The following was accomplished in 2005:

- 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 2005 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 citywide 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

• New Citywide 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%

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
% increase in cost of retiree health insurance	8.60	-8.04	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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Cost per employee - City	6,566	7,393	7,435	8,261
Cost per employee - national average (govt)	6,000	6,908	n/a	

General Government Accounts

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

		2004	2005	2006	2007	2007	Change from	
		2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2006
		Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted
Spending By Unit								
001	GENERAL FUND	8,324,822	10,655,068	5,340,436	4,637,129	4,837,134	200,005	-503,302
	Total Spending by Unit	8,324,822	10,655,068	5,340,436	4,637,129	4,837,134	200,005	-503,302
Spending By Major Object								
	SALARIES	38,354	22,881	5,078	72,466	167,467	95,001	162,389
	SERVICES	2,562,804	2,510,885	2,688,804	2,927,107	2,802,448	-124,659	113,644
	MATERIALS AND SUPPLIES	41,211	23,423	26,404	26,404	26,404		
	EMPLOYER FRINGE BENEFITS	-33,027	190,890	91,487	112,489	142,147	29,658	50,660
	MISC TRANSFER CONTINGENCY ETC	4,016,094	3,849,211	2,528,663	1,498,663	1,698,668	200,005	-829,995
	DEBT	1,699,384	4,057,778					
	STREET SEWER BRIDGE ETC IMPROVEMENT							
	EQUIPMENT LAND AND BUILDINGS							
	Total Spending by Object	8,324,822	10,655,068	5,340,436	4,637,129	4,837,134	200,005	-503,302
	Percent Change from Previous Year		28.0%	-49.9%	-13.2%	4.3%	4.3%	-9.4%
Financing By Major Object								
	GENERAL FUND	8,324,822	10,655,068	5,340,436	4,637,129	4,837,134	200,005	-503,302
	SPECIAL FUND							
	TAXES							
	LICENSES AND PERMITS							
	INTERGOVERNMENTAL REVENUE							
	FEES, SALES AND SERVICES	2,950	84,860					
	ENTERPRISE AND UTILITY REVENUES							
	MISCELLANEOUS REVENUE	3,544	3,927					
	TRANSFERS							
	FUND BALANCES							
	Total Financing by Object	8,331,316	10,743,855	5,340,436	4,637,129	4,837,134	200,005	-503,302
	Percent Change from Previous Year		29.0%	-50.3%	-13.2%	4.3%	4.3%	-9.4%

2007 Budget Plan

2007 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, the state auditor, the Capital Improvement Budget committee, financial forms, and 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.
- Planning and Economic Development staff will direct the budget for Citizen Participation and the Neighborhood Crime Prevention program.
- The Intergovernmental Relations function will work with staff from all departments to coordinate city efforts at the State and Federal levels of government.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on some goods and services.

Mayor's Recommendation

The proposed general fund budget for the General Government Accounts for 2007 is \$4,637,129, a decrease of \$703,307, or 13.2%, from the adopted 2006 budget of \$5,340,436. 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: centralizing and adding funding for intergovernmental relations activities, including city staff and support costs; providing additional funding for environmental monitoring and cleanup at Pig's Eye Lake; reducing funding for Heritage Preservation intern expenses and shifting that responsibility to special funds; modifying the municipal memberships budget for iminor ncreases in dues; including the normal annual increase in the elections contract with Ramsey County, reducing NPPCP (COPP) funding; and making a one time adjustment of \$1.045 million in the cash flow funding for the General Fund's obligations to the assessment funds. For financing, the 2006 estimates for financing for pension aids were adjusted to bring them to an expected 2007 level.

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

Council Actions

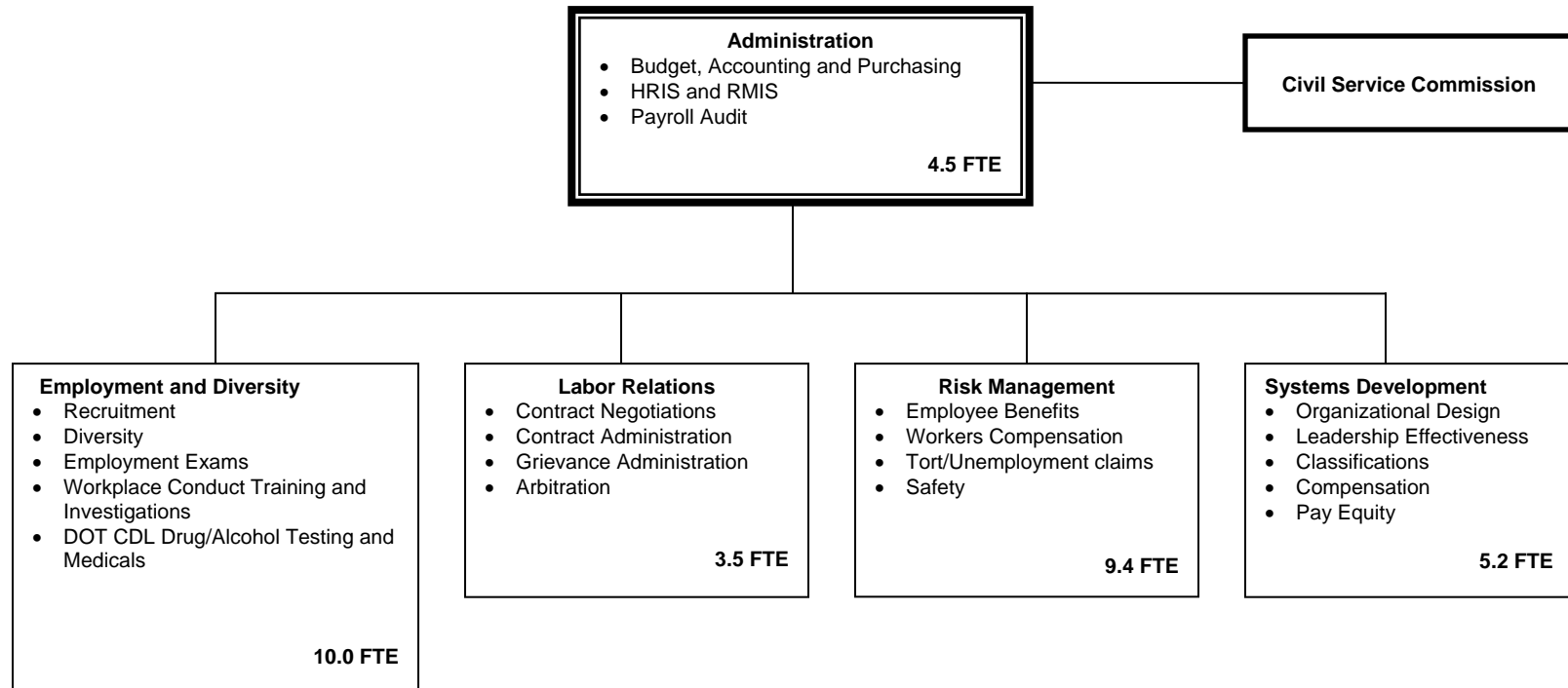
The City Council adopted the General Government Accounts budget and recommendations as proposed by the Mayor, and approved the following changes:

- restored the general fund budget for the Non-profit Contract Performance Program on a one time basis only for 2007,
- shifted some funding between Tort Claims and Tort Liability, and
- created an appropriated contingency reserve for workers' compensation.

The 2007 adopted budget is \$4,837,134 for the general fund.

Human Resources

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



(Total 32.6 FTEs)

About the Office of Human Resources

What We Do (Description of Services)

Human Resources provides essential and comprehensive 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 Diversity:** 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. Determine appropriate compensation based on principles of comparable worth.

2005-2006 Accomplishments

We're proud of the following 2005-2006 accomplishments:

- Increased and energized diversity recruitment efforts, traditional and non-traditional, for all open City jobs.
- Successfully administered the employment exam for Firefighter, the biggest and most complicated selection process the City undertakes.
- Conducted national recruitment/hiring processes for the directors of Library, PED and Public Works.
- Adopted a new Affirmative Action plan.
- Implemented NetWork Saint Paul and a new Administrative Professional Academy (APA).
- Offered a wide array of citywide classroom opportunities throughout the year, e.g., "Project Management," "Verbal Judo" and "Organized Audrey."
- Conducted extensive analysis and project management to achieve compliance for the City's Pay Equity Plan. The report was submitted to the State at 86% compliance, coming in higher than the State's 80% compliance benchmark.
- 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.
- Introduced and taught a systems-thinking approach to organizational strategies and business planning.
- Provided effective, competency-based tools to better meet the City's needs in the areas of classification and structural design, performance management and problem solving.
- Negotiated two of the lowest rates of increase in health insurance compared to other jurisdictions for 2006 and 2007. Data from the City's health care provider projected a 30% cost increase based on recent health care usage. Therefore, by negotiating renewal caps of 8.5% (for 2006) and 9% (for 2007), the City will avoid an estimated \$4.7 million in potential costs.
- The 2005 workers compensation bill review process resulted in annual savings for the City of \$2,253,742 or 46% of billed charges.
- Selected a new third party administrator for our benefits system.

Key Performance Measures

Performance Objective: Providing excellent customer service to City departments and offices				
Performance Indicator: Customer Service Ratings (out of 5 points)				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Employment and Diversity	4.9	4.75	4.9	4.9
Labor Relations	4.1	3.9	4.3	4.3
Systems Development	4.8	4.7	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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
% of applications received by women	39%	27%	35%	35%
% of applications received by minorities	31%	28%	35%	35%

Performance Objective: Keep the yearly increased cost of retiree health insurance below national health care cost inflation				
Performance Indicator: % change per year				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
% increase in cost of retiree health insurance	8.60	-8.04	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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Cost per employee - City	6,566	7,393	7,435	8,261
Cost per employee - national average (govt)	6,000	6,908	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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Total number of days lost citywide	3,233	2,966	2,600	2,600

Human Resources

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	2,877,735	3,071,328	3,043,864	3,070,622	3,070,622		26,758
060 RISK MANAGEMENT RETENTION FUND		1,082,166	1,862,742	2,497,500	2,497,500		634,758
Total Spending by Unit	2,877,735	4,153,494	4,906,606	5,568,122	5,568,122	0	661,516
Spending By Major Object							
SALARIES	1,727,366	1,712,385	1,829,581	1,919,582	1,919,582		90,001
SERVICES	477,230	935,932	1,171,979	1,068,465	1,068,465		-103,514
MATERIALS AND SUPPLIES	72,348	55,471	49,812	57,623	57,623		7,811
EMPLOYER FRINGE BENEFITS	593,335	1,396,110	1,448,624	2,071,452	2,071,452		622,828
MISC TRANSFER CONTINGENCY ETC	187	943	401,000	451,000	451,000		50,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	7,270	52,653	5,610	0	0		-5,610
Total Spending by Object	2,877,735	4,153,494	4,906,606	5,568,122	5,568,122	0	661,516
Percent Change from Previous Year		44.3%	18.1%	13.5%	0.0%	0.0%	13.5%
Financing By Major Object							
GENERAL FUND	2,877,735	3,071,328	3,043,864	3,070,622	3,070,622		26,758
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE				532,000	532,000		532,000
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE		1,444,476	1,487,742	1,582,500	1,582,500		94,758
TRANSFERS		432,734					
FUND BALANCES			375,000	383,000	383,000		8,000
Total Financing by Object	2,877,735	4,948,538	4,906,606	5,568,122	5,568,122	0	661,516
Percent Change from Previous Year		72.0%	-0.8%	13.5%	0.0%	0.0%	13.5%

2007 Budget Plan

2007 Priorities

- Increase diversity through aggressive recruiting strategies.
- Ensure customer satisfaction and superior results by becoming process owners of Employment and Diversity consulting services.
- Continue implementing 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 in 2007.
- Resolve conflicts in an equitable manner.
- Maintain equitable market positions for job classes.
- Maintain favorable decision rate for arbitrations and civil service hearings.
- Accurately maintain value of property for the City and Saint Paul Regional Water Services.
- Continue to manage and administer worker's compensation and tort liability programs on behalf of the City's departments and offices, and Saint Paul Regional Water Services in a timely, fiscally responsible manner, and in accordance with State Statutes.
- Implement contract with third party benefit administrator.
- Develop request for employee and retiree health benefits proposal for 2008 and release to market.
- Provide workers compensation training for all employees in Public Works Department.
- Increase number of participants in medical flexible spending account.
- Practice financially sound claims handling practices.
- Provide quarterly updates to departments, offices, and Saint Paul Regional Water Services.
- Maintain Surety Bond Premium coverage.
- Provide employee benefits services.
- Develop a comprehensive procedure manual for benefits.
- Provide retiree benefit services.
- Provide and maintain database of all properties.
- Maintain and administer billing of property insurance for departments, offices, and Saint Paul Regional Water Services.
- Pay monthly FSA costs in a timely manner.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth for 2007 in employee salaries and fringes related to the bargaining process.

Mayor's Recommendation

The proposed general fund budget for Human Resources is \$3,070,622, which represents an increase of \$26,758 from the 2006 adopted budget. This spending growth is largely attributable to step and merit increases, promotions and position upgrades. There are 32.6 FTEs budgeted for 2007, up from 32.4 in 2006. The Department's spending reduction target was achieved through cutting civil service testing costs, conducting arbitrations in-house, eliminating the Mayor's Leadership Academy, reducing Labor Management Council dues, reducing overtime, cutting the appreciation breakfast for the Mayor's Committee on Persons with Disabilities, eliminating the donation to the Multi-Cultural Forum, cutting out of state travel, eliminating interns, reducing parking costs, and by cutting the budget for cell phones by 10%.

The special fund budget is \$2,497,500, which is \$634,758 more than the 2006 adopted budget. The special fund budget represents the Risk Management Retention Fund, a consolidation of citywide risk related activities including property insurance, tort claims, flexible spending account and workers' compensation costs. The increase in special funds is mostly due to workers' compensation costs.

Statistical Profile

- Number of active labor contracts: 22
- Number of organizational design studies (including classification and compensation studies, class revisions, organizational design services, etc): 200
- Total number of exams: 101
- Total number of job applicants: 5291
- Number of tort files opened: 340
- Number of open tort files at year end: 187
- Number of work comp files opened: 926
- Number of open work comp files at year end: 495

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

Council Actions

The City Council adopted the Office of Human Resources budget and recommendations as proposed by the Mayor.

The 2007 adopted budget is \$3,070,622 for the general fund, and \$2,497,500 in special funds. The general fund includes 32.6 FTEs.

