



Mayor Coleman's 2011 Proposed Budget for the City of Saint Paul

Overview Presentation, August 11, 2010

Office of Financial Services



2011 Budget Overview—agenda

- 2011 budget environment
- Building the 2011 budget
 - Composition of the budget gap
 - Revenue Adjustments
- Spending and financing overview
- Strategic areas of new spending growth



2011 Budget Environment

- LGA historically budgeted at certified level
 - 2010 LGA was budgeted \$12 million below certified level due to Governor's unallotment
 - 2011 certified LGA is **\$10 million** greater than 2010 budget
- LGA uncertainty remains
 - LGA unallotted or reduced mid-year in 2008, 2009 and 2010
 - State is facing a projected \$6 billion shortfall for the 2011-2012 biennium
 - Election year with statewide offices and full legislature on the ballot.



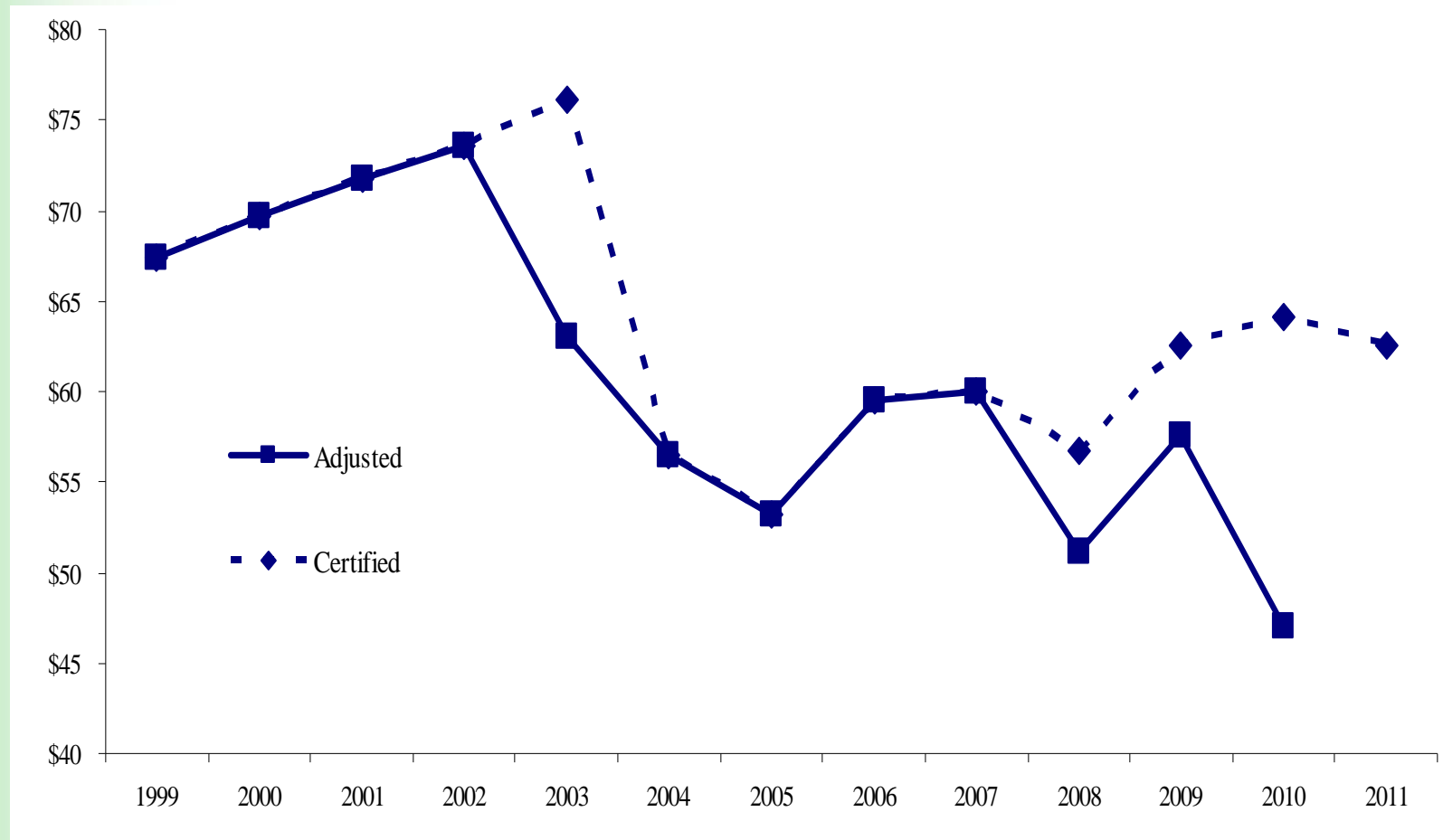
The City of Saint Paul has sustained significant state aid reductions in recent years

