



**SAINT PAUL
MINNESOTA**

REBUILDING FOR OUR FUTURE

REVITALIZATION AND SUSTAINABILITY
FOR ALL OF US

2022 LIBRARY BUDGET PROPOSAL
City of Saint Paul
Mayor Melvin Carter



Saint Paul Public Library Agency
2022 Proposed Budget

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Saint Paul Public Library Agency

Board of Commissioners

Term Expires

Commissioners:

Amy Brendmoen	December 31, 2023
Nelsie Yang	December 31, 2023
Rebecca Noecker	December 31, 2023
Jane L. Prince	December 31, 2023
Dai Thao	December 31, 2023
Chris Tolbert	December 31, 2023
Mitra J. Jalali	December 31, 2023

Officers:

Jane L. Prince, Library Board Chair
Dai Thao, Library Board Secretary
Nelsie Yang, Library Board Treasurer

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 new 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 begins to prepare 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 submits the proposed budget to the City Council in August.

In August or September, 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 no later than September 30. 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 budget and property tax public hearings will be held. State law requires the City to hold a meeting to give residents the opportunity to comment on the information in their notices. 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

	2021												2022		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Establish base budget and prepare instructions															
Distribute Mayor's guidelines															
Distribute forms and instructions															
Departments prepare requested budgets within base															
Deadline for department data entry															
Deadline for budget forms submission to Mayor															
Budget Office analysis of Department requests															
Meetings with Departments and Budget staff															
Meetings with the Mayor and Departments															
Finalize Mayor's recommendations & prepare budget books															
Present Mayor's proposed budget to Council															
Council reviews Mayor's proposed budget															
Council sets maximum tax levies															
Public Truth in Taxation hearing															
Adopt City budgets, certify tax levies & ratify															
Transfer budget information to the Finance system															

City and Library Agency Composite Summary

**Property Tax Levy and State Aid: City, Library Agency and Port Authority Combined
2021 Adopted vs. 2022 Proposed**

Property Tax Levy*

	<u>2021 Adopted</u>	<u>2022 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 21 Total</u>	<u>Pct of City 22 Total</u>
City of Saint Paul						
General Fund	126,124,931	135,458,650	9,333,719	7.4%	77.3%	77.7%
General Debt Service	18,521,513	20,016,192	1,494,679	8.1%	11.4%	11.5%
Saint Paul Public Library Agency	18,423,467	18,774,155	350,688	1.9%	11.3%	10.8%
Total (City and Library combined)	163,069,911	174,248,997	11,179,086	6.9%	100.0%	100.0%
Port Authority	2,111,700	2,361,700	250,000	11.8%		
Overall Levy (City, Library & Port)	165,181,611	176,610,697	11,429,086	6.9%		

* 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. In 2021, this allowance was increased from 2% to 3% to account for economic conditions. It has been returned to 2% in the 2022 budget.

Local Government Aid Financing

	<u>2021 Adopted</u>	<u>2022 Proposed</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct. of 21 Total</u>	<u>Pct. of 22 Total</u>
City of Saint Paul						
General Fund	70,914,877	71,871,109	956,232	1.3%	99.98%	99.98%
General Debt Service	-	-	-	N.A.	0.0%	0.0%
Saint Paul Public Library Agency	17,000	17,000	-	0.0%	0.02%	0.02%
Total (City and Library combined)	70,931,877	71,888,109	956,232	1.3%	100.0%	100.0%

Library Agency Overview

**2022 Proposed Budget
Library Agency**

Fiscal Summary

	2020 Actual	2021 Adopted	2022 Proposed	Change	% Change	2021 Adopted FTE	2022 Proposed FTE
Spending							
270: SPPL General Fund	16,805,523	18,302,177	18,710,084	407,907	2.2%	159.70	159.70
275: SPPL Special Projects	1,175,058	2,113,034	1,747,698	(365,336)	-17.3%	2.05	9.05
Total	17,980,581	20,415,211	20,457,781	42,571	0%	161.75	168.75
Financing							
270: SPPL General Fund	20,409,947	18,302,177	18,710,084	407,907	2.2%		
275: SPPL Special Projects	1,454,825	2,113,034	1,747,698	(365,336)	-17.3%		
Total	21,864,772	20,415,211	20,457,781	42,571	0.2%		

Budget Changes Summary

The 2022 proposed budget for the Library General Fund includes a \$10,038 ongoing increase for building maintenance costs associated with HVAC upgrades. Additionally, as part of a 5-year plan to fund Library collections and increase General Fund support, the transfer from the Parking Fund to Library collections declines from \$150,000 to \$100,000 and the General Fund adds \$50,000 of collections funding. Lastly, the proposed budget removes \$70,000 of contingency funding for staffing that was dependent on overall General Fund revenue performance for 2021.

