OUR CITY, OUR BUDGET
INVESTING IN A FUTURE FOR ALL OF US

2019 Budget Proposal Highlights
City of Saint Paul, Minnesota
Mayor Melvin Carter
Saint Paul is at a critical moment. We have incredible potential as we continue to grow into a 21st-century global community. To ensure that our city truly works for all of us, we need a city budget that reflects and invests in our values.

Investing in our values means building a city that not only meets our needs today, but helps us build a city that our children, and grandchildren, will want to live in.

To realize this vision, we need to invest in a future for all of us. That is why our city budget invests in the people and things that matter most to us. We have built a big vision for our city together, and our vision requires our shared investment.

**Our 2019 budget proposal invests more than $16 million through a proposed 11.5% property tax levy increase.** Accounting for value growth and new construction that has expanded our tax base by approximately two billion dollars over the past year, this proposal would amount to an increase of $76 per year - or about $6.33 per month - for a median value home.

Our 2019 budget proposal supports our children & families through investments in affordable housing, libraries, recreation centers, a new office of financial empowerment, and vital mental health services for those who need support in critical moments.

Our 2019 budget proposal invests in our workers, businesses, and innovators by taking critical steps toward a $15 minimum wage in the City of Saint Paul, by making investments in cultural commercial corridors across our city, and through tools that will make it easier to start, grow or expand a business.

Our 2019 budget proposal invests in our streets, sidewalks, and bikeways through an expansion of our city’s street and sidewalk maintenance budget, including a new mill and overlay process for our entire downtown; doubling our neighborhood mill and overlay process; proactive investments in addressing our Emerald Ash Borer challenge allowing us the opportunity to choose where we plant new trees to beautify our city; and a first-ever dedicated bikeway budget.

Our 2019 budget proposal invests in how our city government is serving all of us through investments in our cybersecurity infrastructure, through improvements in our business plan review, and permitting processes, and through an energy efficiency loan program.

Above all, our 2019 budget proposal is the bold vision that we’ve built together over the past several years through the conversations we have had across our city during my campaign to serve as your mayor, and in the first seven months of our administration. This is a budget for this moment in Saint Paul’s history, and for our future that we’ll build together. I look forward to continuing to be your partner in the work ahead.

Melvin Carter, Mayor
Our Administration’s Values

**Equity**

We are committed to building an equitable and inclusive city that will eliminate structural inequities in city processes and policies, and ensure timely and relevant access to services, resources, support, and opportunity for every person in Saint Paul. Equity is a lens of inclusion and justice through which we view and approach our work.

We believe the ethnic, cultural, and linguistic diversity, including personal experiences, values, and worldviews of all the residents of Saint Paul are the greatest assets of our community. We believe that our city’s assets are social, political, and economic resources that will create opportunities for our city as we compete not just nationally but globally. We believe race, ethnicity, gender, identity, language, zip code, and other factors should not determine outcomes nor deny or limit any person the opportunity to achieve their full potential.

**Innovation**

We believe innovation is both a mindset and a process to help solve challenging problems and improve the lives of residents. We believe creating an innovation culture is essential to meeting the changing needs of our city. We believe that innovation creates new value for residents or improves the existing value of a product, service, or process by continually reimagining what we do.

Innovation ensures a focus on ongoing process improvements, human-centered design, new and different modes of thinking and problem solving, and overall effectiveness of city services, resources, support, and opportunity for every resident in Saint Paul. We believe we can honor our past and build our future by investing in the limitless potential of our children, families, workers, and entrepreneurs.

**Resilience**

We believe that a lens of resilience ensures our city is poised to adapt to an increasingly complex set of challenges our city faces now and will face in the future. Resilience ensures we can mitigate the harmful effects of climate change, and other long-term challenges our city faces.

Our vision for Saint Paul is a carbon-neutral community by 2050 and we will be a leader on clean and efficient energy, sustainable transportation systems, land use, and solid waste systems.

