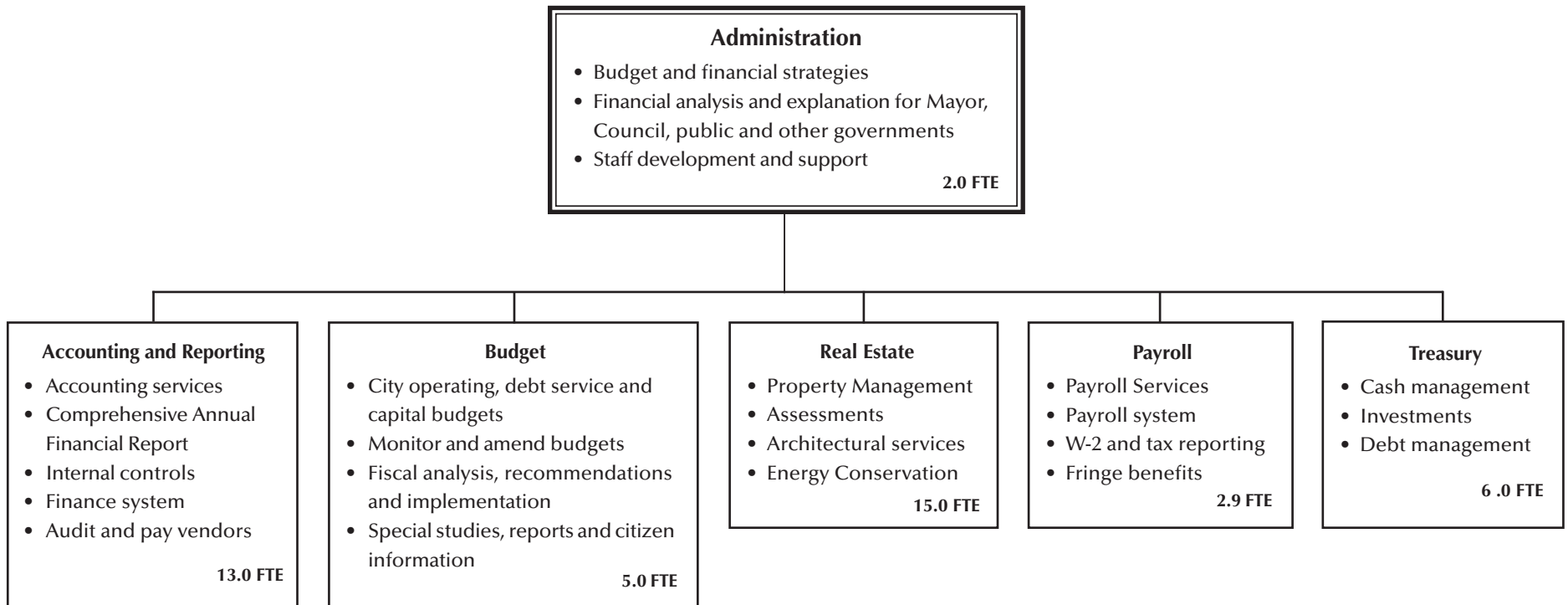


# Financial Services

*Manage the City's financial resources and assets to ensure taxpayers' confidence, the organization's effectiveness and the City's fiscal integrity.*



**(Total 43.9 FTE)**

7/30/10

**2011 Adopted Budget  
Office of Financial Services (OFS)**

**Department Description:**

The Office of Financial Services (OFS) plays a vital role in supporting City operations. OFS provides services in five key areas.

**Budgeting** prepares, implements and monitors annual operating, debt service and capital budgets; and provides fiscal analysis and projections for the Mayor and City Council.

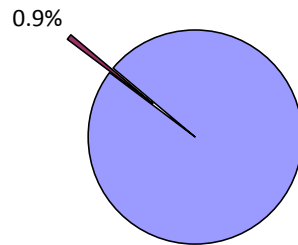
**Accounting and Reporting** ensures that all financial transactions and accounting practices conform to generally accepted accounting principles, state law, and city administrative code and policies; and ensures that those who do business with the City get paid correctly and on time.