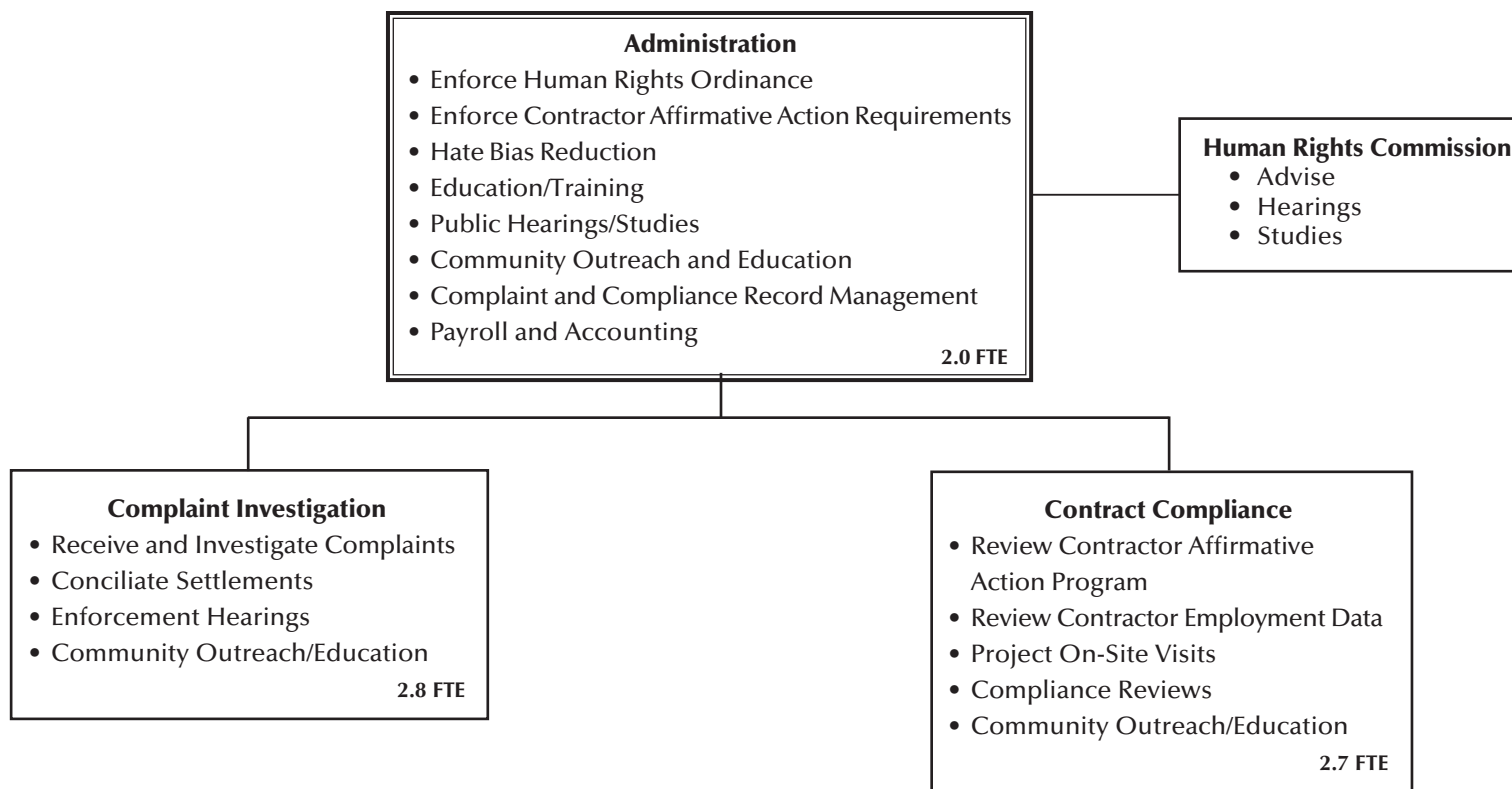
Human Rights

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 7.5 FTEs)

7/29/06

About the Human Rights Department

What We Do (Description of Services)

- **Complaint Investigation:** The Department investigates complaints from citizens who believe they have been discriminated against based on their protected class status that may violate the Chapter 183 of the Saint Paul Legislative Code.
- **Contract Compliance:** Chapter 183.04 of the Saint Paul Legislative Code requires the Human Rights Department to monitor city contracts over \$50,000 to ensure businesses are recruiting, hiring and promoting women, minorities and persons with disabilities.
- **Outreach & Education:** The Department continues to do outreach and education in the community on issues of prejudice, racism and discrimination.

2005-2006 Accomplishments

- The Department, for the 9th straight year, met its contract obligations with the Equal Employment Opportunity Commission.
- The Department monitors over 500 contractors and subcontractors with contracts over \$50,000 that result in an estimated 600 women, minorities and disabled persons hired annually with an economic value of approximately \$12,000,000.
- Outreach and education is essential in the City of Saint Paul with a minority population of 41% that is expected to exceed 50% by the 2010 census report and a school district that with an enrollment of nearly 70% minority students. The Department participated in over 100 outreach education events at CLUES, American Indian Family Center, GLBT community, disabled community, Asian community and many others.

Statistical Profile

- 90% of all cases completed in 270 days.
- The Department had zero backlog for the 10th consecutive year.
- Cases filed have increased for the 10th consecutive year, from a low of 41 in 1996.

Key Performance Measures

Performance Objective: Meet or exceed the contract goals for the Equal Employment Opportunity Commission for cases closed under Title VII of the CRA of 1964 that pays the City of Saint Paul \$500 per employment case				
Performance Indicator: Meet or exceed contract goal set with the Equal Employment Opportunity Commission				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
05/06 EEOC Contract				
Actual	125	107	105	
Goal	100	95	100	110

Performance Objective: Conduct education and outreach in the protected communities to eliminate prejudice, racism and discrimination				
Performance Indicator: Number of actual outreach and education events in the community				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Community Outreach & Education				
Actual	90	135	120	
Goal	75	100	100	125

Performance Objective: 100% of Affirmative Action Registrations/Affirmative Action Plans approved by the Department				
Performance Indicator: Number of Affirmative Action Registrations/Affirmative Action Plans approved by the Department				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
100% of companies doing business with the City of Saint Paul over \$50,000 in a 12-month period of time have submitted their Affirmative Action Registration/Affirmative Action Plans to the Department.				
Actual	210	250	275	
Goal	175	215	250	300

Human Rights

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	504,108	515,251	527,205	532,865	532,865		5,660
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	89,512	43,042	67,944	65,066	65,066		-2,878
Total Spending by Unit	593,620	558,293	595,149	597,931	597,931	0	2,782
<u>Spending By Major Object</u>							
SALARIES	420,724	393,714	419,730	421,990	421,990		2,260
SERVICES	28,026	30,679	33,853	31,880	31,880		-1,973
MATERIALS AND SUPPLIES	3,844	7,926	6,400	5,900	5,900		-500
EMPLOYER FRINGE BENEFITS	140,497	125,705	133,666	136,661	136,661		2,995
MISC TRANSFER CONTINGENCY ETC	529	268	1,500	1,500	1,500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	593,620	558,293	595,149	597,931	597,931	0	2,782
Percent Change from Previous Year		-6.0%	6.6%	0.5%	0.0%	0.0%	0.5%
<u>Financing By Major Object</u>							
GENERAL FUND	504,108	515,251	527,205	532,865	532,865		5,660
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	52,700	51,200	47,944	50,000	50,000		2,056
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES			20,000	15,066	15,066		-4,934
Total Financing by Object	556,808	566,451	595,149	597,931	597,931	0	2,782
Percent Change from Previous Year		1.7%	5.1%	0.5%	0.0%	0.0%	0.5%

2007 Budget Plan

2007 Priorities

- Increase outreach and education in the Somali, Hmong, Native American, GLBT and Disabled communities.
- Partnerships with the Equal Employment Opportunity Commission, Housing & Urban Development, Minnesota Department of Human Rights, Minneapolis Department of Civil Rights and other local civil/human rights organizations in the areas of employment, housing, public accommodations, public services and education.
- Increased outreach and education in the Saint Paul Public Schools.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. A spending restraint of \$2,910 was applied to the budget to help control general fund spending.

Mayor's Recommendation

The Human Rights proposed budget for 2007 is \$597,931, which is an increase of \$2,782 or 0.5% from 2006. The general fund portion increased by \$5,660, or just over 1%. Staff turnover has allowed the general fund to absorb a shift of \$5,110 from the Human Rights special fund to minimize the use of fund balance. A general reduction of \$6,149 will be absorbed by filling a vacant position with lower-salaried staff. The proposed budget reflects the changes indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

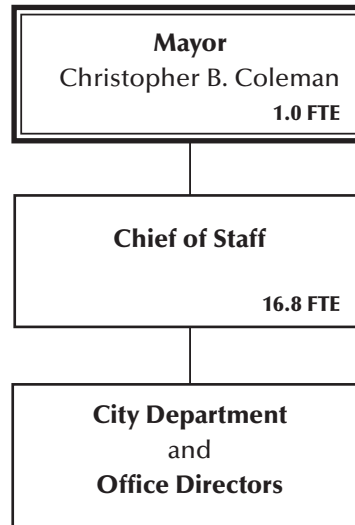
Council Actions

The City Council adopted the Human Rights budget and recommendations as proposed by the Mayor.



Mayor's Office

To direct the operation of the city and assure that city government is effective and accessible for all Saint Paul 's residents, businesses and visitors



(Total 17.8 FTEs)

1/29/07

About the Mayor's Office

What We Do (Description of Services)

The Mayor's Office oversees the operations of all City Departments and Offices to meet the needs of our residents, businesses and visitors.

- Works to provide the right services for the best value for our residents, businesses and visitors.
- Puts forth a strategic vision and plan for the City and directs all City agencies to align their work to that vision and plan.
- Represents the City and the Office before external public and private partners such as the Minnesota Legislature, US Congress, Metropolitan Council, Ramsey County Board of Commissioners, Saint Paul School Board and Saint Paul's District Councils.
- Responds to resident, visitor and business inquiries.
- Pursues public and private partnerships to enhance service delivery.
- Works with Saint Paul Schools and the larger education community to assure educational opportunities are accessible and quality-driven.
- Works to assure that all residents, businesses and visitors feel safe in Saint Paul.
- Works with many public and private partners to assure a strong and growing economy.

Statistical Profile

- Annual Visitors to Como Park and Zoo: 1.5 million
- 911 Calls Received in 2005: 401,158
- Visitors to City Pools and Beach in 2005: 288,600
- Library Card Holders in 2006: 267,671
- Jobs (Public and Private within the City in 2005): 176,513
- Rounds of Golf Played at City Courses in 2005: 142,381
- Police Cases Assigned/Cleared by Arrest: 62,444/15,231
- Public School Enrollment (Regular and Charter): 46,723
- City Employees (2006 FTEs): 2,962
- Average Fire/Paramedic Response Time in 2005: 4 min, 22 sec

2005-2006 Accomplishments

We are proud of the many accomplishments of the City and its agencies. Below are a few of those accomplishments.

- Launched the Second Shift Initiative to ensure young people have opportunities to learn and develop during out-of-school hours and to give life to the recommendations put forth by the University of Minnesota and the Minnesota Commission on Out-of-School-Time report.
- Launched a Central Corridor task force to produce a comprehensive plan for developing the Central Corridor over the next two decades.
- Signed the US Mayors Climate Protection Agreement.
- Launched the Broadband Advisory Committee to examine the short-term wireless and long-term broadband needs of Saint Paul.
- Hired 12 new police officers.
- Added 3,000 targeted summer hours to the police force.
- Secured legislative funding for Central Corridor, Union Depot, Asian Pacific Cultural Center, Como Zoo, Ordway Center for Performing Arts and National Great River Park.
- Broke ground on the new Jimmy Lee Recreation Center.
- Completed construction of the new Rondo Library.
- Awarded the 2nd "Smartest Place" to live by Kiplinger's magazine.
- Awarded 4th "Greenest City" in America by The Green Guide.
- Named as a finalist in a joint Twin Cities National 2008 Democratic National Convention and Republican National Convention bid, with the Xcel Arena as the main venue.

Key Performance Measures

The Mayor's Office will be developing key performance measures for the 2008 budget process that will appropriately and adequately assess performance based on the recently developed *Citywide Strategic Plan*.

The *Citywide Strategic Plan* is available on the City's Web site at:

<http://www.stpaul.gov/mayor/>

Mayors Office

Department/Office Director: **ANN L MULHOLLAND**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	1,268,976	1,250,671	1,421,239	1,456,446	1,456,446		35,207
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	351,020	466,198	643,589	562,112	769,646	207,534	126,057
Total Spending by Unit	1,619,996	1,716,869	2,064,828	2,018,558	2,226,092	207,534	161,264
Spending By Major Object							
SALARIES	1,087,605	1,235,031	1,328,698	1,404,783	1,460,903	56,120	132,205
SERVICES	152,993	120,062	374,525	221,984	290,957	68,973	-83,568
MATERIALS AND SUPPLIES	24,536	38,426	36,131	33,681	96,181	62,500	60,050
EMPLOYER FRINGE BENEFITS	332,977	313,305	317,974	350,610	370,551	19,941	52,577
MISC TRANSFER CONTINGENCY ETC	10,155	10,045	7,500	7,500	7,500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	11,730						
Total Spending by Object	1,619,996	1,716,869	2,064,828	2,018,558	2,226,092	207,534	161,264
Percent Change from Previous Year		6.0%	20.3%	-2.2%	10.3%	10.3%	7.8%
Financing By Major Object							
GENERAL FUND	1,268,976	1,250,671	1,421,239	1,456,446	1,456,446		35,207
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	205,215	337,933	384,162	292,855	292,855		-91,307
FEES, SALES AND SERVICES	189						
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	145,425	57,750	259,427	269,257	476,791		217,364
TRANSFERS							
FUND BALANCES							
Total Financing by Object	1,619,805	1,646,354	2,064,828	2,018,558	2,226,092	207,534	161,264
Percent Change from Previous Year		1.6%	25.4%	-2.2%	10.3%	10.3%	7.8%

2007 Budget Plan

2007 Priorities

- Continue to make Saint Paul the most liveable city in America.
- Central Corridor: Aggressively work on the funding, engineering and implementation of the Central Corridor light rail line while ensuring Saint Paul capitalizes on this once-in-a-lifetime development opportunity along the Corridor.
- Education: Invest in education by convening and connecting formal and informal learning opportunities during non-school hours and expanding early childhood education and literacy to help ensure that all children enter school equipped to learn.
- Public Safety: Build a safe city by targeting repeat criminal offenders, addressing head-on quality of life nuisance crimes including loitering, noise, curfew violations, graffiti and problem properties and increasing high quality recreational and educational opportunities available to all children particularly vulnerable children.
- Jobs: Build a 21st Century workforce to give Saint Paul a competitive edge.
- Technology: Provide technology infrastructure – including an affordable, high quality citywide wireless Internet connection – to allow Saint Paul residents to take advantage of information on educational opportunities, on-line education, options for education funding, and job searches.
- Health: Support a healthy city by improving and expanding Saint Paul's system of parks, green spaces, bikeways and trails connecting the Mississippi River and existing recreation locations and ecological spaces, taking proactive steps to protect our city's air, water and urban landscape.
- Infrastructure: Embrace Saint Paul's unique character by modernizing and keeping in good repair Saint Paul's streets, lights, sewers, roads, bridges, sidewalks and water system, strengthening and building diverse gathering places in neighborhoods, including cafes, arts venues, and public squares, among others.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. A \$7,823 spending restraint amount was applied to the Mayor's general fund spending base to help control general fund spending.