We believe all Saint Paul residents must benefit from these critically needed changes, with cleaner air, better transportation access, and lower energy bills.
Our Administration’s Pillars

Community-First Public Safety
We are committed to developing and implementing community-driven best practices to address our city’s public safety needs. We are committed to investing in the critical trust that must flow between our neighbors and our police officers. We are committed to dismantling the cradle-to-prison pipeline, ending mass incarceration by utilizing restorative justice, and providing a pathway to success for returning community members.

Our communities have the knowledge to reduce crime and prevent violence in Saint Paul neighborhoods. Through community-defined evidence, Saint Paul residents will help create a pipeline to careers and adequate housing for people returning from Saint Paul from juvenile and adult facilities. We believe that too many criminal justice decisions have been made on behalf of the community without meaningful community input; our residents should lead how we determine what public safety should look like.

Lifelong Learning
In Saint Paul, we believe that everyone should have the opportunity to learn and grow, no matter their age. This includes providing quality learning opportunities for people of all ages in our community, from infants and toddlers to our aging adults.

Our vision for the City of Saint Paul College Savings Account (CSA) program is to transform our community; empower families and individuals to pursue their dreams and aspirations for the future, by investing in educational opportunities and financial well-being. We will develop a CSA program with our values to create an accessible, equitable, and sustainable program that provides resources and information for all Saint Paul families.

The Saint Paul CSA program will build financial empowerment, increase assets, leverage other resources, and impact generations to come.

Economic Justice & Inclusion
To build a city that works for all of us, we must make sure that everyone has safe, healthy neighborhoods to live in and raise a family, access to high-quality education, and access to good paying jobs. Because no one working full-time should have to live in poverty, we are committed to passing a $15 minimum wage ordinance this year.

We are committed to making it easier to start or grow a business, supporting the right mix of housing options for people of all ages and income levels, and ensuring equity in city jobs and contract opportunities.
Our Budget Process

Our Annual Budget Cycle

ENGAGEMENT & DEVELOPMENT: The Mayor works with departments and the community to develop a budget for the following year.

PROPOSE: The Mayor proposes and presents the budget by mid-August.

REVIEW: The City Council reviews the Mayor’s proposed budget. Public meetings are held for feedback from residents and businesses.

ADJUST: Using the Mayor’s proposed budget as a starting point, the City Council may make adjustments.

ADOPT: The City Council adopts the coming year’s budget and the Mayor signs it by mid-December.

April - July August September - October November December

“How we budget and spend our money is our most important opportunity to demonstrate what we value as a community.”
Mayor Melvin Carter

Our City, Our Budget Engagement Process

In July, we held seven Our City, Our Budget events at coffee shops, bars and restaurants across our city to engage residents in conversations about the values and priorities our budget should reflect. More than 300 residents attended.

Here is What We Heard From Attendees:

Top 3 Investment Priorities:
Affordable housing
Expanding free programming at recreation centers
Support services for small businesses

How To Fund New Investments:
74% supported a property tax increase
58% supported extending metered parking hours
57% supported metered parking in commercial corridors
Our 2019 Budget Proposal

Our city budget creates the framework to serve Saint Paul’s 309,000 residents through services provided by our city’s 14 departments, which employ nearly 3,000 people. Our departments include everything from our Parks & Recreation Department which manages our Como Zoo & Conservatory, pools and green spaces to our Police and Fire Departments which provide emergency response services.

Total Budget
The total budget for the City of Saint Paul

<table>
<thead>
<tr>
<th>2017 Actual</th>
<th>2018 Adopted Budget</th>
<th>2019 Proposed Budget</th>
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</thead>
<tbody>
<tr>
<td>$544 million</td>
<td>$569 million</td>
<td>$606 million</td>
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Property Tax Levy
The property tax levy finances a portion of the city budget

<table>
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<tr>
<th>2018 Adopted</th>
<th>2019 Proposed</th>
<th>Amount Change</th>
<th>Percent Change</th>
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<tr>
<td>$141 million</td>
<td>$158 million</td>
<td>$16 million</td>
<td>11.5%</td>
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Spending by Department
Spending across our city’s departments as a percentage of General Fund budget
Our Housing Needs

Our Need

Our communities, neighborhoods, and homes shape our lives and impact our health. Our goal is for all people in Saint Paul to have the opportunity to live near safe parks, and grocery stores that sell fresh produce because it means getting exercise and eating healthy is easier.