**Payroll** ensures that all city employees receive their pay and benefits accurately and on time.

**Treasury** manages and invests the City's cash resources to earn a competitive rate of return; and manages the City's debt portfolio to ensure competitive rates and timely repayment.

**Real Estate Management Services** provides property management, project management and design; facilitates energy conservation efforts; and processes assessment billings.

**OFS's Portion of General Fund Spending**



**Department Goals**

Ensure strong management of the City's financial resources and assets through:

- Accurate financial reporting
- High bond ratings
- Investment practices that preserve our financial assets
- Attention to the City's debt load and fund balances

**Department Facts**

- Total General Fund Budget:           \$       2,004,923
- Total Special Fund Budget:         \$       19,875,585
- Total FTEs:                               40.6
- Saint Paul's operating, capital and debt service budgets total just over \$600 million.
- Saint Paul is one of only 72 cities nationally with a AAA bond rating.
- OFS manages over \$220 million of cash balances and a \$500 million debt portfolio.
- OFS processes over 3,500 payroll checks with 99.9% accuracy.
- OFS processes over \$200 million of annual payments to vendors.
- OFS processes over \$31M in assessment and service charges against 81,000 parcels of land.

**Recent Accomplishments**

- Received the Government Finance Officer's Association (GFOA) Certificate of Achievement for excellence in reporting for the 33rd consecutive year.
- Maintained the city's AAA (Standard and Poor's) and Aa2 (Moody's) bond ratings.
- Developed and implemented balanced 2010 operating, capital, and debt budgets.
- Implemented the budget module of the COMET project with the Office of Technology in conjunction with the COMET core team.
- Completed 25 energy conservation projects citywide resulting in lowered energy consumption for the facilities.
- Facilitated the sale and issuance of over \$138 million of bonds, for project financing or debt restructuring, utilizing various financing tools, including Build America Bonds, resulting in record low interest rates and debt service savings.

## 2011 Adopted Budget

### Office of Financial Services

#### Fiscal Summary

	<u>2009 Actual</u>	<u>2010 Adopted</u>	<u>2011 Mayor's Proposed</u>	<u>2011 Adopted</u>	<u>Change from 2010 Adopted</u>	<u>% Change</u>
<b>Spending</b>						
1000: General Fund	3,617,099	3,387,997	3,574,486	2,004,923	(1,383,074)	-40.8%
2100: Special Revenue	19,782	54,939	25,932	1,492,995	1,438,056	2617.6%
2200: Assessment	6,198,028	6,176,868	6,386,601	5,542,568	(634,300)	-10.3%
2400: Grants	-	-	-	404,500	404,500	
7100: Central Services Internal	10,513,389	10,133,999	12,044,417	12,044,417	1,910,418	18.9%
7200: Services and Supplies	146,908	3,149,560	795,605	391,105	(2,758,455)	-87.6%
<b>Financing</b>						
City-Wide General Revenues**	148,298,849	151,120,661	165,350,683	165,640,273	14,519,612	9.6%
1000: General Fund	2,414,772	2,725,273	1,829,365	229,201	(2,496,072)	-91.6%
2100: Special Revenue	19,782	54,939	25,932	1,492,995	1,438,056	2617.6%
2200: Assessment	5,872,070	6,176,868	6,386,601	5,542,568	(634,300)	-10.3%
2400: Grants	-	-	-	404,500	404,500	
7100: Central Services Internal	16,537,661	10,133,999	12,044,417	12,044,417	1,910,418	18.9%
7200: Services and Supplies	1,114,870	3,149,560	795,605	391,105	(2,758,455)	-87.6%

\*The 2010 General Fund Adopted totals have been adjusted. In previous years, transfers moved resources among funds. Starting in 2011, all affected accounting units are in the general fund, so these transfers are not necessary. The adjusted total more accurately reflects the budget change from 2010-11.