Mayor's Recommendations

The recommended 2007 general fund budget of the Mayor's Office is \$1,456,446, which is \$35,207 more than the adopted 2006 budget. The applied spending restraint of \$7,823, as well as an additional reduction of \$31,121 were achieved by reducing general spending. This budget also reflects a shift of \$20,000 to the new Intergovernmental Relations function. The special fund budget is \$562,112, reflecting a decrease of \$81,477 from the 2006 adopted budget. The proposed budget reflects the changes, as indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

Council Actions

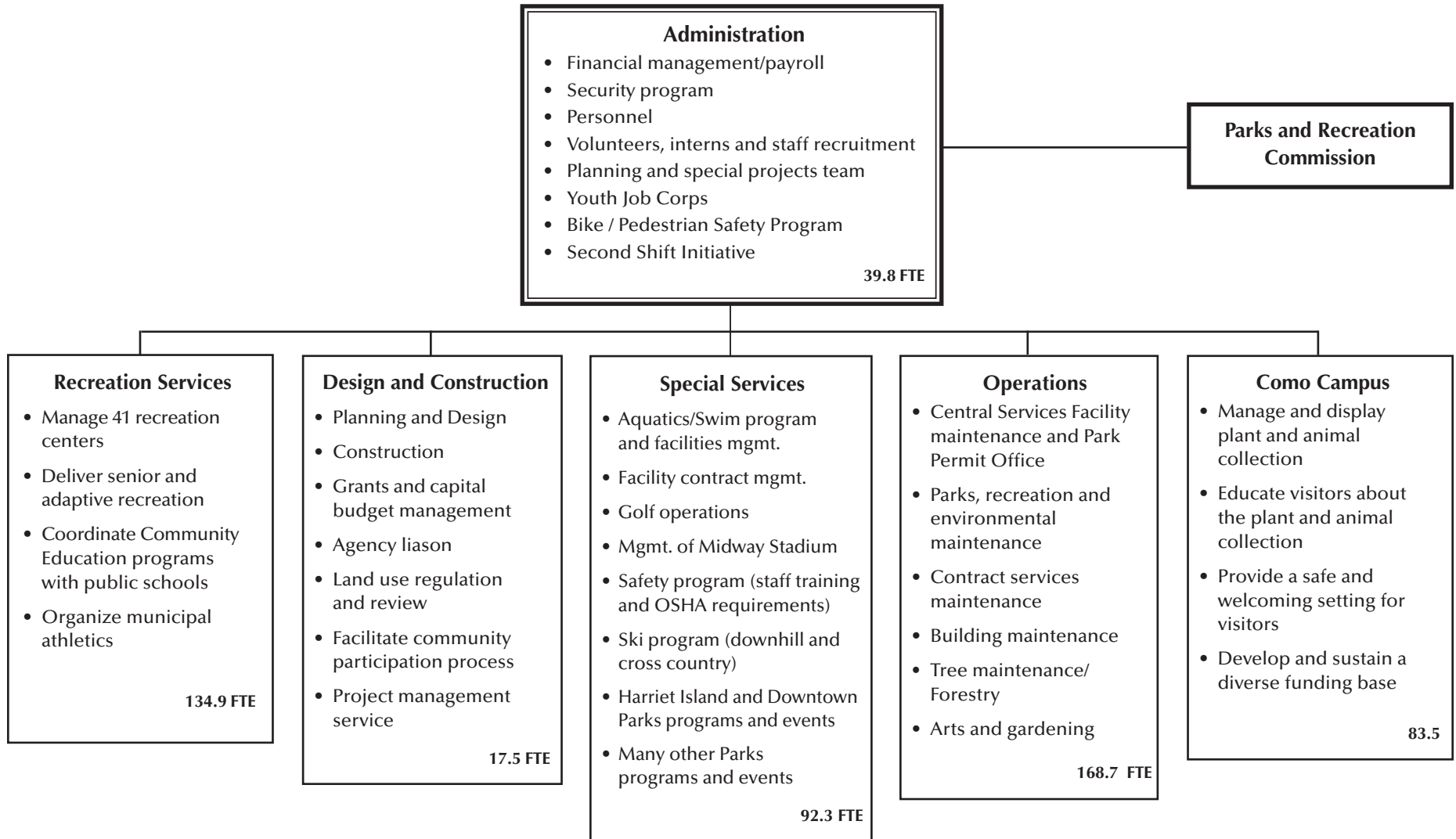
The City Council adopted the Mayor's Office budget and recommendations as proposed by the Mayor and approved the following changes:

- Added grant revenue and related spending (\$207,534) for the newly created Early Childhood Initiative.



Parks and Recreation

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



(Total 536.7 FTEs)

7/27/06

About the Parks and Recreation Department

What We Do (Description of Services)

Parks and Recreation 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 to the best of our ability. We provide the following services:

- Aquatics Programs at three pools and one beach
- Operate four Golf Courses
- Ski Programs (downhill, cross country, snowboarding)
- Organized youth and adults' sports programs
- Recreation activities for all ages (classes, special events, sports programs, etc.) at 41 recreation centers
- Implement and facilitate a wide range of senior citizen activities
- Comprehensive recreation program for people of all ages and with any type of disability
- Maintain, program and support (including security) all Parks and Recreation's properties and facilities. Facilitate Special Events
- Environmental planning and stewardship
- Planning, consulting, design and construction management services for Parks and Recreation land and facilities
- Manage and operate Como Park's Zoo, Marjorie McNeely Conservatory and Visitor Center
- Classes, informal educational opportunities and educational activities related to the plant and animal collections of the zoo and conservatory
- Unique rental opportunities for weddings, special events and business gatherings
- Administration, accounting and payroll support for the above listed services. Pursue technological advancements.

Statistical Profile

- Nationally accredited Parks Agency and AZA accredited Zoo
- 37 current construction projects with a value of \$30 million
- In 2005: 26 Special Events with attendance of 850,000
288,600 visitors to Parks' three pools and beaches
1,612 picnic permits issued
108 partnering agencies
550 youth athletic teams, 1,700 recreation classes
1.5 million estimated Como Campus visitors

2005-2006 Accomplishments

We're proud of the following accomplishments in 2005 and 2006:

- 2005 National Gold Medal Award Winner for Excellence in Park and Recreation Management as awarded by The American Academy for Park and Recreation Administration, in partnership with the National Recreation and Park Association (NRPA).
- NRPA Winter Skate Award recipient.
- MN Recreation and Park Association award for Senior Cable Show.
- Won Best in Show and Most Creative/Whimsical floral display at Minneapolis Institute of Art's annual Art in Bloom competition.
- Implemented automated "nightly check-out" and financial management software for Recreation Centers.
- Partnered with outside vendor to reconstruct Como Park Amusement Area with 100% private resources.
- Added a new major festival to Harriet Island's annual schedule - Wild River Music, Comedy and Film Festival.
- Implementing a security camera pilot project at Highland National Driving Range.
- Completed a business practice/contract compliance audit of a service vendor, model developed to be utilized with other contracted vendors.
- Implemented a new golf tee time reservation system which is integrated into the Point-of-Sale system.
- Completed, in conjunction with Neighborhood House, the new Paul and Sheila Wellstone Center for the Community, including a new El Rio Vista Recreation Center.
- Opened a new public space Upper Landing Parks along the eastern edge of the Mississippi River near Chestnut Street
- Completed renovation of Prosperity Park's play area.
- Youth Job Corps program provided employment opportunities for 420 Saint Paul youth.
- Completed Groveland/ Kids Park improvements and addition, including a garage for the zamboni, new vestibules and improvements to the tot lot.
- Worked with KaBoom! to renovate Arlington/Arkwright soccer facility.

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 40,000 rounds, the other two 18 hole courses will meet or exceed 35,000 rounds per season, and Highland 9 hole will meet or exceed 30,000 rounds

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Golf Rounds - Total	107,100	142,381	145,500	147,000
Como	37,800	34,320	37,000	35,000(construction)
Highland 9	31,000	28,552	31,000	32,000
Highland National	Closed	43,608	40,000	40,000
Phalen	38,300	35,901	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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Recreation Centers networked	39	40	40	41
Recreation Centers with automated catalogs	0	0	41	41
Percentage of Registrations taken on-line	0	0	25%	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, and continues at that level into 2007

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Donation Revenues	\$615,284	\$928,855	\$1,070,000	\$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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Permit Surveys Issued / Returned / % Satisfactory	1,500 / 235 / 95%	1,612 / 187 / 95%	1,625 / 225 / 96%	1,650 / 250 / 96%
Maintenance Work Orders / Completed / %	12,213 / 10,584 / 87%	7,031 / 6,553 / 93%	7,250 / 6,650 / 91%	7,500 / 6,750 / 90%

Performance Objective: Continue to provide high quality planning, design and construction management for new or renovated park facilities

Performance Indicator: Several new or renovated facilities will be constructed and open to the public every year

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of facilities constructed	18	21	26	20

Parks And Recreation

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from 2006	
						Mayor's Proposed	Adopted
Spending By Unit							
001 GENERAL FUND	22,443,522	23,085,748	23,203,241	24,176,420	24,236,154	59,734	1,032,913
325 P&R SPECIAL SERVICES ENTERP FUND	6,563,474	7,479,170	6,799,242	6,889,696	6,889,696		90,454
326 RICE AND ARLINGTON SPORTS DOME	194,193	2,915,801	0	0	0		
330 WATERGATE MARINA ENTERP FUND	25,631	10,968	7,550	7,550	7,550		
334 MIDWAY STADIUM	343,472	383,562	421,552	421,552	421,552		
361 JAPANESE GARDEN TRUST FUND	1,713	1,450	1,700	1,700	1,700		
365 PARKS & REC SPEC. PROJECTS FUND	1,248,488	1,160,480	1,551,710	1,551,710	1,551,710		
370 PARKS & REC SUPPLY & MAINTENANCE	864,983	1,286,315	1,268,388	1,491,379	1,491,379		222,991
375 STREET TREE MAINTENANCE	1,773,981	2,374,486	2,525,740	2,641,095	2,641,095		115,355
380 COMO CAMPUS	1,794,118	2,787,264	3,195,974	4,448,869	4,448,869		1,252,895
391 SPECIAL RECREATION FUND	1,010,841	1,465,782	1,691,893	1,610,170	1,631,938	21,768	-59,955
394 MUNICIPAL ATHLETIC ASSOCIATIONS' FD	607,299	472,421	618,087	618,087	618,087		
398 RECREATION CENTER ENTERPRISE ACCT.	856						
399 YOUTH PROGRAM FUND	7,028		15,000	15,000	15,000		
729 PARKS' OPPORTUNITY FUND	8,000	53,219	64,909	65,000	65,000		91
742 HILLER & LOIS HOFFMAN MEMORIAL	270		300	300	300		
860 PARKS & REC GRANT FUND	2,090,795	2,111,385	2,033,290	2,109,376	2,109,376		76,086
Total Spending by Unit	38,978,665	45,588,053	43,398,576	46,047,904	46,129,406	81,502	2,730,830
Spending By Major Object							
SALARIES	18,950,257	19,904,405	21,202,758	21,796,088	21,924,251	128,163	721,493
SERVICES	4,713,196	5,447,146	5,247,139	5,381,088	5,426,551	45,463	179,412
MATERIALS AND SUPPLIES	4,449,744	5,804,818	5,082,895	5,475,634	5,470,634	-5,000	387,739
EMPLOYER FRINGE BENEFITS	5,957,125	6,359,171	6,761,277	6,989,919	7,046,698	56,779	285,421
MISC TRANSFER CONTINGENCY ETC	1,601,882	4,266,571	2,066,807	2,213,492	2,190,260	-23,232	123,453
DEBT	314,089	304,388	801,830	819,364	819,364		17,534
STREET SEWER BRIDGE ETC IMPROVEMENT	1,339,800	1,915,246	1,493,813	2,837,202	2,837,202		1,343,389
EQUIPMENT LAND AND BUILDINGS	1,652,572	1,551,340	742,057	535,117	414,446	-120,671	-327,611
Total Spending by Object	38,978,665	45,553,085	43,398,576	46,047,904	46,129,406	81,502	2,730,830
Percent Change from Previous Year		16.9%	-4.7%	6.1%	0.2%	0.2%	6.3%
Financing By Major Object							
GENERAL FUND	22,443,522	23,085,748	23,203,241	24,176,420	24,236,154	59,734	1,032,913
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,538,961	1,564,341	1,639,355	1,451,105	1,451,105		-188,250
FEES, SALES AND SERVICES	3,153,176	3,422,771	3,590,463	3,585,209	3,585,209		-5,254
ENTERPRISE AND UTILITY REVENUES	6,050,993	7,241,221	8,257,854	8,564,343	8,564,343		306,489
MISCELLANEOUS REVENUE	1,130,092	1,664,457	2,060,255	2,397,181	2,397,181		336,926
TRANSFERS	4,145,475	8,098,802	4,756,866	6,312,812	6,312,812		1,555,946
FUND BALANCES			-109,458	-439,166	-417,398		-307,940
Total Financing by Object	38,462,219	45,077,340	43,398,576	46,047,904	46,129,406	81,502	2,730,830
Percent Change from Previous Year		17.2%	-3.7%	6.1%	0.2%	0.2%	6.3%

2007 Budget Plan

2007 Priorities

- Advance Second Shift concept: add additional Physical Education Program (PEP) grant sites, expand the Rec. Check program, & support Second Shift commissions.
- Work with staff and union representatives to complete re-organization of Recreation Services.
- Bring forward a Capital Improvement Bonding request for a Como Pool improvement project.
- Start a golf outreach program for the City's Latino community.
- Develop a marketing plan for Oxford Pool in anticipation of its re-opening.
- Work with the Heritage Foundation to develop a Winter Village at Harriet Island.
- Initiate design process and capital campaign for Polar Bear and Gorillas exhibit renovations.
- Increase Como Education class participation to 85% of capacity.
- Complete construction and open three artificial turf fields at Como Park's McMurray Fields.
- Continue development of regional trail facilities: complete construction of Lower Phalen Creek Trail and renovation of Como Regional Trails.
- Complete renovation of Raspberry Island.
- Develop master plan for National Great River Park
- Secure funding to continue Night Moves program.
- Fully implement on-line registration for recreation programs and classes.
- Continue moving forward with on-line accessibility for picnic permit information.
- Seek sustainable funding sources for Environmental and Arts/Gardening programs to correspond with increased demand for these services.
- Fully implement training tracking program to ensure staff maintain required training levels to meet job title requirements.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the 2007 anticipated growth in salaries and fringes related to the bargaining process. It also includes funding for: increased utility costs, for maintaining new park acreage, for maintaining new irrigation systems, and to maintain emergency fire systems in new facilities.