Our goal is that Saint Paul families are not spending increasing portions of their income on housing because it leaves less money for other needs like health care and quality child care. Our goal is that homes in Saint Paul are safe for our families because health hazards like lead, mold and other toxins make our children sick.

More and more, families across Saint Paul are facing the same critical challenge: their rents and mortgages are going up and their incomes are not keeping pace.

“Quality affordable housing is key to Saint Paul’s future as it fosters stability for people and families, keeps Saint Paul competitive as a city, and ensures a strong, safe and welcoming city where all can thrive.”

Councilmember Chris Tolbert
HRA Board Chair

How To Address Our Housing Needs

We need to focus on three strategies to meet our housing needs in Saint Paul:

- **Production**: Creating new affordable housing
- **Preservation**: Maintaining existing affordable housing
- **Protection**: Ensuring all of us can have safe affordable homes

That’s why we are proposing a new **$10 million Housing Trust Fund**, and a new **ongoing $2 million annual investment** which combined with existing city and federal resources will total over **$71 million in housing investments in to be deployed over a 3-year period**.

New Housing Production Investments

- **$3,575,000** for construction of affordable rental units targeted to 30-50% of Area Median Income (AMI)
- **$3,000,000** to combine with existing Inspiring Communities Program funds to support new and existing homeownership efforts and down payment assistance
- **$100,000** for capacity support to Rondo Community Land Trust.
- Explore pilot programs and options to reduce costs in the production of housing (manufactured, tiny homes) and increase density through alternative dwelling units.

Affordable, Safe & Stable Housing For All Of Us
Our Housing Needs

**Preservation of Existing Housing**

- **$1,000,000** for naturally occurring affordable housing (NOAH) acquisition and rehabilitation.
- Adopt a 4d policy to preserve affordable rents on 250 NOAH units. This new policy would add incentives to properties that have not previously qualified. Owners of naturally occurring affordable housing will be able to apply to the Minnesota Housing Finance Agency for low-income rent classification status, otherwise known as 4d status. Landlords who are willing to keep rents affordable will receive a 40% reduction in property taxes.
- Continue to administer and monitor the effectiveness of Rental Rehab Loan Program
- **$1,800,000** for existing rent/income restricted buildings with expiring terms.
- Continue funding to existing homeowners for emergency loans and fix up programs to include energy improvements to reduce operating costs.

**Protecting Our Residents**

- **$525,000** to provide emergency housing assistance, community engagement, and education; including, but not limited to:
  - **$100,000** for the Winter Safe Space shelter for those experiencing homelessness
  - Provide landlord training on fair housing requirements and property management best practices
  - Expand tenant protections to reduce disparate impact of criminal background and credit checks
  - Integrate affordable housing strategies with wealth building strategies to increase incomes and resources available to low-income residents
  - Encourage code compliance without displacing tenants or criminalizing landlords, Mayor Carter is directing the Department of Safety and Inspections to work with the City Attorney Office to develop and use Administrative Citations as a new enforcement tool to increase safety compliance in housing in Saint Paul.
    - Work with private developers and public housing entities to implement wealth building strategies among resident in their rental units
    - Create a new staff position to direct a fair housing strategy, coordinate between departments, monitor the housing landscape, and propose programs and policies to improve housing stability citywide.
Our Emergency Responders

Saint Paul Police Department Mental Health Unit Co-Responder Program
Our Mental Health Unit ensures that those experiencing a mental health crisis can access the support and resources they need. The work of this unit is not only a critical service for those who need it, but it also helps cut down the need for officers to be called in a crisis situation, ensuring they can focus on crime in our city. That's why we are proposing a $500,000 on-going investment to further develop our Mental Health Unit's Co-Responder Program to embed more social workers with officers during mental health calls.

