

STREET MAINTENANCE SERVICE PROGRAM

City of Saint Paul

March 8, 2017

AGENDA

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- ROW Service Overview
 - ▣ 2016 ROW Revenue by Property Class
- Principles for Street Maintenance Program
- 2017 Street Maintenance Program
 - ▣ 2017 Street Maintenance Program Funding
 - ▣ 2017 SMP Revenue by Property Class

ROW Service Overview

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- Services Provided
 - ▣ Sweeping, flushing, patching, and chip sealing streets and alleys.
 - ▣ Patching, blading and placing crushed rock on unimproved rights-of-way
 - ▣ Street overlays
 - ▣ Snow emergencies, vehicle tagging and towing, snow plowing, sanding, salting, snow removal, ice control
 - ▣ Boulevard tree trimming, repair and removal
 - ▣ Street lighting repair, replacement, painting and electricity
 - ▣ Installation, repair and replacement and removal of traffic signs
 - ▣ Pavement markings
 - ▣ Litter pick up
 - ▣ Ordinance enforcement
 - ▣ Emergency maintenance service

2016 ROW Revenue by Property Class

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Summary by Property Type	Amount	Percentage
Downtown	\$1,166,057.89	3.8%
Residential	\$14,824,798.04	48.9%
Commercial	\$9,812,829.11	32.4%
Tax Exempt	\$4,505,389.00	14.9%
TOTAL	\$30,309,074.04	

2016 ROW Revenue ~ Tax-Exempt Property

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<u>Use Categories</u>	<u>No. of Parcels</u>	<u>Assessment Amount</u>	<u>Percent of Total Assessment</u>
City of Saint Paul	643	1,135,856	25.2%
Housing and Redevelopment Authority	289	228,113	5.1%
St. Paul Regional Water Services	16	25,237	0.6%
St. Paul Port Authority	80	84,887	1.9%
Ramsey County	86	341,828	7.6%
St. Paul Public Schools ISD 625	129	412,790	9.2%
St. Paul Public Housing Authority	375	260,338	5.8%
State of Minnesota	159	233,601	5.2%
	1,777	2,722,651	60.4%
Hospitals, Clinics and Nursing Homes	64	180,439	4.0%
Colleges, Universities, Academies, and Public Schools	202	327,066	7.3%
Religious Organizations	413	565,127	12.5%
Welfare and Charitable Facilities	234	277,166	6.2%
	913	1,349,798	30.0%
Tax Forfeit Property	180	25,130	0.6%
Railroads	376	222,970	4.9%
Other *	214	184,840	4.1%
	770	432,940	9.6%
Totals:	3,460	4,505,389	

* Includes cemeteries, legally exempt property, vacant residential properties to be developed, other

Guiding Principles for a New Program

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- Continue to provide excellent services
 - ▣ Some service costs may be moved to General Fund
- SMP rate structure that is:
 - ▣ Fair/equitable
 - ▣ Reasonable
 - ▣ Uniform based on cost/level of service
 - Not type of street or class of property
 - ▣ Administratively manageable
 - ▣ Structurally balanced
- Program fees can be paid:
 - ▣ Upon receipt of invoice
 - ▣ Over time through assessments on property tax bills
- Collect same revenue differently
 - ▣ Balanced Approach

2017 Street Maintenance Service Program

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Service	Unit Rate per linear foot	Frequency of service	Financing Option	Notes
Street Lighting	\$0.65	Annual	1 year	Operating cost of street lighting system
Street Sweeping	\$0.15, \$.43, \$.95, \$2.60	Annual	1 year	Dwtn-64x, Arterial 8x, Residential 2x, Alleys 1X
Seal Coating	\$2.65/\$3.20 \$.33/\$.40 ann.	8 years	8 years	Only on residential streets, and alleys
Mill and Overlay	\$30 \$3 annual	Periodically	10 years	Cost based on project. Charge for 1/2 Cost Only on arterial streets