\*\*More information on City-wide revenue can be found in the "Major General Fund Revenue" section.

## Budget Changes Summary

	Change from 2010 Adopted	
	Spending	Financing
<b>1000: General Fund</b>		
<u>Mayor's Proposed Changes</u>		
Remove one-time use of Hotel/Motel tax Fund balance used as general revenue in 2010		(500,000)
Remove one-time funding (transfers to Human Resources and Fire) for the 2010 firefighter test.		(395,908)
Additional funding for a city-wide auditor to ensure compliance with best practices in financial and cash management.	80,654	
Current service level adjustments (fringes, salary steps, inflation, etc.)	105,835	
<u>Adopted Changes</u>		
Move budget for the RiverCentre share of Hotel/Motel tax to special revenue fund	(1,467,063)	(1,467,063)
Recognize revenue dedicated to RiverCentre debt directly in debt fund	(102,500)	(102,500)
Revise general service fee revenue based on recent trends		(30,601)
	<u>(1,383,074)</u>	<u>(2,496,072)</u>
<b>2100: Special Revenue</b>		
<u>Mayor's Proposed Changes</u>		
Remove one-time funding (transfer) in 2010 for the Grants Manager position. This position is funded by the Central Services charge in 2011.	(26,132)	(26,132)
Current service level adjustments (fringes, salary steps, inflation, etc.)	(2,875)	(2,875)
<u>Adopted Changes</u>		
Move budget for RiverCentre share of Hotel/Motel tax from general fund to special revenue fund	1,467,063	1,467,063
	<u>1,438,056</u>	<u>1,438,056</u>

## Budget Changes Summary

	Change from 2010 Adopted	
	Spending	Financing
<b>2200: Assessment</b>		
<u>Mayor's Proposed Changes</u>		
Reduce the transfer of assessment revenues to reflect vacant building demolitions assumptions in the DSI budget.	(450,000)	(450,000)
Increase the transfer to General Fund to reflect anticipated assessments of general funded activities in Parks and DSI.	645,533	645,533
Current service level adjustments (fringes, salary steps, inflation, etc.)	14,200	14,200
<u>Adopted Changes</u>		
Adjust Capital Project Assessment financing and spending to reflect trends	(844,033)	(844,033)
	<u>(634,300)</u>	<u>(634,300)</u>
<b>2400: Grants</b>		
<u>Mayor's Proposed Changes</u>		
No changes from 2010 Adopted budget	-	-
<u>Adopted Changes</u>		
Move Federal Energy Grant projects to the grants fund from the services and supplies fund	404,500	404,500
	<u>404,500</u>	<u>404,500</u>
<b>7100: Central Services Internal</b>		
<u>Mayor's Proposed Changes</u>		
Add use of retained earnings in the City Hall Annex for planned building improvements.	796,676	796,676
Adjust internal Central Service reimbursements to reflect revised cost and revenue allocations.	1,019,230	1,134,255
Current service level adjustments (fringes, salary steps, inflation, one-time adjustments, etc.)	94,512	(20,513)
<u>Adopted Changes</u>		
No changes from 2011 Mayor's Proposed budget	-	-
	<u>1,910,418</u>	<u>1,910,418</u>

## Budget Changes Summary

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	Change from 2010 Adopted	
	Spending	Financing
<b>7200: Services and Supplies</b>		
<u>Mayor's Proposed Changes</u>		
Correction to the Federal Energy Grant and expenditures--full 3 year budget had been reflected in the 2010 budget.	(2,767,000)	(2,767,000)
Correction to the Federal Energy Grant and expenditures to reflect 2011 portion of the 3 year budget.	404,500	404,500
Current service level adjustments (fringes, salary steps, inflation, one-time adjustments, etc.)	8,545	8,545
<u>Adopted Changes</u>		
Move Federal Energy Grant projects to the grants fund	(404,500)	(404,500)
	<u>(2,758,455)</u>	<u>(2,758,455)</u>