The Mental Health Unit Social Workers will provide support to the Saint Paul Police Department in responding to crisis situations and will provide clinical assessments, crisis intervention, counseling, and psychotherapy services within the response and community intervention and outreach settings as appropriate. A priority will be to identify and contract with diverse social workers who bring language, ethnic, and cultural expertise and experience.

Expanding Investigative Capacity of Our Police Department
An investment of $112,000 will support several promotions of sworn officers to expand our department’s investigative capacity. These promotions include:

- A new dedicated Commander for the Sex Crimes Unit
- A new dedicated Commander for downtown Saint Paul
- Four new investigator positions for the property crimes division

Investments in our Fire Department
We are investing $1 million in our Fire Department to ensure everyone in our city can continue to access vital life-saving services in times of need. These investments include:

- Overtime funding to backfill our firefighters who are active service members when they are on required military duty.
- The expansion of our Basic Life Support Service (BLS) program which provides non-emergency services. This additional division, integrated into our fire stations, provides additional capacity to ensure our sworn firefighters and paramedics can be dispatched more effectively to emergency situations.
- The development of a cancer study to provide data on effective preventative treatment because cancer is the number one cause of death for firefighters.
- Planning money for the renovation of Fire Station 7 on the east side

"The reality is police are first-responders and they need to respond to anything. What we want to do is to make sure we have the best outcome, and (the mental health unit) is certainly one way to do that."

Sue Abderholden, Executive Director
National Alliance on Mental Illness - Minnesota Chapter

"We've always known incarceration rates among those with mental health conditions is staggeringly high. This collaborative partnership between People Incorporated and the Saint Paul Police Department is a crucial step in the right direction of person-centered care that will allow vulnerable individuals to get the help they so desperately need."

Jill Wiedemann-West, CEO
People Incorporated

Our Immigrant Tradition

Our nation has a proud tradition of welcoming immigrants and refugees into our communities, and Saint Paul is no exception. Minnesota’s first large group of immigrants came from European countries of Norway, Sweden, Ireland, and Germany. Today, Minnesota’s immigrant and refugee populations are from across the globe including Central and South America, Southeast Asia, East Africa and South Asia. 20% of our residents are foreign-born. 30% of our residents speak more than one language, and over 100 languages are spoken in our city.

Creating a welcoming environment for all immigrants our city, regardless of immigration status, plays a critical role in attracting immigrants to live, work, and conduct commerce within the City of Saint Paul.

Our Commitment

The protection of the human rights of residents of the United States, including the City of Saint Paul, is not just a moral imperative rooted in the founding principles of our nation but also essential to ensuring future economic opportunity and prosperity for all who live, work, and conduct commerce within Minnesota and the City of Saint Paul. Regardless of immigration status, an individual is endowed with the same universal and inalienable rights to life, liberty, and the pursuit of happiness.

The federal government is using increasingly aggressive and hostile tactics to arrest, detain, and deport immigrants who live and work within the City of Saint Paul, creating an environment of fear that is detrimental to the social and economic health of the city.

In the absence of federal action to protect the human rights of immigrants whom, at great personal risk and expense, have come to live and work within the United States, including the City of Saint Paul, it falls to local governments to take action.

Our commitment to action is two-fold:
● Dedicating the time and talent of our city toward protecting the human rights of immigrants and refugees who have built a home here in Saint Paul
● Dedicating resources toward collaborating with community organizations in their work to support immigrant and refugees

Our Investments in Immigrant Support Services

In 2018, the City of Saint Paul will make an investment of $100,000 for an Immigrant Legal Defense Fund to ensure that everyone in our community can access the legal service, support and resources they need to keep families together, and safe.

In 2019, our city will invest in a new full-time immigration support services attorney in the City Attorney’s Office to provide ongoing outreach, engagement, support, and advocacy to immigrant and refugee communities.

“As they have always been, immigrants are Saint Paul’s lifeblood, vital to our success as a city. Now is the time to affirm that value, to stand with and protect our immigrant neighbors.”

