

2023 Budget



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February 16, 2023

To the Honorable Mayor and City Council:

We are pleased to submit the 2023 Budget. This budget provides the city council and residents with a balanced budget and a sound financial plan that maintains core service levels while remaining responsive to the financial concerns of St. Louis Park taxpayers.

The 2023 budget reflects a 7.02% increase in the property tax levy from 2022. Contributing to the increased levy are ongoing replacement and maintenance of infrastructure (including city roads, parks, buildings, etc.), technology, debt service and costs for continuing to provide quality service to residents. The increase will also support the city's Vision 3.0 and comprehensive plan goals and the city council strategic priorities of:

- St. Louis Park is committed to being a leader in racial equity and inclusion to create a more just and inclusive community for all.
- St. Louis Park is committed to continue to lead in environmental stewardship.
- St. Louis Park is committed to providing a broad range of housing and neighborhood-oriented development.
- St. Louis Park is committed to providing a variety of options for people to make their way around the city comfortably, safely, and reliably.
- St. Louis Park is committed to creating opportunities to build social capital through community engagement.

The 2023 budget also includes an HRA levy of \$1,582,696 to be used for qualifying housing programs, housing related salaries, and as a supplement to the affordable housing trust fund. The EDA passed a levy in the amount of \$500,000 for the 2023 budget cycle. The EDA levy is being used for salaries for the economic development team. It also frees up funding for the City's climate investment programs.

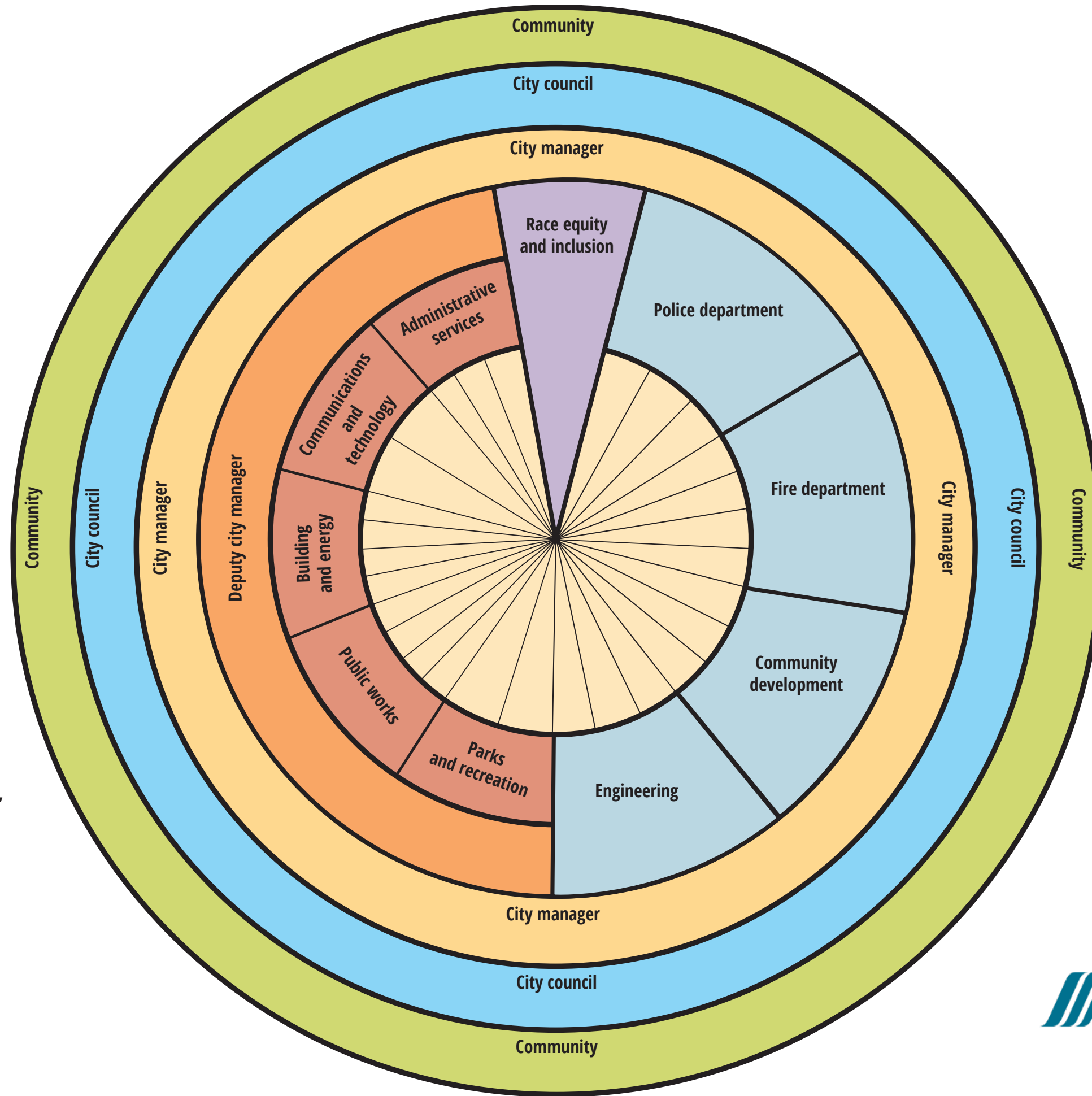
A review and approval of the preliminary property tax levies and budget was held on September 19, 2022. The budgets for Special Service Districts #1-6 were adopted on October 17, 2022. The formal Truth in Taxation public input session was held on December 5, 2022. The city council adopted the remaining 2023 budgets on December 19, 2022.