2008 unallotment	\$5.7 M
2009 unallotment	<u>\$5.0 M</u>
2009 mid-year budget amendment	\$10.7 M
2010 unallotment*	\$11.6 M
2010 legislative reduction	<u>\$5.4 M</u>
2010 revenue loss	\$17.0 M

*The 2010 unallotment was reflected in the City's adopted budget



2011 certified LGA is \$10 million greater than 2010 budget





Building the 2011 Budget

Net inflationary spending changes:	(\$ 5.0 M)
<u>Net revenue changes (before LGA):</u>	<u>(\$ 3.8 M)</u>
Budget Gap	(\$ 8.8 M)

<u>LGA growth per current law</u>	<u>\$ 10.0 M</u>
Available for strategic investments	\$ 1.2 M



Building the 2011 Budget

- Initial Spending Adjustments:
 - Salary inflation (steps, shifts, tails, etc.) \$2.1M
 - Fringe inflation (healthcare, pension, etc.) \$4.9M
 - Other shifts and reductions (\$2.0M)
 - **TOTAL: \$5.0M**



Building the 2011 Budget

- Revenue Adjustments:
 - Franchise Fees: \$650K
 - Reduce 2010 one-time resources (\$1.4M)
 - Paramedic Fees (\$1.4M)
 - Property Tax Shrinkage (\$400K)
 - DSI Fees (\$300K)
 - Other net revenue adjustments (\$950K)
 - **TOTAL: (\$3.8M)**



2011 Budget Highlights

- No net growth in City government
- No growth in the Levy
- No rate increases for ROW (only a surcharge for EAB), storm and sanitary sewer, recycling and business licenses
- Maintains structural balance in general fund
- Makes strategic investments in City services



City Government is not growing

Composite Summary - Total Budget

City of Saint Paul: All Funds

Composite Plan	2010 Adopted* Budget	2011 Proposed Budget	
City General Fund	211,065,203	216,646,096	
Library General Fund (a)	16,076,740	16,694,148	
City Special Funds	242,495,420	235,328,166	
Library Special Funds (a)	1,333,996	1,359,445	
Operating Subtotal:	<u>470,971,359</u>	<u>470,027,856</u>	
City Debt Service Funds	60,318,045	60,176,741	
Library Debt Service Funds (a)	1,165,075	1,356,075	
Debt Service Subtotal:	<u>61,483,120</u>	<u>61,532,816</u>	
Grand Total:	<u><u>532,454,479</u></u>	<u><u>531,560,672</u></u>	
Less Transfers	(49,991,897)	(45,690,650)	
Less Subsequent Year Debt	(13,246,007)	(16,290,958)	
Adjusted Spending Plan:	<u><u>469,216,575</u></u>	<u><u>469,579,064</u></u>	
	Change 2010-2011:	362,489	0.08%