2017 Street Maintenance Program Funding

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<u>Service</u>	<u>2017 Adopted Cost of Service</u>	<u>Fee for Service Revenue</u>	<u>Service Reduction</u>	<u>Corner Property Subsidy</u>	<u>General Fund</u>	<u>2017 Amended Cost of Service</u>
Lights	\$ 4,466,000	\$ 3,834,795		\$ (631,205)	\$ 631,205	\$ 4,466,000
Sweep	\$ 4,495,000	\$ 3,992,584		\$ (502,416)	\$ 502,416	\$ 4,495,000
Seal Coat	\$ 2,600,000	\$ 2,284,238		\$ (315,762)	\$ 315,762	\$ 2,600,000
Mill/Overlay	\$ 2,600,000	\$ 1,300,000			\$ 1,300,000	\$ 2,600,000
Sidewalk	\$ 500,000	\$ -			\$ 500,000	\$ 500,000
Trees	\$ 2,870,000	\$ -			\$ 2,870,000	\$ 2,870,000
EAB	\$ 1,970,000	\$ -	\$ (800,000)		\$ 1,170,000	\$ 370,000
Pothole/Patching	\$ 2,700,000	\$ -			\$ 2,700,000	\$ 2,700,000
Snow/Salt/Sand	\$ 5,300,000	\$ -			\$ 5,300,000	\$ 5,300,000
Bridges	\$ 2,063,000	\$ -	\$ (200,000)		\$ 1,863,000	\$ 1,663,000
Traffic Signs/Signals	\$ 1,100,000	\$ -			\$ 1,100,000	\$ 1,100,000
Other Misc Services	\$ 830,000	\$ -			\$ 830,000	\$ 830,000
Total	\$ 31,494,000	\$ 11,411,617	\$ (1,000,000)	\$ (1,449,383)	\$ 19,082,383	\$ 29,494,000

Fees charged for directly benefiting properties based on actual cost of service during the year the service was performed.

Fees not paid will be assessed to property owner with applicable terms.

Residential Corner Property capped at 50%

2017 SMP Revenue by Property Class

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Summary by Property Type	Amount	Percentage
Residential	\$6,631,000.00	58.2%
Commercial	\$2,075,000.00	18.2%
Tax Exempt	\$2,694,000.00	23.6%
TOTAL	\$11,400,000.00	