In the Library special fund, one-time funding from the Friends of the Library for book, periodical, and picture funding in 2021 is removed from the 2022 budget. In addition, one-time funding from the Wilder Foundation, the Friends of the Library, and Perrie Jones used for public service announcement costs in 2021 is removed from the 2022 proposed budget. One-time funding from the Institute of Museum and Library Services (IMLS) used for mobile hotspots in 2021 is removed from the 2022 proposed budget.

In the Library special fund budget, 4.4 FTEs are added to reflect the Community Development Block Grant Cares Act (CDBG-CV) funding which continues the Career Labs program that was started in 2020 to help residents experiencing unemployment find work. FTEs are also added through a new Library Services and Technology Act (LSTA) grant from the federal government, administered through the Minnesota Department of Education. The intent of this grant is to provide opportunities for local communities to identify barriers to digital access and develop innovative responses that improve access to home broadband internet, devices, and digital skill-building opportunities.

ARP Funding: The 2022 proposed budget includes \$1,035,956 in American Rescue Plan funding to restore Library FTEs and services reduced in 2021. The budget on these pages does not include this funding; please see the American Rescue Plan Act State and Local Fiscal Recovery Funds section in the City proposed budget for additional information.

Spending Reports

CITY OF SAINT PAUL

Spending Plan by Department

Department: ST PAUL PUBLIC LIBRARY AGENCY
Fund: SPPL GENERAL FUND

Budget Year: 2022

		2019 Actuals	2020 Actuals	2021 Adopted	2022 Mayor's Proposed	Change From 2021 Adopted
Spending by Major Account						
EMPLOYEE EXPENSE		13,378,159	11,780,674	13,284,287	13,687,769	403,483
SERVICES		3,258,363	3,043,285	2,947,592	3,090,952	143,360
MATERIALS AND SUPPLIES		1,719,468	1,922,306	1,930,274	1,860,006	(70,268)
ADDITIONAL EXPENSES				70,500	500	(70,000)
DEBT SERVICE				26,105	26,105	
OTHER FINANCING USES		59,775	59,258	43,420	44,752	1,332
Total Spending by Major Account		18,415,765	16,805,523	18,302,177	18,710,084	407,906
Spending by Accounting Unit						
27043100	SPPL GENERAL ADMINISTRATION	633,163	647,630	1,022,211	1,036,853	14,643
27043200	SPPL PUBLIC SERVICES	11,824,220	10,415,284	11,585,377	11,858,913	273,537
27043300	SPPL SYSTEM SUPPORT SERVICES	3,393,840	3,470,923	3,596,728	3,685,420	88,691
27043400	SPPL FACILITY OPS AND MNTNCE	2,564,542	2,271,686	2,097,862	2,128,897	31,036
Total Spending by Accounting Unit		18,415,765	16,805,523	18,302,177	18,710,084	407,906

CITY OF SAINT PAUL

Spending Plan by Department

Department: ST PAUL PUBLIC LIBRARY AGENCY
Fund: SPPL SPECIAL PROJECTS

Budget Year: 2022

	2019 Actuals	2020 Actuals	2021 Adopted	2022 Mayor's Proposed	Change From 2021 Adopted
Spending by Major Account					
EMPLOYEE EXPENSE	186,393	192,410	564,408	701,630	137,222
SERVICES	566,720	595,175	674,603	391,601	(283,002)
MATERIALS AND SUPPLIES	731,828	387,472	874,023	654,467	(219,556)
ADDITIONAL EXPENSES	2,477	1			
Total Spending by Major Account	1,487,418	1,175,058	2,113,034	1,747,698	(365,336)
Spending by Accounting Unit					
27543610 LIBRARY FEES FINES N REVENUES	444,759	351,222	254,448	254,271	(177)
27543615 SPROCKETS PROGRAM	46,109	24,493	98,965	67,937	(31,028)
27543620 RELLA HAVENS BEQUEST	15,723	5,889	14,433	14,433	
27543650 MELSA PROGRAMS STATE AID	275,230	168,586	210,834	210,834	
27543800 FRIENDS OF THE LIBRARY GRANTS	552,326	474,476	801,511	575,906	(225,604)
27543820 LIBRARY PRIVATE GRANTS	40,465	30,954	573,203	504,677	(68,527)
27543830 PERRIE JONES ENDOWMENT FRIENDS	105,615	97,865	159,640	119,640	(40,000)
27543850 STRENGTHENING LIBRARY GO FEDER/	7,190	13,575			
27543860 SPECIAL PROJECTS COVID-19		7,999			
Total Spending by Accounting Unit	1,487,418	1,175,058	2,113,034	1,747,698	(365,336)