Please contact me at 952.924.2526 with any questions.

Respectfully submitted,

Kim Keller
City Manager

- Administrative services**
 - City clerk
 - Finance (includes assessing, utility billing)
 - Human resources
- Building and energy**
 - Construction codes
 - Facilities
 - Property maintenance/licensing
 - Sustainability
- Communications and technology**
 - Communications
 - Technology
- Community development**
 - Housing
 - Economic development/redevelopment
 - Planning and zoning
- Engineering**
 - Construction
 - Engineering services
 - Transportation
- Fire department**
 - Emergency response
 - Emergency management
 - EMS/community health
 - Prevention
- Parks and recreation**
 - Parks maintenance (includes fleet, natural resources)
 - Recreation programming (includes Westwood Hills Nature Center, Rec Center, ROC)
- Police department**
 - Administration
 - Investigations
 - Patrol
- Public works**
 - Administration/asset management
 - Solid waste
 - Streets
 - Utilities



Officials of the City of St. Louis Park

The City of St. Louis Park operates as a home-rule charter city, which receives its enabling authority through the adoption of a city charter. The St. Louis Park City Charter is the city's constitution, which provides for the type of government and outlines functions, structure, and procedures of city government. St. Louis Park became a charter city in 1954.

The City of St. Louis Park has a City-Manager form of government. Under this plan, the elected members of the council set the policies for the operation of the city. The council hires a city manager, who is responsible for the administration of all city business.

The St. Louis Park City Council consists of seven members, a mayor and six council members, who are elected to alternating four-year terms. Elections are held in November of odd-numbered years.



Jake Spano
Mayor
EDA commissioner
Term ends January 2024



Larry Kraft
At large A council member
EDA commissioner
Term ends January 2024



Nadia Mohamed
At large B council member
EDA vice president
Term ends January 2024



Margaret Rog
Ward 1 council member
EDA president
Term ends January 2026



Lynette Dumalag
Ward 2 council member
EDA commissioner
Term ends January 2026



Sue Budd
Ward 3 council member
EDA commissioner
Term ends January 2026



Tim Brausen
Ward 4 council member
EDA commissioner
Term ends January 2026

Budget Overview

The City of St. Louis Park has developed a comprehensive budget that encompasses council’s strategic priorities, maintenance of infrastructure (city roads, parks, buildings etc.), technology, debt service, and responsive and high-quality service to residents and businesses, which includes personnel costs for police, fire, and city staff. Property taxes support approximately 70% of the General Fund budget. To meet the objectives above, the budget includes a 7.02% property tax increase.

