

Special Funds

Special Funds

2008 Proposed Budget

Highlights:

The City has 54 special funds totaling \$298 million in budgeted spending. This excludes Regional Water Services, St. Paul Public Library Agency, and RiverCentre funds, which are submitted as separate budgets. The adopted special fund budget includes \$50 million in one-time spending and financing for the Republican National Convention in Fund #080. Other major changes are indicated below:

City Attorney Outside Services (Fund #025): This fund has an increase of 2.0 FTE for 2008. By charging Safety and Inspection, for housing court prosecutions and civil legal advice in the code enforcement and problem property areas, the CAO's budget will have less reliance on the general fund. These charges will pay for both one attorney and one legal assistant.

Property Code Enforcement (Fund #040): This fund includes the activities of Truth-In-Sale of Housing, nuisance housing abatement and part of the fire certificate of occupancy program for one and two unit rentals. Three fire aides are added to the proposed budget, financed by increased certificate of occupancy revenues.

Special Projects: General Government Accounts (Fund #050): The fund has many functions. One allows for the transfers of approximately \$5 million of central service costs from department special funds to the General Fund. The approach for determining the costs to be allocated will change in 2008 – moving from a two year delay to a more current budget based concept.

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. It also includes other risk-related activities. 2008 Spending for this fund is down 6% over the 2007 Adopted Budget due to revised estimates of property insurance costs.

Major Events (Fund #080): The Major Events fund was created in 2007 to account for spending and financing related to major events, including the 2008 Republican National Convention. The 2008 budget includes the expected \$50 million federal security grant.

Information Services (Fund #164): The adopted budget contains two significant changes. First, repayments to the general fund for the Human Resources/Payroll/Benefits Administration (HRPRBA) project have been completed. Second, a new Enterprise Technology Initiative activity has been established. Revenue for this activity is collected from all funds and is used for enterprise-wide technology improvements. The 2008 adopted budget for Fund #164 is \$495,329. It includes \$191,598 for initial work on establishing an integrated finance, payroll and human resources system, and \$303,731 for a city-wide file and email archive system.

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 overall subscriber numbers continue to slowly decline, the current revenue projection shows an increase based on increased costs to subscribers from the local cable operator. The adopted budget includes an increase in the regular general fund transfer of \$313,953.

Right of Way Maintenance Fund (Fund #225): This 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 2008 budget includes an increase of 13% for non-downtown properties and 16% for downtown properties in the right-of-way assessments. This increase provides additional revenue to help withstand increased spending due to inflation factors, and supports tree boulevard maintenance and a portion of sidewalk maintenance at a base level and provides additional funding for neighborhood cleanup. In addition to

expenses, the fee increases will help move toward the goal of structural balance in this fund by 2010.

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 \$275,000 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): 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 long-term financing program for residential upgrades of sanitary sewer connections continues for 2008. This fund includes the continued repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s and is increased by \$632,000 for 2008. Additionally, the proposed budget includes increases in Storm Sewer System Charges (10%) and Sanitary Sewer Rates (5%) to offset increasing costs.

License and Permit Special Fund (Fund #320): This fund accounts for revenue received from business licenses, building permits, plan examination and other fees related to ensuring public safety by monitoring business and construction activity. The proposed budget includes a significant fee increase on building permits and a 5% increase on license fees that is expected to generate \$970,000 in 2008. The fund also absorbs six positions from the general fund.

Parks and Recreation Special Services (Fund #325): This fund includes the operations of park pavilions, refreshment stands, four golf courses including debt service on bonds associated with Highland 18 golf course, and special events. Spending is proposed to decrease by \$1,436,831 due to shifting the ski program to the

general fund, shifting the showmobile operations to the Parks Operations fund and reducing the size of the overall golf program to align with expected revenues.

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 2008 budget reflects year nine of a ten-year plan. Costs related to direct police services, including police officer compensation, are planned for in the 2008 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 Emergency Communications Center (Fund #411): This fund reflects costs for City staff working in the merged emergency communications center with Ramsey County. The County will reimburse the City and is responsible for the portion of the tax levy that covers these expenses.

Police Special Projects (Fund #436): This proposed budget reflects increased spending associated with several new or expanded grants.

Firefighting Equipment Trust (Fund #735): Financial activity has declined in this fund. Spending for fire apparatus is now financed under the provisions of the City's sales tax law, and are carried in the new STAR City Capital Project. Expenditures for 2008 within this fund anticipate the use of remaining funds still available as well as the allocation for 2008. Any remaining balance in this fund is planned to be used for firefighting equipment in 2008.

CPL Operating (Fund #802): Proposed spending for 2008 increases by \$434,367 for a total of \$3,749,679. This fund collects assessment revenues and passes them on to various other funds which use assessment financing.

Parks and Recreation Grants (Fund #860): This fund accounts for intergovernmental grants and aids received from federal, state and local agencies. Proposed funding increases by \$699,112 due to a large state grant that funds the Youth Job Corps program and increased state aid for regional parks operations & maintenance.