City Government is not growing

Composite Summary - Workforce

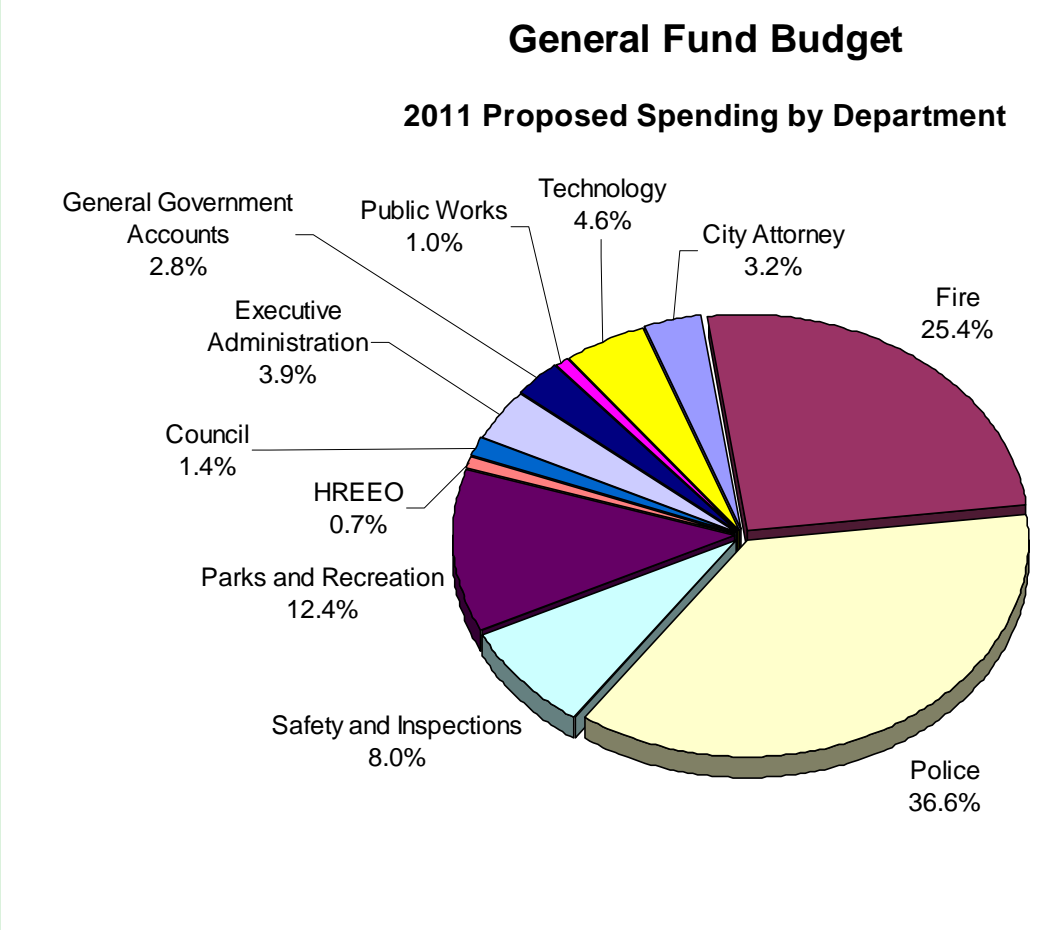
City of Saint Paul and Saint Paul Public Library Agency
Full Time Equivalents (FTEs)

Department	2010* Adopted Budget	2011 Proposed Budget
Total City and Library General Fund	<u>1,922.1</u>	<u>1,948.0</u>
Total City and Library Special Fund	<u>1,008.6</u>	<u>986.3</u>
Total	<u><u>2,930.7</u></u>	<u><u>2,934.4</u></u>

* In 2011, the City of Saint Paul moved to a new Chart of Accounts. FTE data is reported as if the new chart had been in place in 2009 and 2010.