The 2023 General Fund budget requires \$47,269,744 for operations to continue at existing service levels and strategic priorities, and includes the best information available regarding inflationary factors, union contract settlements, and anticipated maintenance and equipment needs. Each budget year is potentially impacted by inflation, state and local policy changes, and the economy. The remainder of the budget document provides details about property taxes and includes detailed budgets by fund type.

General Property Tax Levy

Property taxes are levied for the purposes of providing services to the community, supporting capital needs, and providing funding for the Economic Development Authority (EDA). The following table summarizes the change in the property tax levy from 2022 to 2023.

Fund	2022	2023	2022 to 2023	
	adopted levy	adopted levy	Increase (decrease) \$	%
Tax capacity based tax levy				
General fund	\$ 30,532,470	\$ 32,041,296	\$ 1,508,826	4.94 %
Debt service	5,248,040	6,362,813	1,114,773	21.24 %
Capital replacement fund	1,575,240	1,646,142	70,902	4.50 %
Park improvement fund	860,000	860,000	-	0.00 %
Employee benefits fund	150,000	150,000	-	0.00 %
Total	\$ 38,365,750	\$ 41,060,251	\$ 2,694,501	7.02 %

For 2023 debt service payments supported by the tax levy are 21.24% of the overall tax levy. Standard and Poor’s (S&P) has assigned a rating of AAA to the City of St. Louis Park, the highest rating from S&P. The City’s bond rating reflects St. Louis Park’s strong economy, management, and liquidity; budgetary flexibility; budgetary performance; and debt management. A higher bond rating allows for the lowest interest expense and cost to taxpayers. The rating also provides opportunities to refinance outstanding debt at lower interest rates.

For 2023, the total debt levy is \$6,362,813, which is up \$1,114,773 from the 2022 debt levy.

Bond issue	Purpose	2022 adopted levy	2023 adopted levy	2022 to 2023 Increase (decrease)	
				\$	%
Debt service levy					
2014A G.O. Bonds	Connect the Park	475,000	552,627	77,627	16.34 %
2016A G.O. Bonds	Rec Center improvements	1,231,322	1,231,322	-	0.00 %
2017A G.O. Bonds	Connect the Park, lightrail, fiber	413,739	413,687	(52)	(0.01) %
2018A G.O. Bonds	Connect the Park, fiber, misc. impr.	254,835	252,105	(2,730)	(1.07) %
2019A G.O. Bonds	Connect the Park.	664,335	398,718	(265,617)	(39.98) %
2019A G.O. Bonds	WHNC impr.	398,719	664,755	266,036	66.72 %
2019B G.O. Bonds	2010D refunding fire station debt	600,366	855,000	254,634	42.41 %
2020A G.O. Bonds	Connect the Park, Dakota Bridge	856,958	856,748	(210)	100.00 %
2021A G.O. Bonds	Connect the Park, Park fund	352,766	1,137,851	785,085	100.00 %
	Total	<u>\$ 5,248,040</u>	<u>\$ 6,362,813</u>	<u>\$ 1,114,773</u>	21.24 %

Housing and Redevelopment Authority (HRA) Property Tax Levy

The HRA levy is used for infrastructure construction in redevelopment areas and qualifying housing programs. For 2023, the HRA levy will be used for housing related salaries and to supplement the affordable housing trust fund.

The HRA Levy is based on market value. By state law, the maximum allowable percentage for the HRA levy is 0.0185% of the taxable market value of the city, and the levy is spread against the tax capacity of each parcel. Based on the formula, the city is allowed to levy \$1,582,696 in 2023.