Mayor's Recommendations

The recommended 2007 General Fund budget of Parks and Recreation is \$24,176,420 which is \$973,179 greater than the adopted 2006 budget. In preparing the 2007 budget, the department had to absorb the \$538,349 2007 reduction allocation amount and a reduction of \$151,603 carried over from the 2006 budget. The majority of the 2007 increase is the result of salary and fringe benefit adjustments included in the 2007 base budget, a portion (\$134,237), is supported by additional revenues. The Mayor's proposed budget reorganizes recreation services to provide better services and hold down costs, shifting from a facility focus to a program focus. The plan will save \$309,647 in 2007. The budget reflects the changes above as well as a reduction for bottled water and cell phone expenses.

Overall, Parks and Recreation FTEs (General and special funds) decrease by 2.3 compared to the 2006 budget. General Fund FTEs decreased by 5.6 FTEs. 1.2 FTEs were moved from the General Fund to special funds, but 1.0 FTE was added for the Second Shift Coordinator position. The reorganization of recreation services resulted in a reduction of 5.9 FTEs.

Special fund FTEs increased by 3.3 due to adding 1.2 FTEs from the General Fund, adding a Marketing Coordinator for the Como Campus and adding instructors/teachers hours for the Como Campus Education Program. The campus staffing additions are largely financed by contributions from the Como Zoo and Conservatory Society.

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

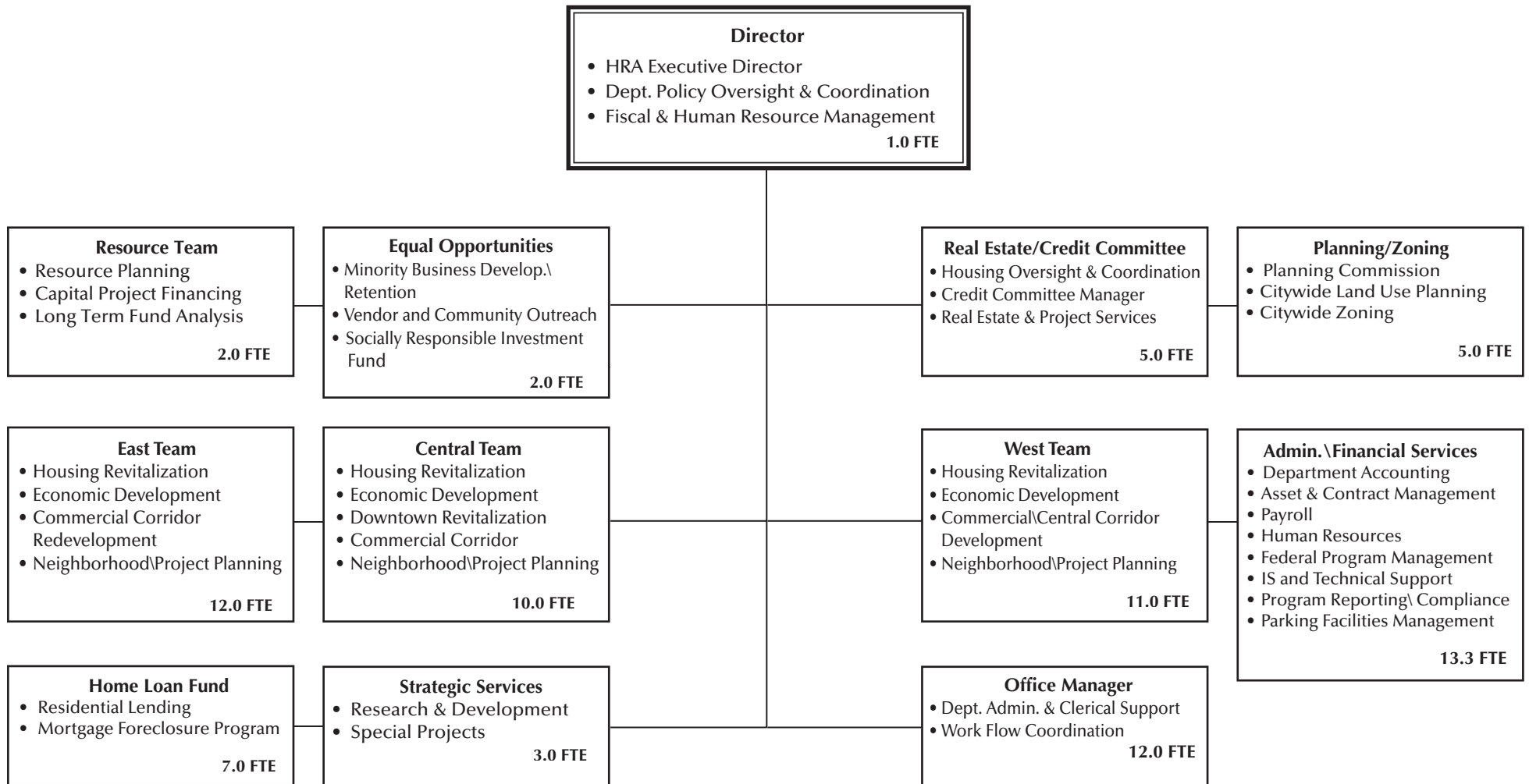
Council Actions

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

- Added a one-time net-increase of \$78,275 to maintain staff continuity during the recreation center reorganization.
- Restored \$5,362 for weed harvesting at Como and Phalen lakes.
- Shifted \$126,071 in General Fund capital spending to the new STAR capital program.
- Accepted technical changes to restore Music in the Parks due to adequate private donations.
- Accepted additional technical changes to shift \$20,000 from tort claims to workers compensation line items.
- Accepted technical changes for additional financing and spending related to a new marketing lease agreement for the Como Streetcar Station.

Planning and Economic Development

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



(Total 83.3 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 the tax base. We accomplish this through the production of new housing, rehabilitation and preservation of existing housing, and strategic commercial and economic development investment. These actions are guided by careful planning, community collaboration and inclusiveness. By building on past accomplishments, PED will successfully define and implement its future vision.
- PED staff provides 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 \$122 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 over \$80 million in Federal, State and local resources.
- PED's 2007 operations budget is \$8.5 million, supporting 83.3 FTEs. The department receives no general fund tax levy support.
- PED provides overall coordination, management, contracting and oversight for more than 200 neighborhood, community, business and economic development activities.
- PED is a public lending institution, with a 1,300+ portfolio valued at \$122+ million.

2005-2006 Accomplishments

- FY2006 is a transition year for PED, completing the final construction activities begun as part of the Housing 5000 Initiative, and moving into a more strategic community revitalization focus. This includes analysis and assessment of our neighborhoods in the greatest need, including housing revitalization and economic development along the commercial corridors.
- The emergence of the Central Corridor as a major initiative will require significant PED human and fiscal resources. Following up on last years' highly successful survey of University Avenue businesses, PED staff are providing a lead in coordinating the community long range visioning process, in assessing development potential and options, and in structuring the multi year development framework.
- Continued success of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships to increase technical and financial resources for women, minorities and small businesses. During 2006, the program has already established a new level of partnerships, including the first collaboration with Kaposia, Inc. to include handicapped artisans on a City sponsored housing construction project.
- Assisted in the financing and construction monitoring of the recently completed and opened Paul and Sheila Wellstone Neighborhood House, a \$25 million community center and recreation facility on the city's West Side.
- Provided strategic investment in public infrastructure and amenities, which in turn assisted private development in commercial corridors, including Mainstreet partnerships on Payne Avenue, Selby Avenue and District Del Sol.

Key Performance Measures

Performance Objective: Complete a comprehensive analysis of PED operations, to ensure staffing level, staff capacity, organizational structure and allocation of resources are optimized to achieve the mission and goals of PED and to increase PED effectiveness within the city and with our community partners

Performance Indicator: Study completed by 12/31/06; Implementation of recommendations by 12/31/07

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Complete Department Analysis			12/31/06	
Implement Recommendations				12/31/07

Performance Objective: Produce or preserve 1,000 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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
New and substantially rehabilitated housing units	1,804	1,596	1,100	1,000

Performance Objective: Complete 15 significant planning projects in 2007

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Completion of significant planning documents.	22	21	21	15

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Award 15% of TDC to MBE/WBE/SBE companies		15% Award	15% Award	15% Award
Assistance to Start Up Businesses		100	120	100
Provision of technical services to minority, women and small businesses		150	200	200
Financial Assistance to MBE/WBE/SBE		10	20	20

Performance Objective: Review, revise, and update community based subgrantee contract documents

Performance Indicator: Review, revise, and meet with each contract recipient to discuss contract terms, performance objectives

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Citizen Participation Agreements			4	15
Neighborhood STAR Agreements			12	30
Neighborhood Non Profit Human Service based Agreements			25	50

Planning & Economic Development

Department/Office Director: **CECILE M BEDOR**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	84,358	86,073					
100 COMMUNITY DEVELOPMENT BLOCK GRANT	6,703,285	8,038,361	11,350,000	10,348,000	10,348,000		-1,002,000
101 NEIGHBORHOOD REVITALIZATION PROG	1,483,278	1,686,606					
126 PED OPERATIONS FUND	7,690,464	7,950,040	8,771,419	8,553,013	8,553,013		-218,406
133 HOUSING INFO OFFICE - PED	-9						
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	3,896,281	2,168,453					
925 CAPITAL IMPROVEMENT BOND FUND		8,585					
Total Spending by Unit	19,857,657	19,938,119	20,121,419	18,901,013	18,901,013	0	-1,220,406
Spending By Major Object							
SALARIES	4,940,833	4,933,168	5,426,913	5,348,711	5,348,711		-78,202
SERVICES	4,445,372	5,268,085	1,489,473	1,317,796	1,163,430	-154,366	-326,043
MATERIALS AND SUPPLIES	42,634	60,235	75,411	74,600	74,600		-811
EMPLOYER FRINGE BENEFITS	1,609,433	1,565,574	1,668,203	1,674,332	1,674,332		6,129
MISC TRANSFER CONTINGENCY ETC	8,811,939	7,661,057	11,446,419	10,470,574	10,624,940	154,366	-821,479
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	7,445	450,000	15,000	15,000	15,000		
Total Spending by Object	19,857,657	19,938,119	20,121,419	18,901,013	18,901,013	0	-1,220,406
Percent Change from Previous Year		0.4%	0.9%	-6.1%	0.0%	0.0%	-6.1%
Financing By Major Object							
GENERAL FUND	84,358	86,073					
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	7,189,907	7,481,464	9,350,000	8,348,000	8,348,000		-1,002,000
FEES, SALES AND SERVICES	8,089,428	8,461,749	8,726,768	8,317,212	8,317,212		-409,556
ENTERPRISE AND UTILITY REVENUES	28,200	26,561	2,000,000	2,000,000	2,000,000		
MISCELLANEOUS REVENUE	561,493	569,170					
TRANSFERS	5,618,669	1,997,464					
FUND BALANCES			44,651	235,801	235,801		191,150
Total Financing by Object	21,572,055	18,622,481	20,121,419	18,901,013	18,901,013	0	-1,220,406
Percent Change from Previous Year		-13.7%	8.0%	-6.1%	0.0%	0.0%	-6.1%

2007 Budget Plan

2007 Priorities

- Focus economic development activities on increasing investment, promoting partnerships, creating jobs and sustaining the tax base.
- More closely integrate city planning efforts with emerging development priorities.
- Ensure that scarce financial resources are utilized on activities which best support the goals and objectives of the Mayor and City Council.
- Produce and preserve 1,000 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 (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 1,000 Business Retention, Expansion and Recruitment calls.
- Expand the efforts of the Minority Business Development and Retention Program and Small Business Expansion Programs, and increase participation in departmental vendor awards to 15% of total development costs.
- Complete professional planning work on 14 major plans and 7 smaller plans.
- Pursue federal, state and local funding opportunities and create new intergovernmental partnerships.
- Engage community and business groups, and encourage involvement by all sectors of the community to promote responsible decision making.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services.

Mayor's Recommendation

The proposed budget for Planning and Economic Development for 2007 is \$18,901,013, compared to \$20,121,419 in 2006. This is a decrease of \$1,220,406. The department budget is entirely in special funds, PED receives no direct general fund resources.

The department budget is split between the Operations Fund (\$8,553,013) and the Community Development Block Grant (\$10,348,000). The Operations Fund budget for 2007 is \$218,406 less than the 2006 adopted budget, and \$447,003 less than the 2007 base budget. The proposed 2007 PED staff complement is 83.3 FTEs, or 2.8 FTEs less than 2006. The 2007 budget for the Community Development Block Grant is down \$1,002,000 from the 2006 level, and reflects this loss of federal funding.

Council Actions

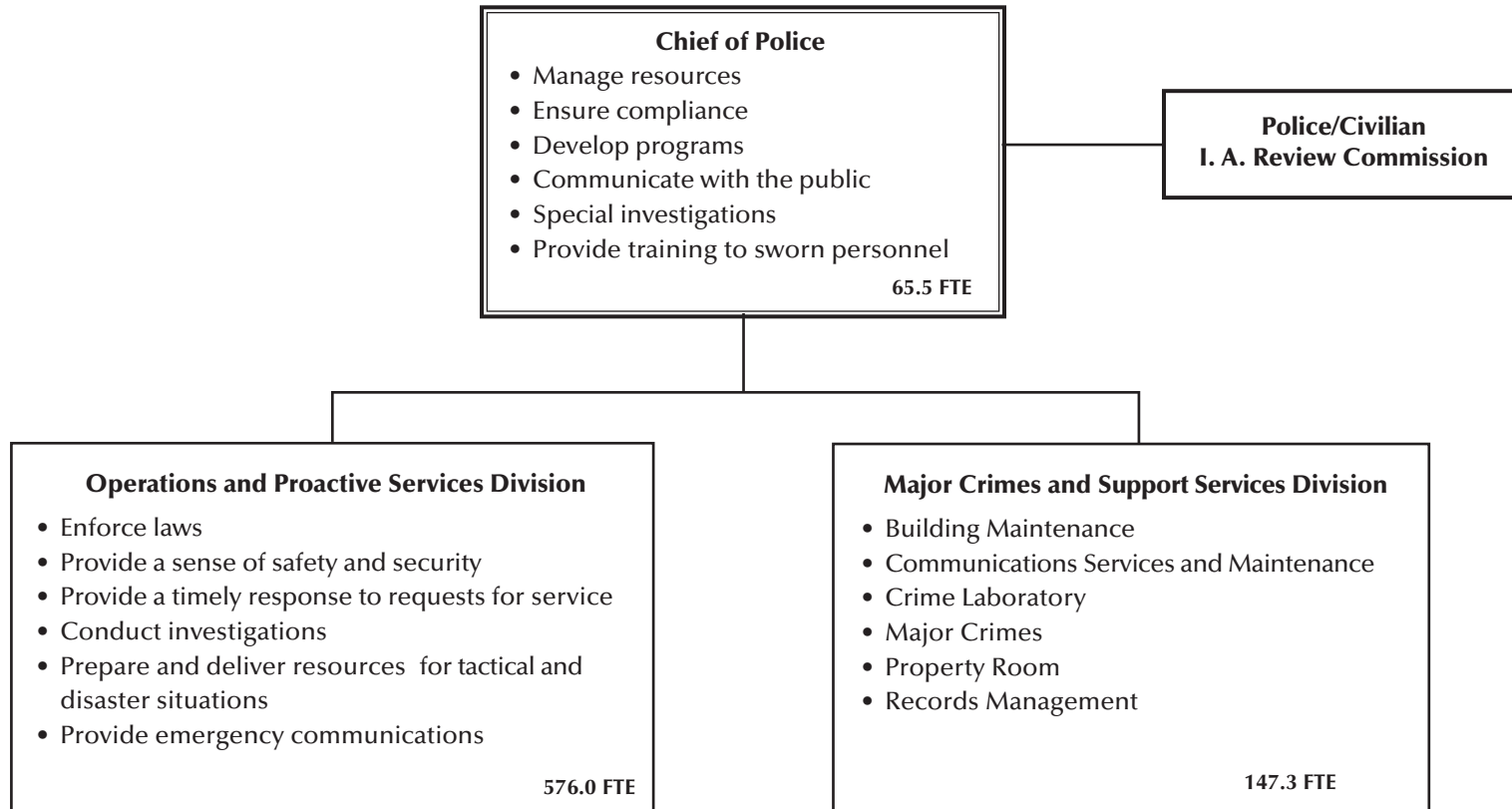
The City Council adopted the Planning and Economic Development budget and recommendations as proposed by the Mayor and approved the following changes:

- Added one-time financing of \$97,219 to recognize interest earned on an advance in prior years to the RiverCentre & Visitors Authority from Cultural and Neighborhood STAR 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 788.8 FTEs)

1/29/07

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, until consolidation with Ramsey County is completed.
- Ensure 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 shops and second hand dealers for compliance with laws.
- Oversee alarms 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.
- Actively pursue grant opportunities and administer grants related to law enforcement.