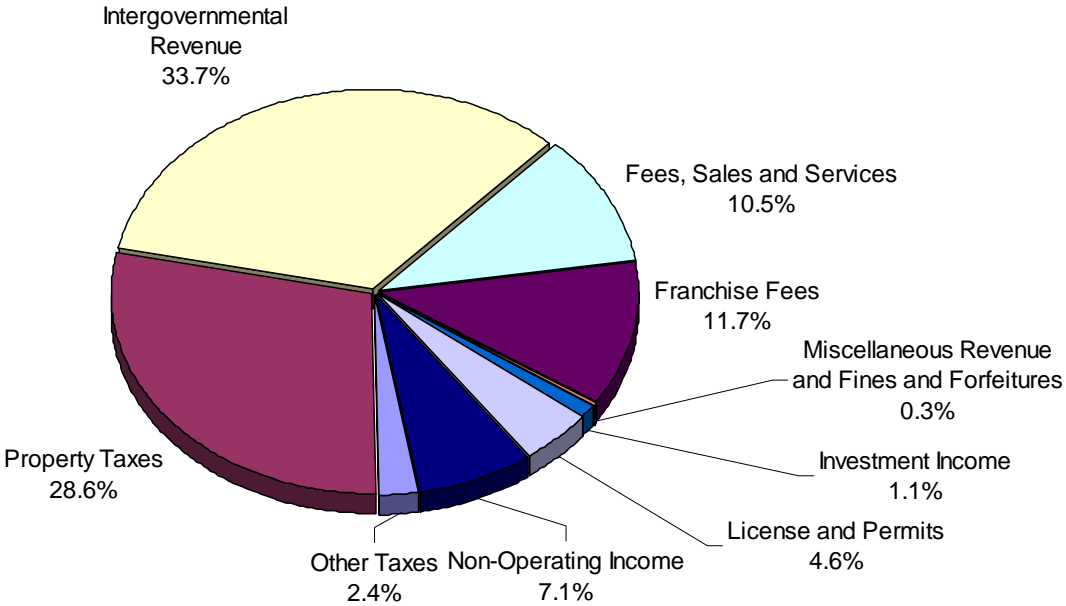
Two-thirds of General Fund spending supports public safety





Most General Fund revenue comes from state aids and property taxes

General Fund Budget
2011 Proposed Revenue By Source

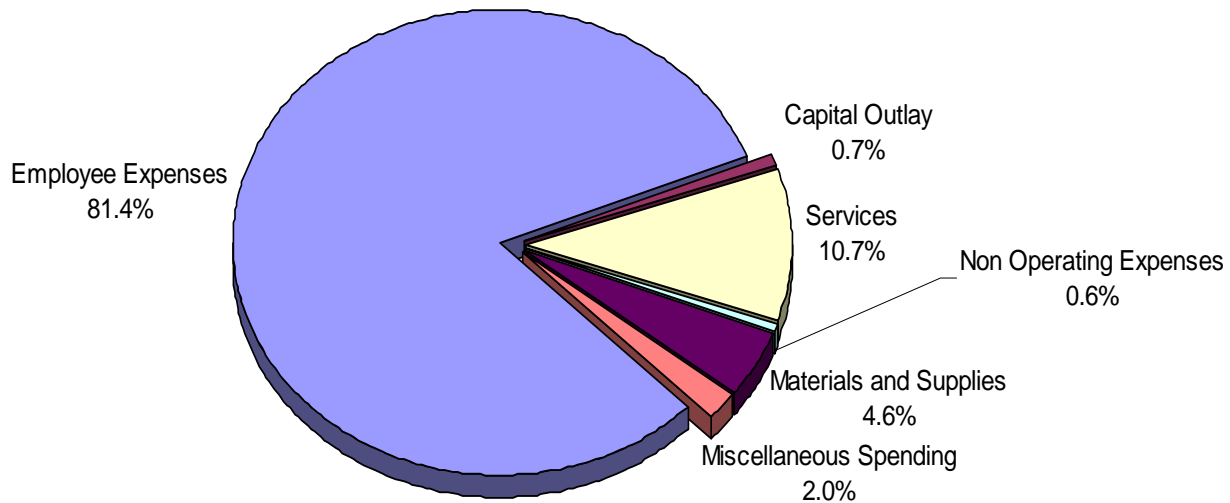




General Fund largely supports personnel expenses

General Fund Budget

2011 Proposed Spending By Major Object





Personnel expenses are the single largest budget pressure

General Fund Spending (By Major Account)		
Object	2010	2011
	Adopted Budget*	Proposed Budget
Employee Expenses	168,933,752	176,141,258
Services, Materials and Supplies	33,127,322	33,274,381
Other	9,004,129	7,230,457
Total	<u>211,065,203</u>	<u>216,646,096</u>