2016 Taxable vs Exempt Property

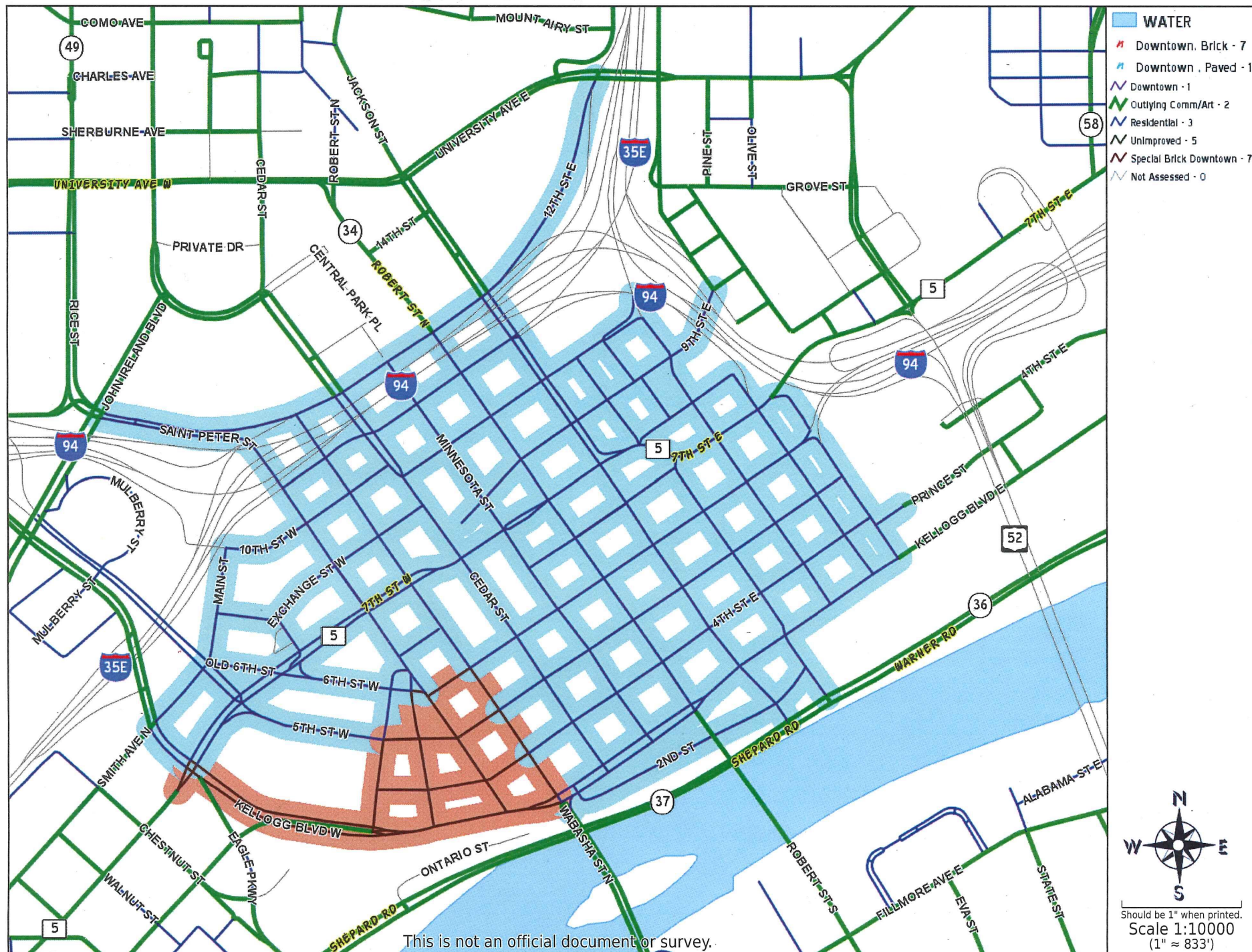
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	Taxable Parcel Count	%	Exempt Parcel Count	%	Taxable Parcel Value	%	Exempt Parcel Value	%	Taxable Parcel Area (ac.)	%	Exempt Parcel Area (ac.)	%	Public Road & Water Area (ac.)	%
St. Paul	80,244	96.2%	3,150	3.8%	\$21,705,306,700	75.9%	\$6,876,349,900	24.1%	19,438	54.1%	9,103	25.3%	7,369	20.5%
Suburbs	76,911	96.2%	3,070	3.8%	\$24,234,722,900	83.5%	\$4,786,327,200	16.5%	36,446	50.0%	19,251	26.4%	17,204	23.6%
Ramsey Couty Totals	157,155	96.2%	6,220	3.8%	\$45,940,029,600	79.8%	\$11,662,677,100	20.2%	55,884	51.4%	28,354	26.1%	24,573	22.6%
<i>Value Information: 2016 pay 2017 assessed valuations</i>														

Street Maintenance Service Program

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☐ Questions?



CITY OF SAINT PAUL BUDGET OVERVIEW

Citizens League PILOT Committee

May 11, 2017

Agenda

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- ☐ **Staff Introductions**
- ☐ **Saint Paul Budget Overview**
- ☐ **2018 Budget Environment**
- ☐ **Process Timeline**
- ☐ **Questions**



St. Paul – Total Budget

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City of Saint Paul: All Funds		
	2016 Adopted Budget	2017 Adopted Budget
General Fund	259,048,013	270,037,229
Special Funds	289,913,496	291,829,698
Debt Service	69,677,088	129,040,639
Total:	618,638,597	690,907,567
Less Transfers	(57,505,884)	(114,569,712)
Less Subsequent Year Debt	(12,854,838)	(13,023,448)
Net Spending Total:	548,277,875	563,314,406
Capital Improvement Budget:	45,679,984	61,435,000