2005-2006 Accomplishments

- Thirty-four grants and grant-related contracts were awarded in 2005. These grants, including grant matching funds, totaled \$3,886,892.
- Established a gang unit to prevent, intervene and investigate criminal gang activity.
- Received recognition from the State of Minnesota for work on the Safe and Sober grant, dedicated for reducing deaths and injuries caused by traffic crashes.
- 100% conviction rated on felony DWI cases presented.
- Mobile Tactical Enforcement (MTE), 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 district councils and local colleges on the Zero Adult Providers (ZAP) program to reduce underage drinking.
- Organized 50 new block clubs in 2005.
- Employees fluent in Hmong and Spanish were hired for the Emergency Communications Center, improving our ability to interact with the community.
- 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 19 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.
- Operations division focused heavily on neighborhood and violent crime problem-solving initiatives, including enhanced reliance on crime mapping and resource sharing among units within the division designed to leverage more effective use of personnel. The division also placed emphasis on interaction with the community designed to improve the police department's level of service and accountability to the community. Operation CARE (Comprehensive Area Reclamation Enterprise) and the Community Crime Prevention Project were the main vehicles.

Key Performance Measures

Performance Objective: Provide initial response to all citizen calls for service, conduct investigations, enforce laws, and instill a sense of safety and security in the city

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

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Total Police Incidents	259,175	273,422	276,537	280,000
Total Arrests	16,345	15,722	17,914	17,000
911 Calls	264,316	379,247	401,158	400,000
Tags	149,212	186,699	160,000	165,000

Performance Objective: Work with the community to address crime and quality of life issues and to maintain and promote positive interaction with the community

Performance Indicator: Meetings and neighborhood patrols

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Community meetings	282	348	400	400
Neighborhood patrols	1,954	2,500	3,000	3,000
Police Civilian Internal Review Commission meetings	12	9	9	11
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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of grants awarded	24	31	34	25
Value of grants awarded	\$3,347,937	\$3,885,355	\$3,886,892	\$3,000,000

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

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

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Part I Arrests	2,435	2,370	2,500	2,500
Part I Actual Offenses	15,920	15,671	16,136	16,900
Quality of Life Calls for Service	34,848	36,198	37,700	37,000

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

Performance Indicator: Cases assigned and cases cleared by arrest

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Cases Assigned	53,934	62,444	62,200	63,000
Cases Cleared by Arrest	13,641	15,231	15,785	16,000

Police Department

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

	2004	2005	2006	2007	2007	Change from	
	2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2006
	Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted
Spending By Unit							
001 GENERAL FUND	58,265,827	61,931,291	66,380,718	66,876,925	68,019,378	1,142,453	1,638,660
400 POLICE SERVICES (PENSION ASSETS)	549,912	220,712	375,171	151,302	151,302		-223,869
405 CRIME LABORATORY SPECIAL REV FUND	59,725	91,863	55,436	63,522	63,522		8,086
420 PARKING ENFORCEMENT	1,356,656	1,271,363	1,459,346	1,493,076	1,461,368	-31,708	2,022
435 VEHICLE IMPOUNDING: POLICE LOT	2,059,323	2,565,512	2,930,148	2,999,905	2,999,905		69,757
436 POLICE-SPECIAL PROJECTS	4,955,173	6,204,087	7,559,390	6,919,732	7,632,260	712,528	72,870
733 POLICE OFFICERS CLOTHING TRUST FUND	535,589	532,781	562,622	565,561	585,217	19,656	22,595
Total Spending by Unit	67,782,205	72,817,610	79,322,831	79,070,023	80,912,952	1,842,929	1,590,121
Spending By Major Object							
SALARIES	42,860,305	45,058,337	49,389,343	47,035,553	47,952,404	916,851	-1,436,939
SERVICES	4,982,068	5,851,817	5,753,568	7,669,939	8,008,393	338,454	2,254,825
MATERIALS AND SUPPLIES	3,029,736	3,102,836	3,372,631	3,520,461	3,551,696	31,235	179,065
EMPLOYER FRINGE BENEFITS	12,986,909	14,439,184	15,911,093	16,664,969	17,006,267	341,298	1,095,174
MISC TRANSFER CONTINGENCY ETC	1,361,471	1,701,870	2,499,335	2,148,323	2,181,039	32,716	-318,296
DEBT	1,081,874	1,100,243	1,135,217	1,108,684	1,108,684		-26,533
STREET SEWER BRIDGE ETC IMPROVEMENT	102,012	35,526	29,000	33,453	33,453		4,453
EQUIPMENT LAND AND BUILDINGS	1,377,829	1,525,097	1,232,644	888,641	1,071,016	182,375	-161,628
Total Spending by Object	67,782,205	72,814,910	79,322,831	79,070,023	80,912,952	1,842,929	1,590,121
Percent Change from Previous Year		7.4%	8.9%	-0.3%	2.3%	2.3%	2.0%
Financing By Major Object							
GENERAL FUND	58,265,827	61,931,291	66,380,718	66,876,925	68,019,378	1,142,453	1,638,660
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS		201,529	279,272	284,545	284,545		5,273
INTERGOVERNMENTAL REVENUE	2,850,325	3,559,784	3,346,657	3,255,233	3,758,849		412,192
FEES, SALES AND SERVICES	4,036,553	4,834,915	5,164,827	5,246,761	5,294,069		129,242
ENTERPRISE AND UTILITY REVENUES	51,563	50,641	49,749	49,689	49,689		-60
MISCELLANEOUS REVENUE	644,087	563,919	351,978	428,802	430,406		78,428
TRANSFERS	2,004,522	2,058,194	2,281,449	2,322,572	2,310,520		29,071
FUND BALANCES			1,468,181	605,496	765,496		-702,685
Total Financing by Object	67,852,877	73,200,273	79,322,831	79,070,023	80,912,952	1,842,929	1,590,121
Percent Change from Previous Year		7.9%	8.4%	-0.3%	2.3%	2.3%	2.0%

2007 Budget Plan

2007 Priorities

- As resources allow, the department will continue to maintain the climate of safety and security in the city. Once the budget is established, 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 reach out to the immigrant population.
- Implement the 800 megahertz communication system.
- Merge ECC with the county.
- Participate and lead in the efforts in the state to reduce human trafficking.
- Enhance intelligence function: evaluation, analysis, storage and dissemination.
- Increase outreach into East African communities.
- Expand "Tele-serv" to provide better service to the community.
- Continue working on the procurement of land for the new west district office and begin the building process.
- Implement the FLARE Grant which was awarded to our department by the Department of Justice.
- Participate in a community based domestic abuse service center.
- Training of technical staff on new technology with migration to 800 MHz system.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth for 2007 in employee salaries and fringes related to the bargaining process. It also includes 2% inflation growth on goods and services.

Mayor's Recommendation

The proposed budget for Police is \$66,876,925 in the general fund and \$12,193,098 in special funds, for a total budget of \$79,070,023. The general fund budget is \$496,207 higher than in the 2006 budget. Sworn positions budgeted in the general fund are 547.2 FTEs, up from 540.6 in 2006 and 526 in 2005. The budget maintains the additional \$1,000,000 for overtime added in the 2006 budget and adds another \$100,000 in police overtime for proactive service and enforcement during the summer. Other increases also included in this budget are: roughly \$90,000 more for vehicle fuel, and \$64,253 more for 800 MHz telecommunications costs. The lease of additional squad cars for 2007 will be deferred for a year, and an appropriate amount of savings reflecting turnover or vacancies from senior- to entry-level officers due to normal retirement patterns will be recognized. This budget also reflects the early stages of the consolidation of the City's emergency communications center with Ramsey County. Support staff for the computer aided dispatch system have been added as a part of the Office of Technology and Communications budget. Total general fund and special fund FTEs for 2007 are at 767.8, up from 760.1 in 2006. The proposed budget reflects the changes as indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

Statistical Profile

- | | |
|--|---------|
| • Population served: | 287,000 |
| • Number of full-time sworn employees per 1,000 inhabitants based on 581 authorized sworn full-time positions (2007) | 2 |
| • Ratio of sworn managers to sergeants and officers | 1:21 |

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

Council Actions

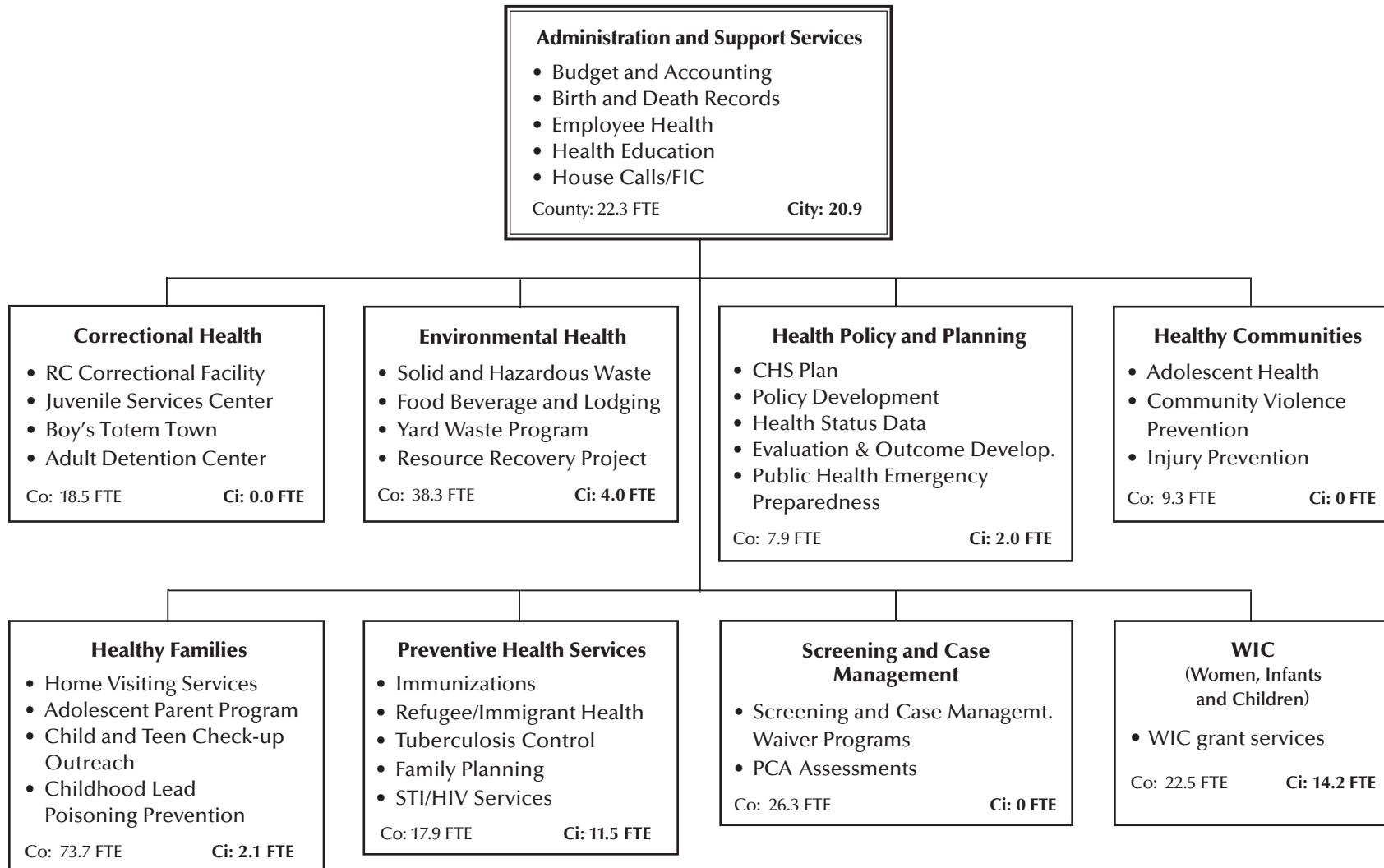
The City Council adopted the Police Department budget and recommendations as proposed by the Mayor, and approved the following changes:

- added funding for a new sergeant and new police officers; bringing the total budgeted sworn complement to 602 FTEs,
- added funding for targeted overtime enforcement;
- shifted some planned equipment purchases from the General Fund and one special fund to STAR financing and the new STAR Capital project equipment program;
- moved some funding in the department's budget from tort liability to worker's compensation;
- accepted technical changes to revise grant budgets, carrying 2006 funding over into 2007 for: COPS MORE, Secure Our Schools, African American Immigrant & Muslim Healing, Urban Area Security Initiative, and the St. Paul Police Foundation;
- accepted technical changes to revise grant budgets, adding new grants awarded after the proposed budget was submitted for: Minnesota Military Affairs; and
- accepted technical changes to revise the estimate for the State reimbursed 911 fee.

