

# **Appendix**

# Council Action Adopting the City Property Tax Levy

# Council Action Adopting the City Budget (page 1)

Council File # 05-1162  
Green Sheet # 3028932

**RESOLUTION**  
CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Hart 39

Referred To: \_\_\_\_\_ Committee: \_\_\_\_\_ Date: \_\_\_\_\_

**SUBSTITUTE RESOLUTION**

1 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2006 budgets for the City of Saint Paul, and  
2  
3  
4 WHEREAS, the proposed 2006 General and General Debt Service budgets have been reviewed and approved or adjusted by the City  
5 Council, and  
6  
7 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  
8 the Library Board has made, and  
9  
10 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined, and  
11 adjusted by the City Council, 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 2006, 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 directs 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 directs the Office of Financial Services to complete and forward any state forms required  
24 identifying these adopted levies;

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

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

Requested by Department of: \_\_\_\_\_  
Office of the Mayor, Financial Services

By: Matt Smith, Director, Financial Services

Approval Recommended by Director of Financial Services: \_\_\_\_\_  
[Signature]

Form Approved by City Attorney: \_\_\_\_\_  
By: \_\_\_\_\_

Approved by Mayor for Submission to Council: \_\_\_\_\_  
By: \_\_\_\_\_

Adopted by Council: Date December 14, 2005

Adoption Certified by Council Secretary: \_\_\_\_\_  
By: Mary Erickson

Approved by Mayor: Date 12/15/05

By: Randy C. Kelly

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

Council File # 05-116  
Green Sheet # 3028931

**RESOLUTION**  
CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Hart 40

Referred To: \_\_\_\_\_ Committee: \_\_\_\_\_ Date: \_\_\_\_\_

1 WHEREAS, the Mayor has proposed budgets for the City of Saint Paul for the fiscal year beginning January 1, 2006, in accordance with  
2 the City Charter and Chapter 56 of the Administrative Code; and  
3  
4 WHEREAS, the City Council, after publication of the notice in the newspaper on December 6, 2005, participated in a public hearing on  
5 December 13, 2005, on the Mayor's Proposed 2006 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 2006 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 2006 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 2006 adopted budgets is hereby approved; and be it  
19  
20 FURTHER RESOLVED, that the adoption of the 2006 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, 2006, 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 2006 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 2006 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.

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

Requested by Department of: \_\_\_\_\_  
Office of the Mayor, Financial Services

By: Matt Smith, Director, Financial Services

Approval Recommended by Director of Financial Services: \_\_\_\_\_  
[Signature]

Form Approved by City Attorney: \_\_\_\_\_  
By: \_\_\_\_\_

Adopted by Council: Date December 14, 2005

Adoption Certified by Council Secretary: \_\_\_\_\_  
By: Mary Erickson

Approved by Mayor: Date 12/15/05

By: Randy C. Kelly

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

Council Action Adopting the City Budget (page 2)

05-1163

2006 Budget Balancing Status  
General Fund

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

Council Action Adopting the City Budget (page 3)

05-1163

2006 Budget Balancing Status  
General Fund

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

Council Action Adopting the City Budget (page 4)

05-1163

2006 Budget Balancing Status  
Special Funds and Debt

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

Council Action Adopting the City Budget (page 5)

2006 Budget Balancing Status  
Special Funds and Debt

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Policy Changes Proposed by the Mayor...

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

Council Changes to the Proposed Budget

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

Council Action Adopting the City Budget (page 6)

05-1103

2006 Budget Balancing Status  
Capital Improvement Budget

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

Council Changes to the Proposed Budget

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

Council Action Adopting the City Budget (page 7)

05-1103

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Policy Changes Identified by the City Council (Adopted 12-14-05)

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

## Glossary

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

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

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

### Fund type:

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

### Department:

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

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

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

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

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

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

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

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

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

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

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

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

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

*CIB.* Acronym for capital improvement budget.

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

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

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

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

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

## Glossary—Continued

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

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

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

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

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

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

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

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

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

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

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

*GIS.* Acronym for geographic based information systems.

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

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

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

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

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

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

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

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

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

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

## Glossary—Continued

*PED.* Acronym for planning and economic development department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## City of Saint Paul Budget Documents: General Description

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

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

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

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

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

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

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

### Budget Structure

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