Special Funds vs. General Fund

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- Special Funds:
 - ▣ Funded with dedicated revenue, tied directly to the expense
 - ▣ Examples:
 - Sewer and Water utilities
 - State and Federal grant funds
 - ROW fund

Special Funds vs. General Fund

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- General Fund:
 - ▣ Funded primarily through general revenues, not tied to specific expenses:
 - Property taxes
 - Local government aid from the state (LGA)
 - Franchise fees
 - Other general revenues
 - ▣ Includes: Police, Fire, Parks, Library

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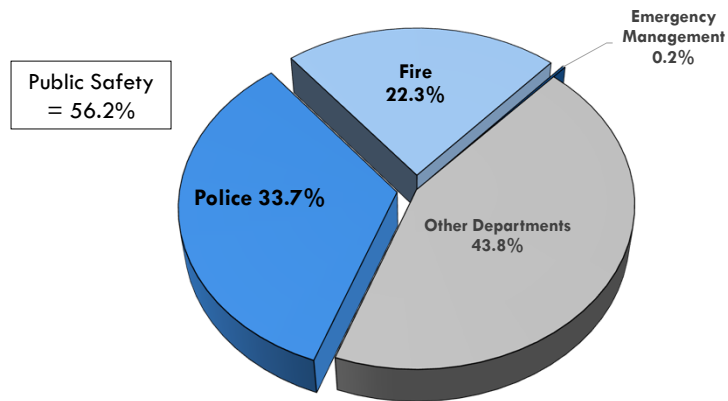
Why do we have budget deficits every year?



What do we spend our money on?

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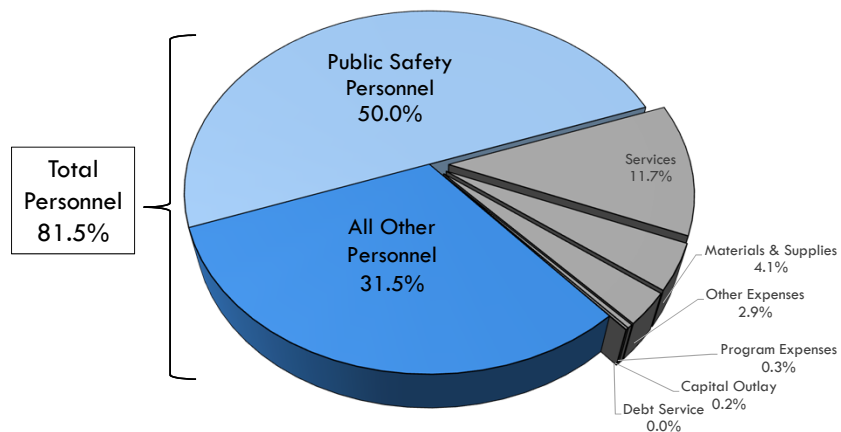
2017 General Fund Spending by Department



What do we spend our money on?

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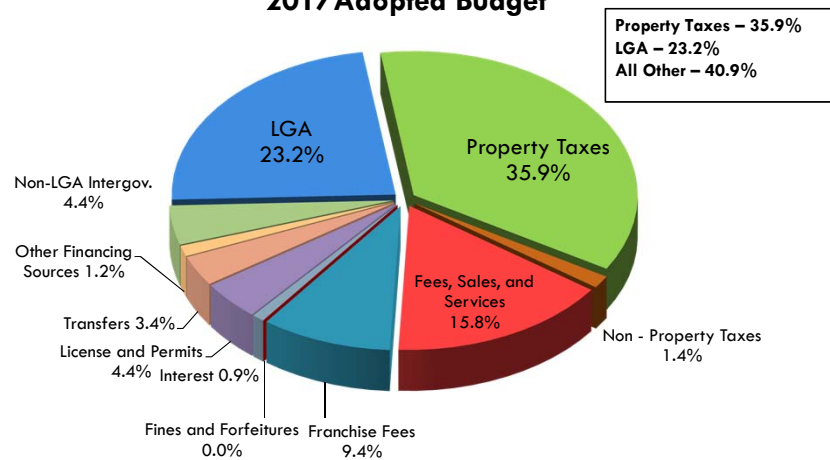
2017 General Fund Spending by Category