The 2007 adopted budget is \$68,019,378 for the general fund and \$12,893,574 for special funds, which includes 718.2 FTEs in the general fund and 70.6 FTEs 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 291.4 FTEs)
 City = 54.7 County = 236.7

07/21/06

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**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
304 PUBLIC HEALTH SERVICES	1,623,168		0	0	0		
305 PUBLIC HEALTH SPEC REV FUND	2,208,450	3,840,090	4,095,050	4,131,922	4,131,922		36,872
Total Spending by Unit	3,831,618	3,840,090	4,095,050	4,131,922	4,131,922	0	36,872
Spending By Major Object							
SALARIES	2,857,924	2,864,086	3,095,939	3,093,787	3,093,787		-2,152
SERVICES	12,110	11,461		11,295	11,295		11,295
MATERIALS AND SUPPLIES							
EMPLOYER FRINGE BENEFITS	961,584	964,544	999,111	1,026,840	1,026,840		27,729
MISC TRANSFER CONTINGENCY ETC							
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	3,831,618	3,840,090	4,095,050	4,131,922	4,131,922	0	36,872
Percent Change from Previous Year		0.2%	6.6%	0.9%	0.0%	0.0%	0.9%
Financing By Major Object							
GENERAL FUND							
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	3,831,618	3,840,090	4,095,050	4,131,922	4,131,922		36,872
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS		53,497					
FUND BALANCES							
Total Financing by Object	3,831,618	3,893,587	4,095,050	4,131,922	4,131,922	0	36,872
Percent Change from Previous Year		1.6%	5.2%	0.9%	0.0%	0.0%	0.9%

2007 Budget Plan

2007 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.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated 2007 growth in salaries and fringes related to the bargaining process.

Mayor's Recommendations

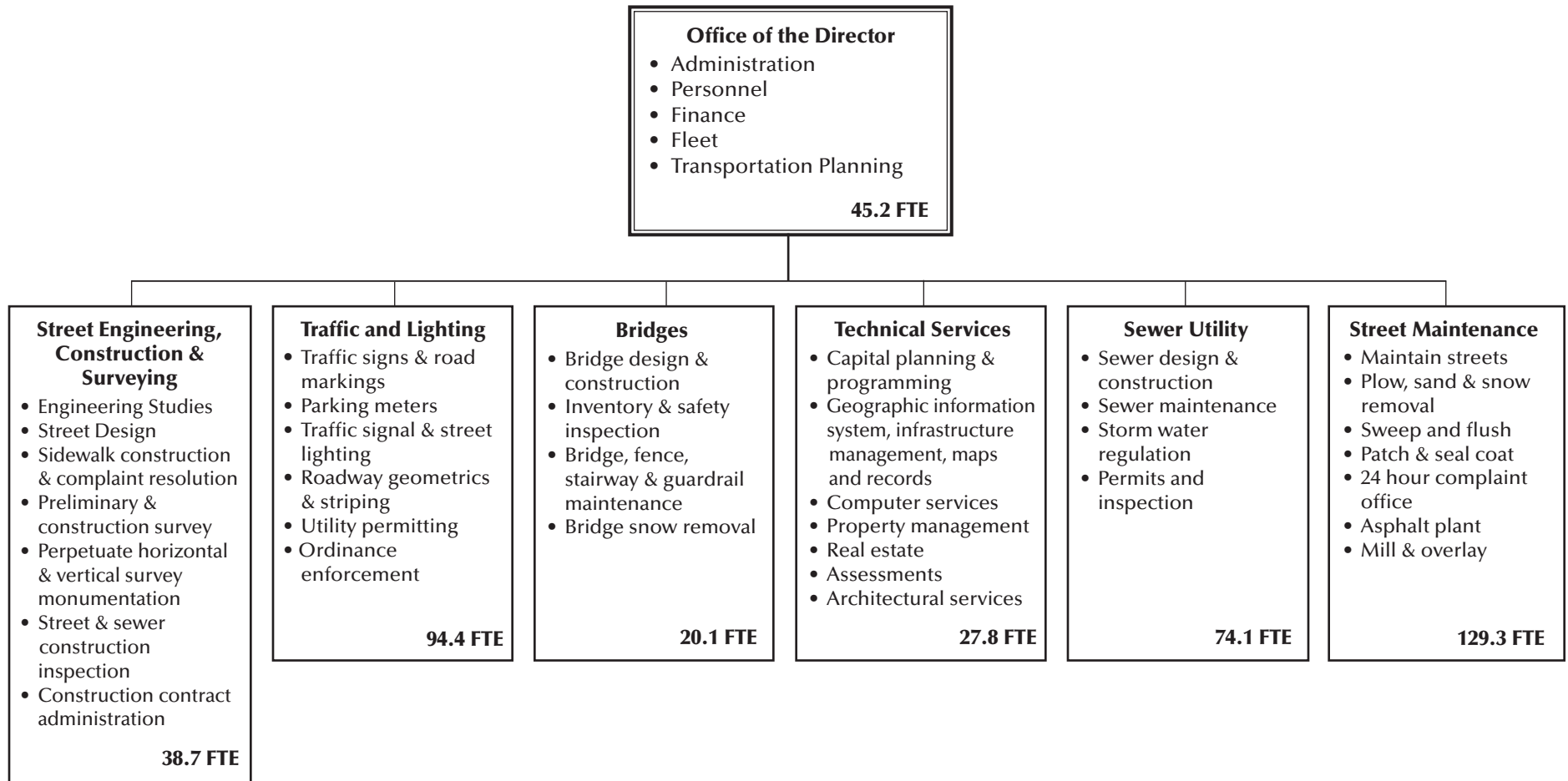
The Public Health proposed budget for 2007 is \$4,131,922, representing an increase of \$36,872 from the 2006 adopted budget. The 2007 budget was prepared by the Office of Financial Services based on information from the Saint Paul-Ramsey County Health Department. The budget reflects the 54.7 FTEs still on the City's payroll. This is 5.2 FTEs less than 2006. 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 Council adopted the Public Health budget as proposed by the Mayor.

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 429.6 FTEs)

5/30/06

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.

2005-2006 Accomplishments

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

- Entering the ninth consecutive year (2006) funding approximately \$6.2 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;
- Elevated the importance of worker safety, including the purchase of two roadway crash attenuators;
- Chip sealed streets and alleys in 12.5% of the City on an annual basis (an eight-year cycle);
- Began a pilot program of training underserved members of our community and providing good paying summer temporary employment;
- Completed one RSVP project in 2005 (Edmund/Galtier) and will complete two two-year projects in 2006 that began in 2005: (Baker/Bellows and Arlington/Pascal); and
- Began two new RSVP projects in 2006: Orange/Park and Chatsworth/Goodrich.

Statistical Profile

- Sewer Utility Bond Rating maintained by Standard and Poor's of AAA and was upgraded to Aa2 by Moody's Investors Service.
- 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

Key Performance Measures

Performance Objective: Provide environmentally safe sewage transmission system to city customers at a reasonable price

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

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Residential Sanitary Sewer Rates per ccf	\$2.54	\$2.62	\$2.66	\$2.71
Average Annual Cost per homeowner (84 ccf)	\$213.44	\$220.8	\$233.44	227.64
Percent increase over prior year	5.0%	3.0%	1.5%	2.0%

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Residential ROW Maintenance Rate per foot	\$1.81	\$2.20	\$2.29	\$2.47
Average Annual cost per homeowner (50 ft)	\$90.50	\$110.00	\$114.50	\$123.50
Percent increase over prior years	15.3%	21.5%	4.1%	7.9%

Performance Objective: Continually renew street infrastructure assets

Performance Indicator: Miles of street reconstructed annually

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Miles of street reconstructed	10.2	8.1	15.2	8.4
Percent of total street miles	1.2%	1.0%	2.0%	1.0%

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Snow Emergencies	3	4	4	4
Tickets issued	10,741	10,427	13,769	13,769
Vehicles Towed	1,751	3,533	3,200	3,200
Snow removal time (hours)	24	24	24	24

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

Performance Indicator: Revenue mix and percentage General Fund

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
General Fund	\$5.1 M	\$5.2 M	\$4.2 M	\$4.3 M
Special Funds	\$108.0 M	\$118.3 M	\$119.3 M	\$118.3 M
Capital Programs	\$32.2 M	\$38.7 M	\$31.9 M	\$32.9 M
Total Annual Programs	\$145.3 M	\$162.2 M	\$149.4 M	\$155.5 M
Percent General Fund	3.5%	3.2%	2.79%	2.8%

Public Works

Department/Office Director: **BRUCE E BEESE**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed 2006 Adopted	
Spending By Unit							
001 GENERAL FUND	5,003,457	2,103,283	1,632,469	1,628,464	1,628,464		-4,005
205 PUBLIC WORKS ENGINEERING FUND	6,804,534	7,046,386	8,284,320	8,395,859	8,395,859		111,539
225 RIGHT OF WAY MAINTENANCE FUND	21,347,177	25,577,987	25,453,295	25,257,577	24,815,952	-441,625	-637,343
230 PARKING METER COLLECTION AND FINES	3,004,446	5,430,927	6,307,700	6,358,902	6,358,902		51,202
231 LIGHTING ASSESSMENT DISTRICTS	122,922	135,606	139,095	139,095	139,095		
232 SOLID WASTE & RECYCLING	2,404,212	2,553,250	3,281,430	3,284,017	3,284,017		2,587
235 RIGHT-OF-WAY	78,440						
240 TRAFFIC, SIGNAL, & LGHTG MTC	6,641,461	9,734,386	11,811,728	11,670,409	11,670,409		-141,319
245 ASPHALT PLANT INTERNAL SERVICE	1,827,130	1,906,467	2,608,051	2,624,674	2,624,674		16,623
250 PUBLIC WORKS EQUIPMENT SERVICE	4,755,933	5,133,738	5,738,965	5,784,564	5,784,564		45,599
255 PUB.WKS.ADMIN & SPPT.SERVICES	7,900,018	5,643,722	6,422,541	5,926,993	5,926,993		-495,548
260 SEWER UTILITY	40,973,717	42,803,340	49,211,808	54,200,316	54,217,510	17,194	5,005,702
Total Spending by Unit	100,863,447	108,069,093	120,891,402	125,270,870	124,846,439	-424,431	3,955,037
Spending By Major Object							
SALARIES	19,927,756	20,318,827	23,519,273	23,886,522	23,886,522		367,249
SERVICES	20,565,901	17,306,129	19,966,651	20,513,552	19,752,485	-761,067	-214,166
MATERIALS AND SUPPLIES	9,089,549	10,997,618	11,514,741	11,475,496	11,475,496		-39,245
EMPLOYER FRINGE BENEFITS	7,173,276	8,376,377	8,407,779	8,749,697	8,749,697		341,918
MISC TRANSFER CONTINGENCY ETC	33,431,971	39,350,723	39,025,156	48,798,847	49,135,483	336,636	10,110,327
DEBT	8,634,978	8,731,414	8,958,486	8,578,792	8,578,792		-379,694
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	2,040,016	2,988,006	9,499,316	3,267,964	3,267,964		-6,231,352
Total Spending by Object	100,863,447	108,069,093	120,891,402	125,270,870	124,846,439	-424,431	3,955,037
Percent Change from Previous Year		7.1%	11.9%	3.6%	-0.3%	-0.3%	3.3%
Financing By Major Object							
GENERAL FUND	5,003,457	2,103,283	1,632,469	1,628,464	1,628,464		-4,005
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS	1,070,191	1,118,983	1,155,000	1,210,000	1,210,000		55,000
INTERGOVERNMENTAL REVENUE	7,705,097	9,487,784	9,414,588	9,341,588	9,341,588		-73,000
FEES, SALES AND SERVICES	60,828,153	62,269,101	65,688,838	66,965,113	66,965,113		1,276,275
ENTERPRISE AND UTILITY REVENUES	25,851	22,070	29,000	17,000	17,000		-12,000
MISCELLANEOUS REVENUE	25,595,506	23,409,717	27,615,739	29,949,009	29,949,009		2,333,270
TRANSFERS	1,539,614	4,511,230	3,841,782	3,426,231	3,426,231		-415,551
FUND BALANCES			11,513,986	12,733,465	12,309,034		795,048
Total Financing by Object	101,767,869	102,922,168	120,891,402	125,270,870	124,846,439	-424,431	3,955,037
Percent Change from Previous Year		1.1%	17.5%	3.6%	-0.3%	-0.3%	3.3%

2007 Budget Plan

2007 Priorities

- Continue to improve citizen communications on snow emergency procedures to improve compliance and plowing efficiency;
- Continue to make use of innovative technologies in traffic control to make streets safer for all people in Saint Paul;
- Continue to improve the look of our streets by aggressively targeting litter and cleanliness activities;
- Complete the planned portions of our 2006/2007 Residential Street Vitality Program projects;
- Work with Eureka Recycling to further enhance and streamline recycling programs for increased citizen participation;
- Aggressively seek improvement in internal safety programs to continue the benefits realized in workplace safety and cost reduction;
- In alignment with citywide strategies to take the Department through an inclusive mission and vision process that discusses goals and the plan for getting there;
- To continue evaluation of particularly strenuous job duties to see if there are ways to minimize or eliminate work related injury; and
- To begin holding an annual all employee conference that will build department esprit de corps through training, motivation and shared experience.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on some goods and services. Allocated 2007 spending restraint for Public Works was \$8,947.

Mayor's Recommendation

The proposed general fund budget is \$1,628,464, a decrease of \$4,005 from the 2006 adopted budget. In addition to the allocated spending restraint of \$8,947, the department was required to reduce its general fund budget by an additional \$35,788. This was achieved by reducing spending for miscellaneous services and signing materials. The special fund budget is \$123,642,406, an increase of \$4,383,473. The proposed budget maintains the same level of services and includes additional spending to begin funding sewer tunnel rehabilitation estimated at \$3,000,000. It also includes additional spending to support the new Intergovernmental Relations activity, half of a new Hydrologist position, and one additional animal control officer for sewer baiting. The budget includes the elimination of two vacant special fund FTEs as well.