Personnel cost details

- Healthcare premium costs are projected to increase by nearly 10%
- Employer contributions to PERA increase per state law changes enacted in 2010
- No assumptions on COLA



2011 Budget Highlights

Public Safety

- Firefighter test validation study
- Enhance Police command structure
 - 6 Sergeants
 - 1 Commander – Safe Streets Initiative
- Police handgun replacement and training
- Support position for Police in-car cameras and CCTV



2011 Budget Highlights

Parks & Libraries

- Recreation services realignment
 - Greater mobility in service delivery
 - Greater capacity for programming and youth employment
 - Strengthening our partnerships with Saint Paul Public Schools
- Library facilities planning
- Library bilingual programming



2011 Budget Highlights by Department

Right of Way (ROW)

- No rate increases in 2011, only a 2.1 % surcharge for Emerald Ash Borer
- Service improvements include: pigeon control downtown, increased capacity for neighborhood plowing on non-snow emergency days and more timely stump removal.
- Financing improvements include less reliance on the CIB and better alignment of services with the appropriate funding source.

Sewer

- No rate increases in 2011
- Assistance with Central Corridor private sewer repairs



2011 Budget Highlights

Other Departments

- Technology Infrastructure improvements (e-mail archive, network back-up)
- Regional Economic Development Round Table
- Alternative transportation engineer in PW
- Citywide Organizational Development Staffing in HR
- Citywide Auditor in OFS
- Deputy Director for HREEO
- Transition planning for the new DSI director



Property Tax Levy Distribution

	<u>2010 Adopted</u>	<u>2011 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>
City of Saint Paul				
General Fund	65,811,437	65,133,601	-677,836	-1.0%
General Debt Service	9,761,438	9,815,389	53,951	0.6%
Saint Paul Public Library Agency	16,924,646	17,548,531	623,885	3.7%
Total (City and Library combined)	92,497,521	92,497,521	0	0.0%
Port Authority	2,111,700	2,111,700	0	0.0%
Overall Levy (City, Library & Port)	94,609,221	94,609,221	0	0.0%



City Fees on a Typical Household

\$155,500 home with a 7.5% decrease in value over 2010

Payment to the City:	2010	2011
City share of property tax (after credits)	\$546	\$526
Right of way maintenance assessment	\$158	\$158
ROW: EAB Surcharge	\$0	\$3
Sanitary sewer charges	\$281	\$281
Storm sewer charges	\$76	\$76
Recycling fee	\$32	\$32
Water charges (SPRWS)	\$194	\$205
Total direct billing for City services:	\$1,459	\$1,453



Residential Median Estimated Market Value Changes by Planning District

Planning District	Pay 2010 Median Value	Pay 2011 Median Value	% Change
Payen-Phalen	143,100	120,000	-16.14%
North End	136,100	115,700	-14.99%
Dayton's Bluff	121,100	105,000	-13.29%
Greater East Side	142,900	124,900	-12.60%
Thomas Dale	113,700	99,750	-12.27%
West Seventh	162,800	148,950	-8.51%
Hamline-Midway	170,300	159,200	-6.52%
Sunray-Battlecreek	159,100	150,100	-5.66%
Summit-University	171,100	161,850	-5.41%
West Side	153,900	146,600	-4.74%
St. Anthony Park	299,800	286,800	-4.34%
Merriam	259,000	249,100	-3.82%
Como	207,000	199,900	-3.43%
Highland	278,000	269,500	-3.06%
Summit Hill	417,000	412,900	-0.98%
Macalester-Groveland	264,900	263,400	-0.57%
Downtown	337,000	352,100	4.48%
Citywide Average	168,100	155,500	-7.50%

Source: Payable 2011 Ramsey County Assessment Report



Coming Back to discuss

- Debt
- Capital Budget
- 5 year Model
- STAR budget
- Department Budgets