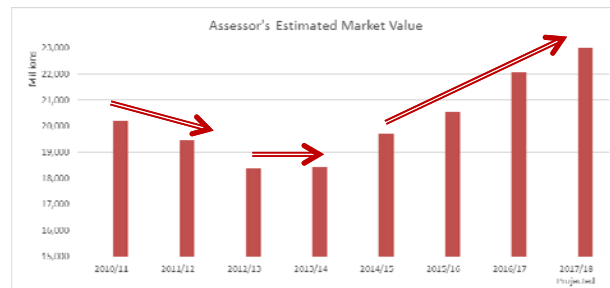
Where does our revenue come from?

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2017 Adopted Budget



Saint Paul Property Values Increasing



Increase by Type:
 Residential: 7.2%
 Commercial: 17.0%
 Industrial: 8.2%
 Apartment: 16.8%
 Personal Prop: 3.8%

Ramsey County Projects a 10% increase for 2017 after a 7% increase for 2016

Property Tax Levy

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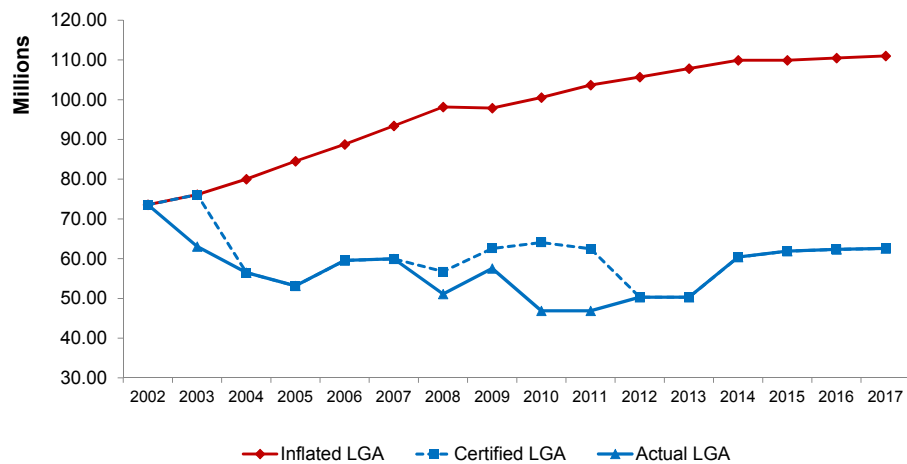
St. Paul Levy History 2006-2017

Fiscal Year	Adopted Levy	% Change from Prior Year
2006	65,845,514	
2007	71,771,611	9.0%
2008	82,642,837	15.1%
2009	89,254,264	8.0%
2010	94,609,221	6.0%
2011	94,609,221	0.0%
2012	99,320,758	5.0%
2013	101,207,852	1.9%
2014	101,207,852	0.0%
2015	103,636,842	2.4%
2016	105,605,943	1.9%
2017	113,990,253	7.9%