Economic Development Authority (EDA) Levy

The EDA levy is used for salaries for the economic development team. It also frees up funding for the city's climate investment programs.

The EDA Levy is based on market value. By state law, the maximum allowable percentage for the EDA levy is 0.01813% of taxable market value of the city. The city has chosen to levy less than the maximum for 2023 and passed an EDA levy in the amount of \$500,000.

Fund Types

The City of St. Louis Park classifies funds into six fund types: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, and Internal Service Funds.

General Fund

As the primary operating fund, the General Fund records all revenues and expenditures not assigned to another fund. The fund provides the resources to sustain the daily activities for general government including items such as, public safety, operations, parks and recreation, race equity and climate. The fund has more diverse revenue sources than other funds, including property taxes, licenses and permits, intergovernmental dollars, charges for services, fines and forfeits, interest income and miscellaneous revenues.

Special Revenue Funds

Certain activities are established or designated by statute, charter, or ordinance with defined revenue sources for a specific and restricted purpose. Budgeted funds include Climate Investment, Cable Television, Community Development Block Grant (CDBG), Housing Rehabilitation, Affordable Housing Trust, and Special Service Districts #1-6.

Debt Service Funds

Established to account for the payment (from taxes and other sources) of interest and principal on long-term debt. Formal budgets are not adopted for debt service funds as effective budgetary control is achieved through bond indenture provisions.

Capital Project Funds

Capital project funds are approved by the city council on a project-by-project basis. The use of this fund type is to account for monies used for the acquisition and construction of capital projects. Budgeted fund includes the Development/EDA fund.

Enterprise Funds

Established to account for the acquisition, operation, and maintenance of activities that are self-supporting. Enterprise funds are predominantly supported by user fees. Budgeted funds included water, sewer, solid waste, and storm drainage.

Internal Service Funds

Established to account for the financing of goods and services provided to city departments on a cost reimbursement basis. Budgeted funds include Employee Benefits and Insurance.

Detailed Budgets

Total City Budget

The total city budget, as shown below, is the combined budgets of all parts of the organization, including the Economic Development Authority (EDA).