Special Fund Budgets

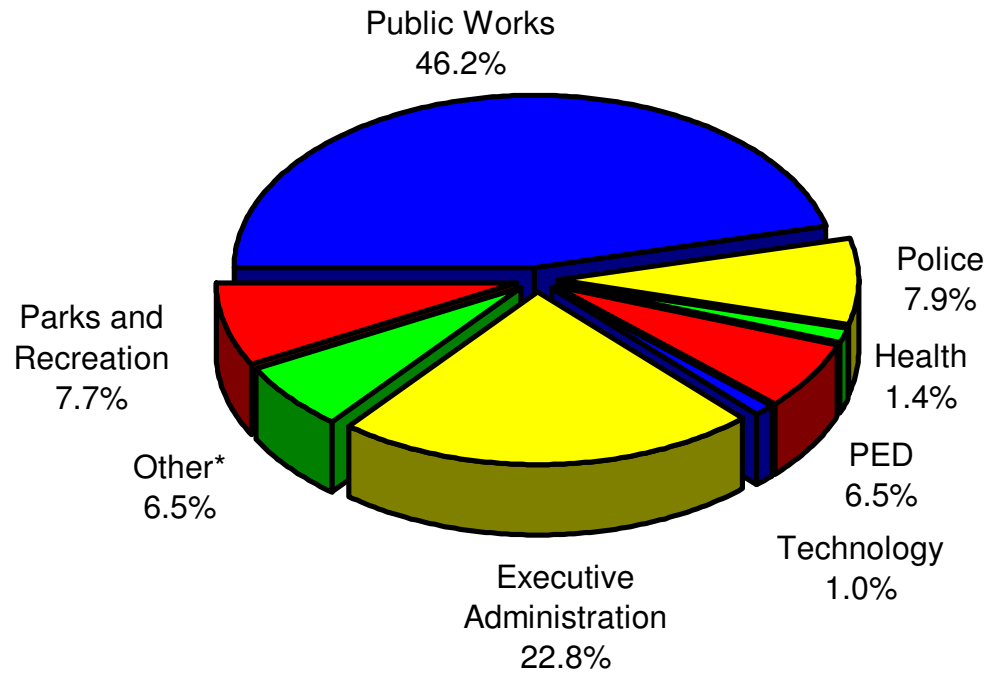
Special Fund Spending (By Department)			
Department	2006 Actual	2007 Adopted Budget	2008 Adopted Budget
Attorney	1,037,510	973,054	1,104,652
Council	79,809	76,015	81,044
Financial Services Office	15,898,000	14,857,447	65,105,265
Fire and Safety Services (a)	7,806,023	5,554,486	4,054,909
StP-RC Health	3,707,070	4,131,922	4,236,131
Human Resources	1,797,821	2,497,500	2,348,000
Human Rights	70,217	65,066	50,688
License, Inspection, and Environmental Protection (a)	11,138,711	0	0
Mayor's Office	323,649	769,646	536,455
Neighborhood Housing & Property Improvement (a)	723,253	0	0
Parks and Recreation	19,544,835	21,893,252	22,967,998
Planning and Economic Development	18,156,091	18,901,013	19,314,585
Police	11,511,141	12,893,574	23,556,515
Public Works	112,853,064	123,217,975	137,544,762
Safety and Inspection (a)	0	12,216,043	14,140,361
Office of Technology	<u>3,438,169</u>	<u>3,234,568</u>	<u>2,970,866</u>
Total	208,085,363	221,281,561	298,012,231

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; the Office of License, Inspection, and Environmental Protection (LIEP); and Neighborhood Housing and Property Improvement (NHPI) was merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspections (DSI).

Special Fund Budgets

2008 Adopted Budget



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

Special Fund Budgets

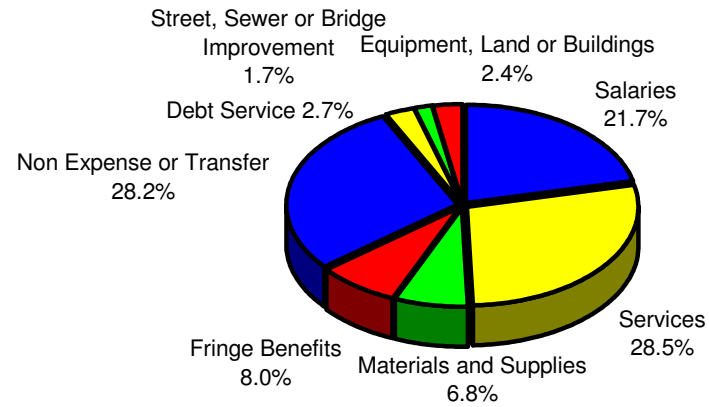
Special Fund Spending (By Major Object)			
Object	2006 Actual	2007 Adopted Budget	2008 Adopted Budget
Salaries	49,587,571	56,781,315	63,803,110
Services	29,153,910	31,293,580	83,823,446
Materials and Supplies	19,108,186	17,661,376	20,138,127
Fringe Benefits	18,906,178	20,424,239	23,556,860
Transfers and Miscellaneous	69,524,768	74,771,052	85,167,222
Debt Service	10,708,000	10,158,722	7,926,181
Street, Sewer or Bridge Improvement	3,199,746	4,270,655	4,855,864
Capital Outlay	<u>7,897,004</u>	<u>5,920,622</u>	<u>8,741,421</u>
Total	208,085,363	221,281,561	298,012,231

Special Fund Financing (Revenue By Source)			
Source	2006 Actual	2007 Adopted Budget	2008 Adopted Budget
Use of Fund Balance	0	14,956,514	17,176,470
Transfers	15,316,355	12,886,937	14,187,515
Hotel and Motel Taxes	1,912,529	1,755,350	1,791,505
License and Permits	10,028,438	10,538,746	11,767,602
Intergovernmental Revenue	23,738,131	26,023,092	78,175,488
Fees, Sales and Services	95,278,415	102,343,691	113,144,636
Enterprise and Franchise Revenue	9,200,332	12,581,032	11,970,540
Assessments and Other Revenue Sources	<u>39,555,624</u>	<u>40,196,199</u>	<u>49,798,475</u>
Total	195,029,824	221,281,561	298,012,231

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2008 Spending By Major Object



2008 Revenue By Source