Councilmember Jane Prince
Ward 7

“I’m proud of Saint Paul’s history and tradition of welcoming immigrants and refugees. We must keep that tradition going. This is why we need to invest in our youth with job opportunities to learn and grow, make it easier for businesses to thrive, ensure local banks provide equitable financing for millennial, minority and women-owned businesses, and keep housing affordable to prevent displacement and gentrification.”

Councilmember Dai Thao,
Ward 1
Business with Ease in Saint Paul

In Saint Paul, we are open for business and want to make it easy for everyone to start and grow a business, and better equip our city to respond to challenges our business community faces.

Implementation of our Open for Business initiative will include:

- A $375,000 investment to expand the number of inspectors and plan review staff to manage our permit processes with businesses.
- A $250,000 investment to develop a Virtual One Shop and self-service areas and kiosks to streamline our processes for our customers.

Full Stack Saint Paul

Full Stack Saint Paul is public-private sector collaboration, co-led by the City of Saint Paul and the Saint Paul Area Chamber of Commerce. The initiative helps to grow, retain, and attract innovative companies.

From helping a business find the perfect office space to facilitating connections between business leaders, to aligning start-ups with resources to grow their businesses, to supporting the next generation of tech talent, Saint Paul is a place where businesses can locate and thrive.

Our 2019 budget proposal invests $300,000 to continue the Full Stack Initiative to provide a full range of services to help tech and innovation sector businesses start up and scale up in Saint Paul.

Investments in our Cultural Districts

Investments in cultural corridors in our city will launch a unique strategy where cultural assets help leverage economic development activities to build wealth for residents in these areas while offering a unique destination and community space.

We are proposing a $1.8 million investment to support Cultural Corridors across our city beginning in 2019.
Our city is working to address the underlying causes of financial instability in our community. According to the July 2017 Prosperity Now Scorecard, our city faces significant disparities that impact the health of too many in our community:

- The asset poverty rate in Saint Paul is 32.3% compared to 19.8% for the State of Minnesota.
- The income poverty rate is 16.9% for Saint Paul and 9.8% for the State of Minnesota.
- In Saint Paul, 8.9% of households are unbanked compared to 3.4% for the State of Minnesota.
- In Saint Paul, 19.3% of households are underbanked compared to 14.3% of the State's households.
- In Saint Paul, the homeownership rate is 49.3%, compared to 70.9% in the State State of Minnesota and 63.0% nationwide.

Our new Office of Financial Empowerment will address these critical issues in our community by:

- Developing a city-wide strategy to coordinate financial education and wealth building efforts that are being led by the non-profit, private, and governmental sectors to help our community build financial wealth.
- Working with local financial institutions, culturally specific community organizations, and nonprofit organizations to provide one on one financial counseling, education, and services.
- Elevating awareness of financial health resources and playing a crucial role in developing an understanding of where there are gaps in services or need for additional resources to meet resident needs and building community wealth.
- Serving as a one-stop shop for residents to connect with resources and as a data aggregator to inform policy priorities.
- Playing a key role in the implementation, launch, and coordination of the Saint Paul College Savings Account Program.
- Opposing and limiting the power of predatory lending institutions, and connecting our communities to responsible financial institutions.

Ongoing $333,000 investment to support the Office of Financial Empowerment.
In Saint Paul, our greatest source of public safety is the strength of our communities. As part of our Community-First Public Safety strategy, we are proposing investments in our public resources like recreation centers, libraries, and parks that strengthen community bonds and provide safe spaces for our young people to feel cared for and valued, and are given the opportunities they need to succeed in our city.

These investments will lay a foundation for success, help prevent crime before it starts, and create greater public safety for all Saint Paul residents.

**Our Key Investments**

- Tripling the funding for free out-of-school time programs
- Restore programming at Highwood Hills Recreation Center
- Redesign Rice Recreation Center in the North End
- Add a dedicated Youth Program Quality Assessment (YPQA) specialist
- Increase family-centered programming focusing on outdoor recreation, environmental education and community-driven programming
- Increase facility hours at sites where expanded programming would be offered outside of existing facility hours.
- Increase participation in programming by 25% by providing equity in service delivery and providing quality programming in Areas of Concentrated Poverty (ACP50 communities).