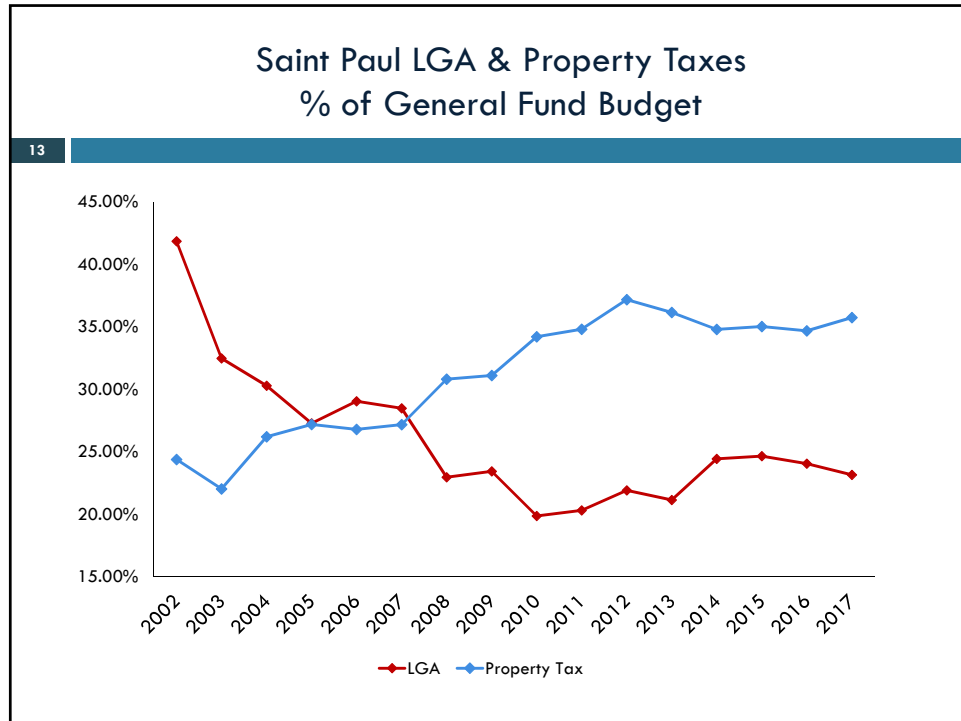
Average increase of 5.1% per year between 2006 and 2017

Saint Paul State Aid 2002-2017

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*Inflated using the Implicit Price Deflator for State and Local Governments



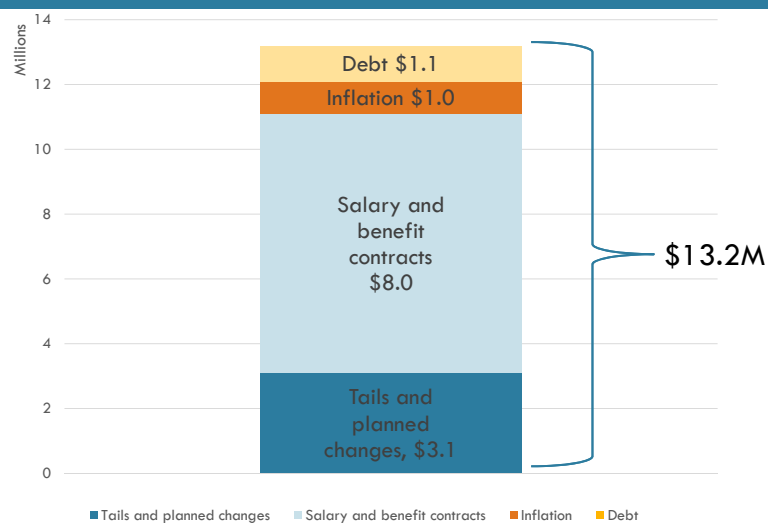
2018 Budget Challenges

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- Uncertain State partnership
 - Legislature is still in session, additional state aid unlikely
- Labor force influences and cost pressures
 - Negotiation year for labor and health contracts
- Limited revenue flexibility
 - Property tax remains only major lever
- Most of Right of Way shifting to General Fund
 - About one third will remain fee supported
- Tax exempt properties
 - Even with positive market trends, high portion of exempts poses challenges

2018 Budget Gap

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Saint Paul Budget Process Timeline

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Date	Task	Responsibility
May 1 – May 31	Departments prepare budget submissions	City Departments
June – July	Budget meetings with Mayor Coleman	Depts, OFS, Mayor's Office
Late July	Budget decisions finalized	Mayor's Office
Mid-August	Proposed budget address	Mayor
Mid-August – Mid-December	Council budget process	Depts, OFS, Council
Mid-December	2018 budget adopted	OFS, Council

Questions?

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