	2023				2023 total budget	2022 total budget	2022 to 2023 increase (decrease)	
	General	Special revenue	Capital projects	Enterprise				Internal service
Revenues, capital contributions and other financing sources								
Revenues								
Property taxes	\$ 32,041,296	\$ 1,582,696	\$ 500,000	\$ -	\$ 150,000	\$ 34,273,992	\$ 32,700,269	4.81 %
All other taxes	-	739,000	668,422	-	-	\$ 1,407,422	1,304,000	7.93 %
Special assessments	-	1,201,320	-	-	-	\$ 1,201,320	773,094	55.39 %
Licenses and permits	5,000,977	-	-	-	-	\$ 5,000,977	4,750,604	5.27 %
Intergovernmental	2,129,139	165,000	-	176,360	-	\$ 2,470,499	2,018,339	22.40 %
Charges for services	2,586,338	31,066	189,194	25,809,367	\$ 433,000	\$ 29,048,965	27,554,270	5.42 %
Fines and forfeits	181,000	-	-	-	-	\$ 181,000	231,000	(21.65) %
Interest income	320,821	60,100	300,000	4,000	\$ 25,000	\$ 709,921	675,000	5.17 %
Miscellaneous	2,144,407	-	50,230	408,604	\$ -	\$ 2,603,241	1,636,420	59.08 %
Capital contributions	-	-	-	159,000	-	\$ 159,000	408,000	(61.03) %
Other financing sources								
Proceeds from sale of capital assets	-	-	3,465,000	-	-	\$ 3,465,000	8,997,000	(61.49) %
Transfers in	2,865,766	1,078,923	-	-	-	\$ 3,944,689	3,264,110	20.85 %
Total revenues, capital contributions and other financing sources	47,269,744	4,858,105	5,172,846	26,557,331	608,000	84,466,026	84,312,106	0.18 %
Expenditures and other financing uses								
Expenditures								
General government	10,384,520	-	-	-	-	10,384,520	10,503,773	(1.14) %
Public safety	21,793,443	-	-	-	-	21,793,443	19,923,339	9.39 %
Operations	6,197,509	-	-	-	-	6,197,509	5,704,479	8.64 %
Parks and recreation	8,085,147	-	-	-	-	8,085,147	7,483,892	8.03 %
Public information	-	446,273	-	-	-	446,273	482,702	(7.55) %
Housing maintenance	-	165,000	-	-	-	165,000	165,000	0.00 %
Housing and rehabilitation	-	3,173,277	-	-	-	3,173,277	3,008,406	5.48 %
Other	809,125	-	-	-	-	809,125	697,084	16.07 %
Social and economic development	-	292,721	2,807,282	-	-	3,100,003	4,144,197	(25.20) %
Miscellaneous	-	183,600	-	-	-	183,600	391,000	
Enterprise funds	-	-	-	17,767,260	-	17,767,260	16,963,598	4.74 %
Internal service funds	-	-	-	-	1,059,216	1,059,216	1,064,241	(0.47) %
Capital outlay	-	250,000	2,320,000	5,967,907	-	8,537,907	8,232,612	3.71 %
Other financing uses								
Transfers out	-	1,531,809	-	2,297,832	-	3,829,641	3,405,554	12.45 %
Total expenditures and other financing uses	47,269,744	6,042,680	5,127,282	26,032,999	1,059,216	85,531,921	82,169,877	4.09 %
Net change in fund balances or net position	\$ -	\$ (1,184,575)	\$ 45,564	\$ 524,332	\$ (451,216)	\$ (1,065,895)	\$ 2,142,229	

Special revenue funds include: climate investment, cable television, CBDG, housing rehabilitation, affordable housing trust, & special service districts 1-6

Capital projects funds include: development/EDA

Internal service funds include: employee benefits & insurance

General Fund - Revenues

The General Fund budget for 2023 reflects overall increases in revenues and expenditures of 6.32%. Below are summaries of revenues and expenditures, along with itemizations of major changes from 2022 to 2023.

	2022 budget	2023 budget	2022 to 2023 increase (decrease)	
			\$	%
Revenues and other financing sources				
Revenues				
Property taxes	\$ 30,532,470	\$ 32,041,296	\$ 1,508,826	4.94 %
Licenses and permits	4,750,604	5,000,977	250,373	5.27 %
Intergovernmental -				
State	1,688,839	2,129,139	440,300	26.07 %
Local and other	-	-	-	0.00 %
Charges for services	3,838,467	2,586,338	(1,252,129)	(32.62) %
Fines and forfeits	231,000	181,000	(50,000)	(21.65) %
Interest income	200,000	320,821	120,821	60.41 %
Miscellaneous	872,710	2,144,407	1,271,697	145.72 %
Other financing sources				
Transfers in	<u>2,198,477</u>	<u>2,865,766</u>	<u>667,289</u>	30.35 %
Total revenues and other financing sources	<u>\$ 44,312,567</u>	<u>\$ 47,269,744</u>	<u>\$ 2,957,177</u>	6.67 %
Major changes -				
Property tax increase			\$ 1,508,826	
License and permit-related revenue			250,373	
Intergovernmental revenue			440,300	
Charges for services - organized recreation fees			(1,252,129)	
Fines and forfeits			(50,000)	
Interest income			120,821	
Other revenues (HRA, Parks, etc.)			1,271,697	
Transfers In			<u>667,289</u>	
			<u>\$ 2,957,177</u>	