**CITY OF SAINT PAUL**  
**Department Budget Summary**

Department: FINANCIAL SERVICES

Budget Year: 2011

	2008 Actuals	2009 Actuals	2010 Adopted	2011 Adopted	Change From 2010 Adopted
<b><u>Spending by Fund</u></b>					
1000 GENERAL FUND	3,445,418	3,617,099	4,393,905	2,004,923	(2,388,982)
2100 SPECIAL REVENUE	18,887	19,782	54,939	1,492,995	1,438,056
2200 ASSESSMENT	4,462,541	6,198,028	6,176,868	5,542,568	(634,300)
2400 GRANT	39,487,785	2,926	2,767,000	404,500	(2,362,500)
7100 CENTRAL SERVICES INTERNAL	12,139,843	10,513,389	10,133,999	12,044,417	1,910,418
7200 SERVICES AND SUPPLIES	244,761	146,908	382,560	391,105	8,545
<b>TOTAL SPENDING BY FUND</b>	<b><u>59,799,234</u></b>	<b><u>20,498,131</u></b>	<b><u>23,909,271</u></b>	<b><u>21,880,508</u></b>	<b><u>(2,028,763)</u></b>
<b><u>Spending by Major Account</u></b>					
EMPLOYEE EXPENSE	6,706,940	3,342,170	3,561,855	3,810,515	248,660
SERVICES	6,627,111	1,022,018	2,840,482	1,618,192	(1,222,290)
MATERIALS AND SUPPLIES	5,517,146	391,265	1,254,929	687,770	(567,159)
OTHER MISCELLANEOUS	28,021,021	2,722,682	2,547,065	2,097,065	(450,000)
CAPITAL OUTLAY	2,754,247	169,475	114,067	910,743	796,676
DEBT SERVICE Total	335,293	861,207	1,056,064	1,056,064	-
NON OPERATING EXPENSE	9,837,476	11,989,314	12,534,809	11,700,160	(834,649)
<b>TOTAL SPENDING BY MAJOR ACCOUNT</b>	<b><u>59,799,234</u></b>	<b><u>20,498,131</u></b>	<b><u>23,909,271</u></b>	<b><u>21,880,508</u></b>	<b><u>(2,028,763)</u></b>
<b><u>Financing by Major Account</u></b>					
GENERAL FUND REVENUES	148,366,915	150,713,621	157,795,756	165,869,474	8,073,718
SPECIAL FUND REVENUES					
TAXES	-	-	-	1,467,063	1,467,063
LICENSE AND PERMIT Total	-	7,600	10,000	10,000	-
INTERGOVERNMENTAL REVENUE	39,300,973	-	2,797,000	404,500	(2,392,500)
FEES SALES AND SERVICES	-	704,363	844,481	850,614	6,133
ASSESSMENT	4,977,368	5,868,820	6,176,868	5,542,568	(634,300)
INVESTMENT INCOME	689,786	467,464	450,000	450,000	-
INTEREST EARNED OTHER	585,992	513,399	437,886	437,886	-
MISCELLANEOUS REVENUE	6,773,050	7,496,625	7,573,008	9,509,831	1,936,823
OTHER FINANCING SOURCE NON OPERATING INCOME	18,887	8,489,039	1,162,175	1,118,925	(43,250)
BUDGET ADJUSTMENTS	-	-	63,948	84,198	20,250 <sup>79</sup>
<b>TOTAL FINANCING BY MAJOR ACCOUNT</b>	<b><u>200,712,970</u></b>	<b><u>174,260,930</u></b>	<b><u>177,311,122</u></b>	<b><u>185,745,059</u></b>	<b><u>8,433,937</u></b>