This budget reflects an increase of 7.9% in Right-of-Way Maintenance rates. The proposed Right-of-Way Maintenance budget eliminates all deferred spending added during the 2006 process and includes a base level of spending for sidewalk maintenance and tree boulevard maintenance. Additional spending for neighborhood cleanup was included in the proposed budget. The proposed Public Works budget also includes a 2% increase for Sanitary Sewer and Storm Sewer Charges. Increases in these rates provides additional revenues to help withstand increased spending due to inflation factors. Increased special fund spending provides a transfer of funds to the general fund as noted previously in this document under Special Fund Highlights. The proposed budget reflects the changes, as indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

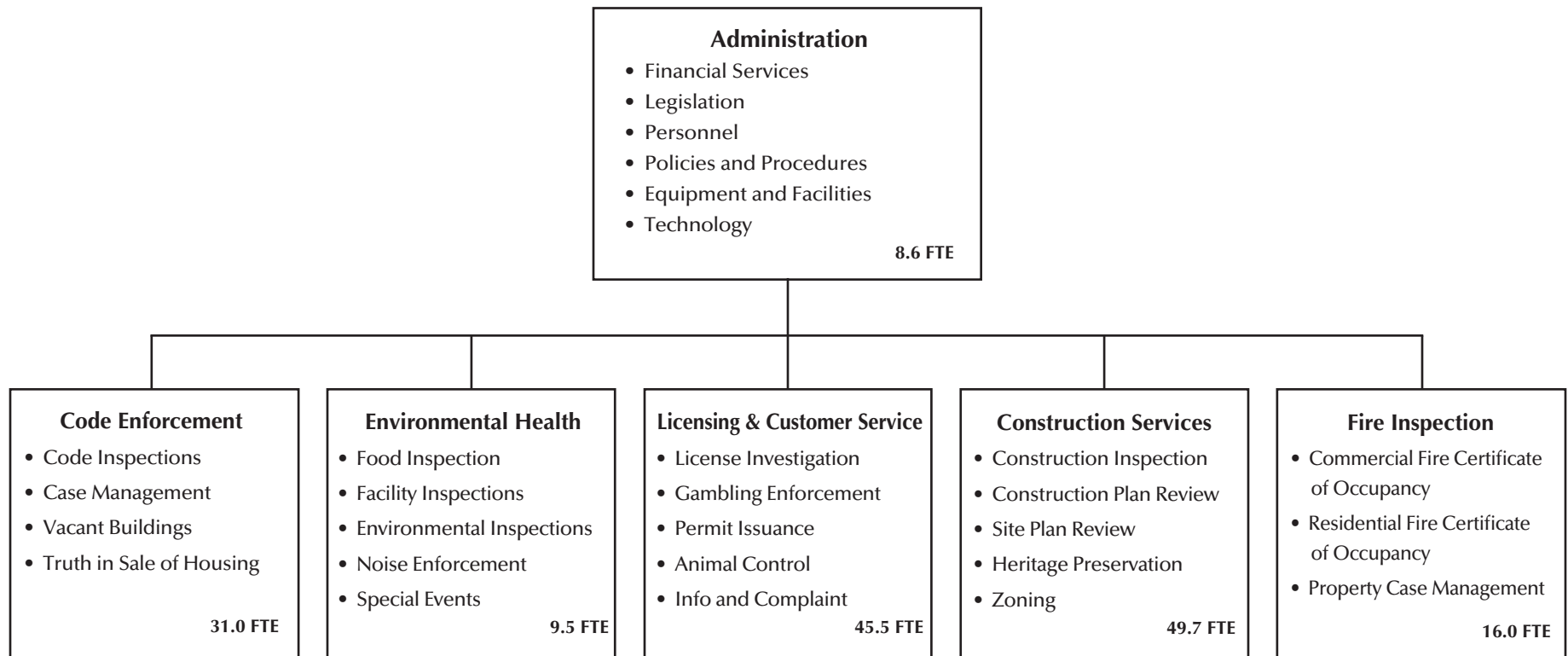
Council Actions

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

- Correct a WPA reimbursement to accurately reflect the revenue in the Debt Service Fund rather than the General Fund.
- Added \$17,194 in spending to cover overhead costs related to Animal Control - sewer baiting.
- Moved a portion of sidewalk maintenance spending to the Capital Improvement Budget and included funding for debt service payments. (Net reduction of \$441,625 in the Right-of-Way Maintenance Fund.)

Safety and Inspection

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



(Total 160.3 FTEs)

1/28/07

About the Department of Safety and Inspection

What We Do (Description of Services)

Creation of the Department of Safety and Inspection:

The Adopted 2007 Budget establishes a new Department of Safety and Inspection (DSI) through the consolidation of separate units: The Office of License, Inspections and Environmental Protection (LIEP), the Citizen Service Office (CSO), the Department of Neighborhood Housing and Property Improvement (NHPI), and the Fire Inspection component of the Department of Fire and Safety.

One of the driving forces behind the creation of the new department is the need to find a permanent home for code enforcement. The code enforcement function, which has the responsibility for all exterior properties and all one- and two-family dwellings in the City, has been moved from department to department over the last 20 years. The new department will solidify the code enforcement function along with all other major inspection functions of the City.

This consolidation of inspection services will increase both accountability and efficiency in enforcement of the various city and state housing, building, fire safety and related regulations. It will save the general fund nearly \$300,000 in the first year and, most importantly; it will improve the City's response to complaints and requests for service. For example, it will no longer be routine to send two or three different inspectors from separate city departments to investigate a single complaint. Inspectors will be cross-trained to deal with the entire situation; rather than a specific aspect of the complaint.

Statistical Profile

- Issued 28,000 permits, yielding 50,329 inspections
- Issued 5,454 online permits in 2005; 22% increase over 2004
- Conducted 4,402 restaurant inspections in 2005; 15% increase over 2004
- Total valuation of permits pulled in 2005 was \$634,039,335
- Initiated 289 adverse actions for license compliance violations; 28.72% increase over 2004
- Code enforcement responded to 40,885 complaints, leading to 8,645 abatement orders.

2005-2006 Accomplishments

We're proud of the following accomplishments for 2005-2006.

- Continued to increase the number of building permits completed on-line (22% increase from 2004 to 2005).
- Successfully established and implemented the State Fair Vending Overlay District.
- Revised the web site to make it more user friendly and less cumbersome for customers.
- Added resources to the Heritage Preservation Commission.
- Created the Ad Hoc Committee on Housing and Property Code Enforcement to make recommendations on the future of Code Enforcement.
- Established administrative guidelines and implemented the smoking ban ordinance to regulate issues that have come up such as a 100% increase in the number of outdoor patios being constructed. As a result of successful implementation, Saint Paul has had one violation of this ordinance to date.
- Increased staffing for the project facilitator and site plan review sections to assist customers in dealing with complex rules and regulations.
- Initiated a study of all fees collected in former Office of LIEP.
- Increased the number of proactive activities in the form of neighborhood Sweeps, and "Walk and Talk" events in addition to the normal complaint-based system.
- Continued use of Excessive Consumption billings and Rental Certificate Revocations which have been effective tools for gaining compliance with Code Enforcement goals.
- Initiated transformation of our Rental Registration program from a simple registration to a full Certificate of Occupancy inspection program.
- Initiated study to move Truth-in-Sale of Housing program from a "disclosure only" to some level of "hazard repair" upon the sale of a one or two family residence.
- Accommodated a dramatic increase in the number of vacant buildings identified and registered in Saint Paul.

Key Performance Measures

Performance Objective: Increase inspector productivity				
Performance Indicator: Increase number of field finds				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Average number of field finds per inspector per day	1.24	1.9	1.9	2.0

Performance Objective: Provide safe and healthy environment for 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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Critical deficiencies cited	1,510	1,733	1,900	2,000
Percent of total deficiencies that are critical	21.78%	22.05%	22.9%	23.8%
Total deficiencies cited	6,932	7,856	8,300	8,400

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of on-line permits sold	4,294	5,454	5,800	6,280

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:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Percent compliance with codes on first inspection	74%	79%	70%	70%
Permits issued	29,763	28,000	28,000	28,000
Construction Value (in millions)	860	634	650	650
Number of housing units facilitated	2,692	609	300	300

Performance Objective: Control for Costs				
Performance Indicator: Continue to reduce direct departmental costs per code enforcement inspection.				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Direct costs per code inspection	\$56.34	\$51.81	\$54.99	\$53.74

Safety & Inspection

Department/Office Director: **ROBERT W KESSLER**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed		2006 Adopted
Spending By Unit								
001 GENERAL FUND	3,506,214	3,753,926	2,816,246	3,834,900	5,061,804	1,226,904		2,245,558
040 PROPERTY CODE ENFORCEMENT	529,849	559,846	772,008	807,716	807,716			35,708
167 CHARITABLE GAMBLING ENFORCEMENT	349,185	295,566		209,645	209,645			209,645
320 LICENSE INSPECTIONS & ENV PROTECTIO	9,287,784	9,917,268		11,099,698	11,190,160	90,462		11,190,160
736 FIRE PROTECTION CLOTHING					8,522	8,522		8,522
Total Spending by Unit	13,673,032	14,526,605	3,588,254	15,951,959	17,277,847	1,325,888		13,689,593
Spending By Major Object								
SALARIES	7,894,972	7,918,838	1,845,046	8,962,554	9,980,383	1,017,829		8,135,337
SERVICES	2,452,992	3,009,042	867,445	2,925,589	2,751,740	-173,849		1,884,295
MATERIALS AND SUPPLIES	136,936	348,658	59,662	317,861	329,326	11,465		269,664
EMPLOYER FRINGE BENEFITS	2,993,086	2,916,334	576,513	3,248,692	3,487,029	238,337		2,910,516
MISC TRANSFER CONTINGENCY ETC	179,335	271,603	237,243	491,934	724,040	232,106		486,797
DEBT								
STREET SEWER BRIDGE ETC IMPROVEMENT			2,345	5,329	5,329			2,984
EQUIPMENT LAND AND BUILDINGS	15,710	62,131	0	0	0			
Total Spending by Object	13,673,032	14,526,605	3,588,254	15,951,959	17,277,847	1,325,888		13,689,593
Percent Change from Previous Year		6.2%	-75.3%	344.6%	8.3%	8.3%		381.5%
Financing By Major Object								
GENERAL FUND	3,506,214	3,753,926	2,816,246	3,834,900	5,061,804	1,226,904		2,245,558
SPECIAL FUND								
TAXES								
LICENSES AND PERMITS	10,032,427	8,670,499	4,300	9,044,201	9,044,201			9,039,901
INTERGOVERNMENTAL REVENUE								
FEES, SALES AND SERVICES	2,362,612	2,068,023	349,804	2,074,480	2,074,480			1,724,676
ENTERPRISE AND UTILITY REVENUES								
MISCELLANEOUS REVENUE	27,429	38,367	200,000	226,000	226,000			26,000
TRANSFERS	198,762	173,747	200,000	251,820	263,342			63,342
FUND BALANCES			17,904	520,558	608,020			590,116
Total Financing by Object	16,127,444	14,704,562	3,588,254	15,951,959	17,277,847	1,325,888		13,689,593
Percent Change from Previous Year		-8.8%	-75.6%	344.6%	8.3%	8.3%		381.5%

2007 Budget Plan

2007 Priorities

- Consolidate the Citizen Service Office, the Office of License Inspection and Environmental Protection, The Department of Neighborhood Housing and Property Improvement, and a portion of the Fire Prevention Division into a single organization called the Department of Safety and Inspection. This reorganization is intended to improve and maintain the City's housing stock by better coordinating the delivery of all code enforcement and inspection activities.
- The vision of the new department is to create a unified service- oriented organization, that exceeds customer expectations in the enforcement of the various housing, building, licensing, zoning, and fire protection regulations of the City of Saint Paul and the State of Minnesota. This ambitious vision can be achieved by implementing the following priorities:
 - The creation of a Safety and Inspection Transition Team that represents all employees and managers in the new organization to guide the transition from separate entities into a single, unified, organization.
 - The development of a change management plan to guide the process of changing procedures, norms, and inspection protocols for the new department.
 - The selection of a single location for the new department that is centrally located on a bus line with sufficient parking for both employees and the public.
 - The establishment of uniform enforcement guidelines and protocols that are applied across the entire city to all properties.
 - The cross-training of inspection staff to perform both code enforcement and C of O inspections, plus some zoning and business licensing duties and the assignment of field staff to geographically-based areas to improve communication and responsiveness.
 - The implementation of a comprehensive study and reclassification of job duties to reflect the assignment of new duties and responsibilities.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. A spending restraint of \$21,135 was applied to the budget to help control general fund spending. A net adjustment of \$220,000 was made to summary nuisance abatement ground maintenance spending and financing to more accurately reflect historical patterns. The \$1million fund balance transfer from the License and Permit fund to the general fund was removed, since it was a one-time measure to balance the '06 budget.

Mayor's Recommendation

The proposed 2007 general fund budget is \$3,834,900, which adds an additional animal control officer, financed through a transfer from the Public Works sewer fund. The budget also includes several changes related to department reorganization including: incorporating the Information and Complaint division from the Citizen Services Office, recognizing general savings totaling \$250,000, shifting a code enforcement inspector position to the License and Permit fund (\$72,648) and sharing the department director responsibilities with the License and Permit fund (\$44,712). It also includes a reduction in spending for bottled water and cell phone expenses.

The special fund budget is \$12,117,059. Changes include the absorption of one code enforcement position from the general fund and the creation of new positions for Soil and Water Conservation and Heritage Preservation. Contributions to the general fund also increase for PC replacement, intergovernmental relations services, and the general fund share of business license fees. Additional spending includes a one-time transfer of \$100,000 in fund balance to the general fund.

2007 Budget Plan (continued)

2007 Budget Explanation (Continued)

Council Actions

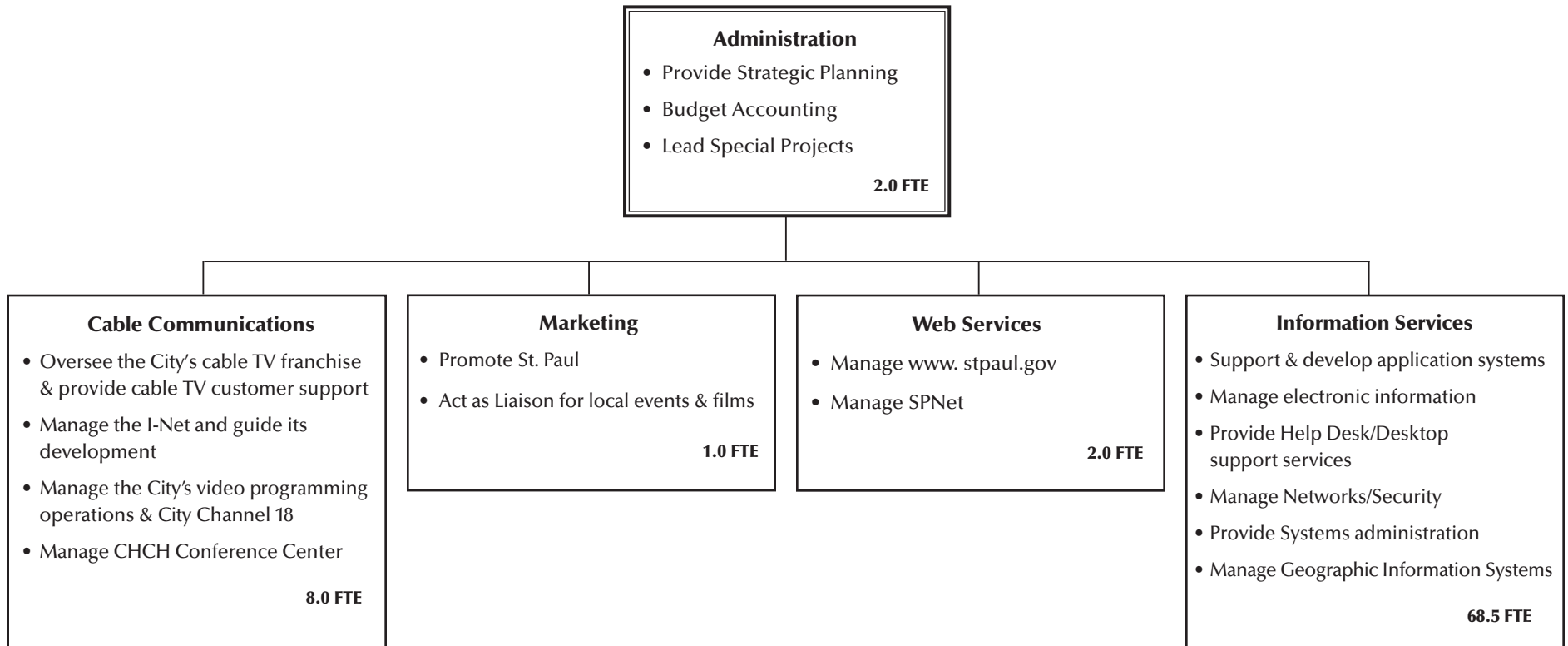
The City Council adopted the DSI budget and recommendations as proposed by the Mayor, and approved the following changes:

- Identified nearly \$300,000 in consolidation savings earmarked in the Mayor's Proposed budget including eliminating four vacant positions, eliminating a vacant intern position, shifting an additional inspector to the License and Permit fund and reducing services and supplies budgets in the Information and Complaint activity.
- Added \$3,000 for the Heritage Preservation Annual Awards banquet that was financed through additional consolidation savings.
- Incorporated the Fire Inspection functions from Fire and Safety Services totaling \$1,226,904 in spending, \$897,732 in financing and 17.0 FTEs.
- Recognized an additional transfer from the Sewer Fund totaling \$17,194 to cover overhead related to sewer rodent abatement.
- Added \$20,000 for matching funds for a Heritage Preservation grant financing through fund balance.