**Choosing Where We Plant New Trees: Mitigating Our Emerald Ash Borer**

Our Emerald Ash Borer Management Program began in 2010 to help manage the harmful effects on our ash tree population. 2019 will mark the 14th year of this challenge in our city.

To help manage this challenge we are investing $2.5 million to support the removal and treatment of trees affected on city boulevards and in city parks.

Expansion of existing Citizen Forestry outreach efforts aimed at the engagement communities in planting and maintaining trees is another key goal.

For more information on Saint Paul’s Emerald Ash Borer Management Program go to: [https://www.stpaul.gov/departments/parks-recreation/natural-resources/forestry/emerald-ash-borer](https://www.stpaul.gov/departments/parks-recreation/natural-resources/forestry/emerald-ash-borer)
Our Streets, Sidewalks, & Bikeways

Taking Care of Our Streets, Sidewalks & Bikeways

Streets, bikeway, and sidewalks are how we as a community literally connect people to opportunity. But if we do not routinely invest in maintenance, we run the risk of negatively impacting our resident’s ability to connect to opportunity.

We need a long-term strategy to invest and equip our public right of way to serve our city’s needs, both today and into the future. The city uses $12.5 million annually from our street reconstruction bonds and $13 million annually in municipal state aid.

Our 2019 proposed budget includes significant investments in street maintenance and other transportation infrastructure.

Our Proposed Investments

To ensure we are maintaining our streets, sidewalks, and bikeways, we are proposing these investments:

- **$3 million for mill & overlay in downtown** to begin a new three-year program. This will improve our street surface condition and dramatically reduce pothole and patching costs. It will also eliminate brick street infrastructure which has proven very expensive and problematic.

- **$2.5 million for neighborhood streets** which doubles our neighborhood mill & overlay program.

- **$1 million for sidewalks** which will improve sidewalk conditions.

- **$500,000 for first-ever dedicated bikeway funding** which will support interim implementation of the Capital City Bikeway bike plan for downtown. It will also help fill network gaps and improve maintenance.

Dedicated Bikeway Funding

Our dedicated bikeway funding will:

- Install green conflict zone markings across intersections where appropriate
- Stripe bike facilities with more durable materials (epoxy or tape instead of paint)
- Potential to install treatments like painted buffers or physical protection where appropriate
- Install or reposition loops to detect bikes at signalized intersections

“...The Mayor’s proposed investment in bikeways and sidewalks would make it safer and easier for people walking and bicycling for transportation and recreation across the City. These improvements will set the stage for Saint Paul to be healthier as well as more economically competitive with cities nationally and globally.”

Councilmember Samantha Henningson, Ward 4

For more information on Saint Paul’s 5-year Public Works Capital Improvement Plan go to:
https://www.stpaul.gov/departments/public-works/street-design-and-construction/5-year-capital-improvement-program
It continues to be an incredible honor to serve as your Mayor in the City of Saint Paul. With this 2019 budget proposal, I am excited about the big vision we have worked together to build. And, I look forward to continuing to be your teammate in the work ahead. Together, we will truly build a city that works for all of us.

- Melvin Carter, Mayor
Saint Paul City Council

Councilmember Dai Thao, Ward 1
Councilmember Rebecca Noecker, Ward 2
Councilmember Chris Tolbert, Ward 3
Councilmember Samantha Henningson, Ward 4
Council President Amy Brendmoen, Ward 5
Councilmember Dan Bostrom, Ward 6
Councilmember Jane Prince, Ward 7

City of Saint Paul Department Directors

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Chief Todd Axtell, Saint Paul Police Department
Ricardo Cervantes, Safety and Inspections
Dr. Bruce Corrie, Planning & Economic Development
Mike Hahm, Parks and Recreation
Todd Hurley, Office of Financial Services
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Sharon Kennedy-Vickers, Technology and Communications
Jessica Kingston, Human Rights and Equal Economic Opportunity
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Steve Schneider, Saint Paul Regional Water Services
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