Financing Reports

CITY OF SAINT PAUL

Financing Plan by Department

Department: ST PAUL PUBLIC LIBRARY AGENCY
Fund: SPPL GENERAL FUND

Budget Year: 2022

	2019 Actuals	2020 Actuals	2021 Adopted	2022 Mayor's Proposed	Change From 2021 Adopted
Financing by Major Account					
TAXES	18,523,412	19,382,651	17,890,177	18,418,084	527,907
INTERGOVERNMENTAL REVENUE	22,525	602,266	17,000	17,000	
MISCELLANEOUS REVENUE	470	30	70,000		(70,000)
OTHER FINANCING SOURCES		425,000	325,000	275,000	(50,000)
Total Financing by Major Account	18,546,407	20,409,947	18,302,177	18,710,084	407,907
Financing by Accounting Unit					
27043100 SPPL GENERAL ADMINISTRATION	18,545,937	19,617,274	18,082,177	18,610,084	527,907
27043200 SPPL PUBLIC SERVICES	470	592,674	70,000		(70,000)
27043300 SPPL SYSTEM SUPPORT SERVICES		200,000	150,000	100,000	(50,000)
Total Financing by Accounting Unit	18,546,407	20,409,947	18,302,177	18,710,084	407,907

CITY OF SAINT PAUL

Financing Plan by Department

Department: ST PAUL PUBLIC LIBRARY AGENCY
Fund: SPPL SPECIAL PROJECTS

Budget Year: 2022

	2019 Actuals	2020 Actuals	2021 Adopted	2022 Mayor's Proposed	Change From 2021 Adopted
Financing by Major Account					
INTERGOVERNMENTAL REVENUE	363,254	424,659	317,695	385,340	67,645
CHARGES FOR SERVICES	137,972	42,130	121,001	120,824	(177)
FINE AND FORFEITURE	30,649	17,125	44,350	44,350	
INVESTMENT EARNINGS	13,495	6,670	14,433	14,433	
MISCELLANEOUS REVENUE	1,077,546	964,241	804,736	758,072	(46,664)
OTHER FINANCING SOURCES			810,819	424,679	(386,140)
Total Financing by Major Account	1,622,916	1,454,825	2,113,034	1,747,698	(365,336)
Financing by Accounting Unit					
27543610 LIBRARY FEES FINES N REVENUES	357,724	432,082	254,448	254,271	(177)
27543615 SPROCKETS PROGRAM			98,965	67,937	(31,028)
27543620 RELLA HAVENS BEQUEST	13,495	6,670	14,433	14,433	
27543650 MELSA PROGRAMS STATE AID	266,582	294,530	210,834	210,834	
27543800 FRIENDS OF THE LIBRARY GRANTS	838,491	536,572	801,511	575,906	(225,605)
27543820 LIBRARY PRIVATE GRANTS	26,270	50,037	573,203	504,677	(68,526)
27543830 PERRIE JONES ENDOWMENT FRIENDS	120,353	114,159	159,640	119,640	(40,000)
27543850 STRENGTHENING LIBRARY GO FEDER/		20,775			
Total Financing by Accounting Unit	1,622,916	1,454,825	2,113,034	1,747,698	(365,336)

Glossary

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

Accounting Unit (AU): An accounting unit is a subunit of a fund. Each fund contains one or more accounting units, a specific and distinguishable budgetary unit of work or service. Accounting units are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

Accounting Unit Number: An eight (8)-digit number which uniquely identifies the accounting unit. The first digit indicates the fund type, while the second digit indicates the department.

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

American Rescue Plan Act (ARP): The American Rescue Plan Act, signed into law March 11, 2021, provides \$1.9 trillion in direct economic assistance for American workers, families, small businesses, and industries to address issues related to the COVID-19 pandemic. The ARP creates the Coronavirus State and Local Fiscal Recovery Funds, which provide \$350 billion to address the pandemic's public health and economic impacts, and lay the foundation for a strong and equitable recovery.

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.

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. 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.

ERP: Acronym for Enterprise Resource Planning, a document and information management system. The City's ERP system is Infor.

ETI: Acronym for Enterprise Technology Initiative. This is an activity in the Technology department in which spending and financing for city-wide technology improvements are budgeted.

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*.

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.

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 100, the city grants fund is 200, and the parks and recreation special projects is 260. 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 information system.

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*.

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*.

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

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 the planning and economic development department.

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*.

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 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.

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.

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 Financing (TIF) District: A TIF 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.