Office of Technology and Communications

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

- *Multiple information delivery channels*
- *High value content*
- *Effective partnerships*
- *Stable and efficient infrastructure*
- *Business process improvement*



(Total 81.5 FTE)

1/29/07

About the Office of Technology and Communications

What We Do (Description of Services)

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

- Work in partnership with City departments and offices to identify and implement cost-effective technology solutions to support business needs and objectives.
- Plan, develop and maintain a Citywide technology infrastructure that is accessible, secure, effective and reliable.
- Manage the city's internal and external web sites
- Research and monitor technology trends and identify applicability to the City's operations and 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 development of video communications by producing cable programs, public service announcements and educational videos.
- Provide public access to City and County meetings by broadcasting meetings on Channel 18 and the City's website
- Promote the City of Saint Paul as a destination of choice to live, work and play.
- Act as the primary liaison for film crews, movie producers and events for permits, licenses, locations and promotions.
- Serve as an information clearing house for citizens by responding to phone and e-mail requests for information.
- Record citizen complaints.

Statistical Profile

- Number of Help Desk Requests for 2005: 20,462
- In 2006 the ratio of IS staff to users was 49.6 to 1
- Over 270 miles of Institutional (I-Net) infrastructure
- 2,109 viewers watched part or all of a City Council meeting online, between July and December 2005
- Subscriptions to the GovDelivery reached 21,182 by July 2006

2005-2006 Accomplishments

The Office of Technology and Communications is proud of the following accomplishments.

- Successfully recruited and organized the "A Prairie Home Companion" movie premiere in Saint Paul.
- Created a partnership with Minneapolis to market the metro area as one regional destination.
- Submitted bids to host the Democratic or Republican presidential convention in 2008 and declared a finalist for both
- Migrated approximately 2,100 City users from WordPerfect to Microsoft Office and replaced more than 400 PCs
- Expanded and enhanced the use of AMANDA in LIEP, Public Works, Human Resources, PED, Parks and the City Council
- Implemented and supported Police Records Management System that enables wireless reporting and is used by the Saint Paul Police Department and six other local jurisdictions
- Facilitated and participated in the Broadband Impact Technology Study, which examined broadband technology needs from the perspectives of business, residents, education and City operations
- Completed two Comcast rate reviews for basic service and equipment rates, resulting in a refund of \$150,000 for Saint Paul subscribers and going forward to set a lower rate for several items
- July, 2005 launched live/archived web streaming services of the City Council meetings. April 2006 the web streaming services were upgraded to include indexing of all televised City meetings, with the user's ability to search/select individual agenda items
- In 2005, provided 252 hours of live City and County meeting coverage and produced 152 new video programs
- Between May 2005 and July 2006, received one NATOA national award for The Capital City Show, and three MAGC state awards for Capital City, Council Matters and the Katrina PSA
- Worked with the Mayor's Office and the Office of Financial Services to produce video and Budget Cruncher tool to educate public on the City's budget Issues.

Key Performance Measures

Performance Objective: Provide excellent customer service to internal business customers				
Performance Indicator: Customer Satisfaction with Help Desk Requests				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Customer Service rating response (average) (Rating of 1-5, with 5 being excellent)	4.45	4.68	4.69	4.69

Performance Objective: Provide service and information access to external customers via the city web site				
Performance Indicator: Traffic, number of services available and usage of services				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of Self-Help Services	N/A	6	10	11
Page Views	N/A	6,848,290	6,834,617	7,503,009
GovDocs Unique Subscribers	12,824	18,014	25,000	30,000

Performance Objective: Provide access to government processes and information through video communications				
Performance Indicator				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
City Council & Ramsey County Meeting Coverage (Hours)	295	249	240	250
Number of City Video Productions	123	152	150	150
Online Video Views	N/A	3474	10,000	15,000

Performance Objective: Respond to requests and complaints that pertain to city services and ordinance violations				
Performance Indicator: Recorded complaint requests in Amanda				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Citizen Complaints recorded	20,185	21,547	21,000	21,000

Performance Objective: Provide IS customers with the right information where and when they need it				
Performance Indicator: Accessibility of technology				
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Number of remote sites served by IS	114	130	132	132
Number of field/wireless units supported	291	441	441	471

Technology And Communications

Department/Office Director: **ANDREA T CASSELTON**

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
Spending By Unit							
001 GENERAL FUND	5,113,783	5,521,202	7,127,580	7,915,859	7,936,438	20,579	808,858
160 FMS-REAL ESTATE MGMNT FUND	3,523,598	296,530					
164 INFO SERVICES INTERNAL SERVICES FND			170,000	170,000	170,000		
166 CABLE COMMUNICATIONS SPEC REV FUND	1,936,120	2,729,051	2,763,098	2,619,478	2,895,478	276,000	132,380
626 CITY-WIDE DATA PROCESSING	1,511,424	1,597,228	151,351	469,090	169,090	-300,000	17,739
930 C.I.B. - PUBLIC WORKS	-3,200						
Total Spending by Unit	12,081,725	10,144,011	10,212,029	11,174,427	11,171,006	-3,421	958,977
Spending By Major Object							
SALARIES	4,047,331	4,202,298	4,471,264	5,042,431	5,058,119	15,688	586,855
SERVICES	1,885,426	1,692,378	1,864,221	2,173,435	1,782,521	-390,914	-81,700
MATERIALS AND SUPPLIES	168,361	657,454	319,646	339,037	339,037		19,391
EMPLOYER FRINGE BENEFITS	1,314,736	1,285,643	1,376,666	1,571,662	1,576,553	4,891	199,887
MISC TRANSFER CONTINGENCY ETC	4,536,228	1,907,939	2,048,312	1,915,942	2,251,856	335,914	203,544
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	129,644	398,298	131,920	131,920	162,920	31,000	31,000
Total Spending by Object	12,081,725	10,144,011	10,212,029	11,174,427	11,171,006	-3,421	958,977
Percent Change from Previous Year		-16.0%	0.7%	9.4%	0.0%	0.0%	9.4%
Financing By Major Object							
GENERAL FUND	5,113,783	5,521,202	7,127,580	7,915,859	7,936,438	20,579	808,858
SPECIAL FUND							
TAXES	1,720,207	1,798,266	1,760,000	2,095,000	1,950,000		190,000
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,596,394	1,695,267	263,779	283,023	283,023		19,244
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	998,452	990,047	356,670	243,300	438,300		81,630
TRANSFERS	2,744,550			300,000			
FUND BALANCES			704,000	337,245	563,245		-140,755
Total Financing by Object	12,173,386	10,004,782	10,212,029	11,174,427	11,171,006	-3,421	958,977
Percent Change from Previous Year		-17.8%	2.1%	9.4%	0.0%	0.0%	9.4%

2007 Budget Plan

2007 Priorities

- Continue to develop and implement the regional marketing plan in partnership with the City of Minneapolis
- Develop communications strategies for the city to be delivered via the website, video services and customer service
- Secure and facilitate large, media generating events in Saint Paul
- Implement and support a new CAD System in a consolidated Comm. Center serving Saint Paul, Ramsey County and other local jurisdictions
- Continue to examine, implement and support the use of technology to meet City and department strategic goals
- Expand the Office of Cable Communications services to not only include video programming, but use the OCC's creative talents to assist the City in delivering the City's messages in other media such as writing, website development, etc.
- Continue to improve www.stpaul.gov to better serve citizens by focusing content to reflect audience needs and improving site organization and navigation
- Examine and improve City IT Governance structure to facilitate the delivery of IT services
- Plan, develop and maintain a Citywide infrastructure that is accessible, secure, effective and reliable
- Facilitate and participate in the Broadband Advisory Committee. The committee will examine broadband technology needs from the perspectives of business, residents, education and City operations.
- Issue an RFP eliciting broadband solutions for the City of Saint Paul
- Continue to find ways to become more efficient and responsive to citizens.

2007 Budget Explanation

Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services. A spending restraint of \$39,971 was applied to the budget to help control general fund spending.

Mayor's Recommendation

The proposed general fund budget is \$7,915,859, an increase of \$788,279, or 11.1%, from the 2006 adopted budget. The increase is related to a variety of factors including the following: Addition of \$345,974 for 4.0 FTEs to serve as staff support for the new Computer-Aided Dispatch (CAD) system associated with the consolidated Comm. Center; addition of \$29,970 for 0.5 FTE to support library Wi-Fi services; and the absorption of a \$154,810 to accommodate the shift of Marketing from the former Citizen Services Office.

The special fund budget is \$3,258,568, which is \$174,119 more than the adopted 2006 budget. Changes include a reduction in the one-time fund balance transfer to the general fund of \$354,000, an increase in permanent cable franchise revenue transfer to the general fund of \$258,300, retention of \$195,000 from the cable franchise agreement for I-Net and PEG infrastructure improvements and \$300,000 for the purchase of a citywide document management system. The proposed budget reflects the changes indicated above, as well as a reduction in spending for bottled water and cell phone expenses.

2007 Budget Plan (continued)

2007 Budget Explanation (continued)

Council Actions

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

Administration and Information Services

- Removed \$300,000 in spending and financing for a document management system.
- Added \$20,579 to increase staff support of IS/wi-fi services in the libraries.

Cable Communications

- Recognized additional \$50,000 in cable franchise fee revenue that will be transferred to the general fund.
- Shifted \$31,000 in PEG capital projects from 2006 to 2007.
- Shifted PEG capital spending and financing into a separate activity within Cable Communications to better track those expenses.
- Added \$195,000 to Mayor's contingency spending, financed by fund balance, to cover lost revenue if PEG capital revenue does not materialize.

Appendices

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]

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

06-1112

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
Reduce the Central Tort Claims budget	(47,500)	
General Government Accounts	47,500	
General Government Accounts		Budget Neutral
General Government Accounts		
IGR budget refinements (info only, no dollar change)		
Mayor's Office		55,074
Grant to fund a portion of two salaries		(55,074)
Mayor's Office		
Eliminate revenue transfer from PED		(1,700,000)
Public Works		42,639
Correct WPA Reimbursement		1,700,000
Non Department Financing		150,000
Correct Property Tax Financing		45,800
Non Department Financing (from Debt Restructuring)		42,639
Non Department Financing		
Revise Hotel Motel Tax Financing estimate		5,400
Non Department Financing		5,400
Revise District Energy Financing estimate		(20,000)
Parks		20,000
New Lease Agreement for Como Streetcar Station	5,400	
Parks		21,768
Reduce Park's Tort Claims budget	(20,000)	
Parks		21,768
Increase Park's Worker's Compensation budget	21,768	
Parks		
Private donations to add back Music in the Parks		(81,500)
Police		81,500
Police		
Reduce Police's Tort Claims budget	(81,500)	
Police		50,000
Police		
Increase Police's Worker's Compensation budget	81,500	
Technology		3,000
Cable Fund transfer		(3,000)
Safety & Inspection		
HPC Annual Awards	3,000	
Safety & Inspection		
Reflect DSI Reorganization in the budget	(3,000)	
Safety & Inspection		
Reflect DSI Reorganization in the budget		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	
Add public safety spending (officers, sergeant, summer overtime, grant matches)		889,217
Non Department Revenue		
Increase Property Tax Financing for public safety spending		(206,593)
General Government Accounts	109,934	
Establish Worker's Compensation Contingency		(319,827)
Non Department Revenue		
District Energy Franchise		30,000
Non Department Revenue		
Shift Levy Financing to the Library General Fund		(206,593)
Non Department Revenue		
Shift LGA Financing to the Library Capital Budget		(319,827)
Non Department Revenue		
Reflect the STAR Capital Program (equipment)		
Fire		(725,000)
Shift general fund capital spending to STAR		
Fire		560,317
Shift special fund capital spending to STAR		
Police		(40,986)
Shift general fund capital spending to STAR		
Police		31,708
Shift special fund capital spending to STAR		
Non Department Revenue		166,989
Shift other capital spending to STAR		
Fire		(120,000)
Remove Funding for Fire Recruit Academy		
Fire		120,000
and place into Mayor's Contingency		
Fire		
Funding for rec center transition (one time)		75,000
Parks		
153,275		
Weed harvesting at Como and Phalen lakes-cosmetic costs		5,362
Police		
Add public safety spending (officers)		641,680
Non Department Revenue		
Reduce levy increase		(689,217)
Police		
Recognize savings from delayed hiring of officers	(347,458)	
Technology		32,800
Library wi-fi IS support (staff and overhead)	32,800	
Technology		
Delay IS support needs in 2007	(12,221)	
Safety & Inspection		
Transfer from Sewer Fund to cover overhead costs for animal control officers		17,194
City Council		
Eliminate projected transfer from the HRA		(79,522)
Non Department Revenue		
RCVA - interest on advance from Cultural STAR		16,203
Non Department Revenue		
RCVA - interest on advance from Neighborhood STAR		81,016
General Government Accounts		
COPP (funded through NIPP and a transfer from special funds)	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
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	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: 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: 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
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
Page 3 of 3

	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) and place funding for all Fire apparatus into Mayor's Contingency	Budget Neutral	
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.

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.