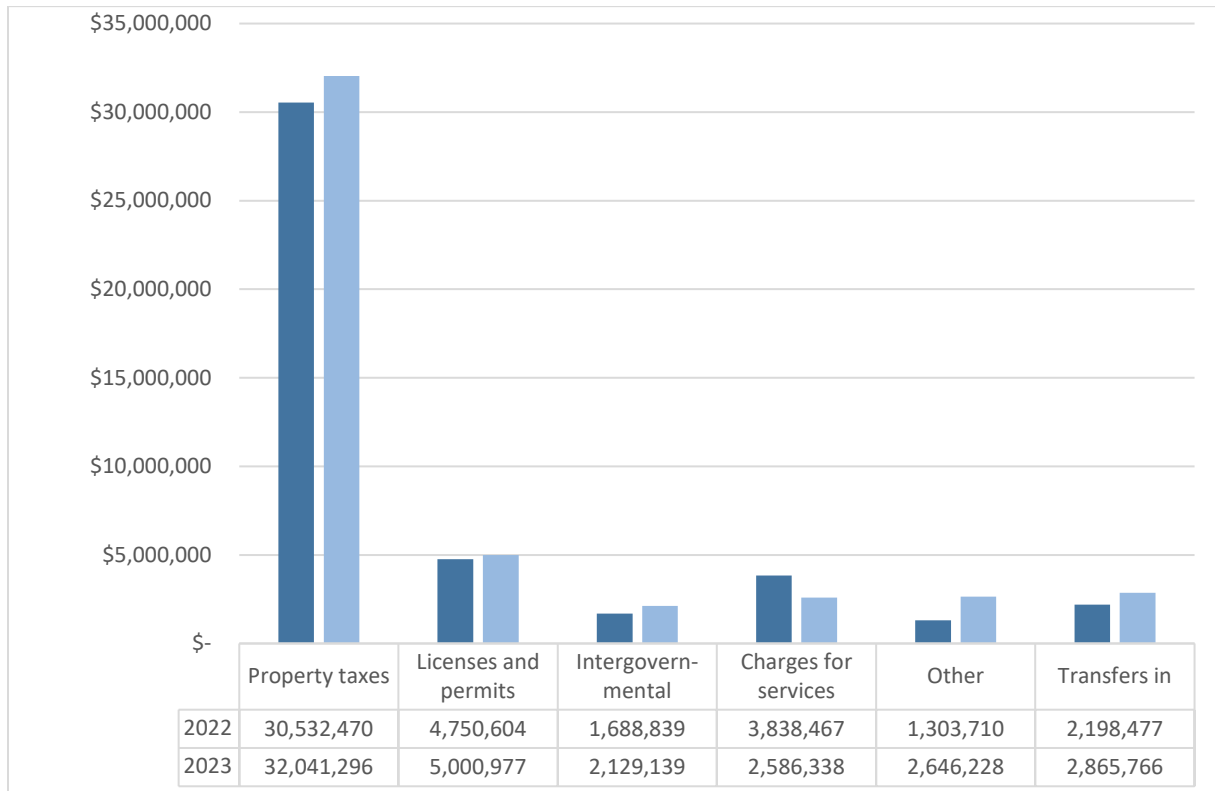
General Fund – Expenditures

	2022 budget	2023 budget	2022 to 2023 increase (decrease)	
			\$	%
Expenditures and other financing uses				
Expenditures				
General government				
Administration	\$ 2,010,605	\$ 2,109,231	\$ 98,626	4.91 %
Finance	1,178,516	1,200,411	21,895	1.86 %
Assessing	821,530	849,561	28,031	3.41 %
Human resources	882,849	834,585	(48,264)	(5.47) %
Community development	1,606,474	1,444,732	(161,742)	(10.07) %
Facilities maintenance	1,407,116	1,352,084	(55,032)	(3.91) %
Information technology	1,622,619	1,587,692	(34,927)	(2.15) %
Communications and marketing	974,064	1,006,224	32,160	3.30 %
Total general government	10,503,773	10,384,520	(119,253) #	(1.14) %
Public safety				
Police	11,846,760	13,048,059	1,201,299	10.14 %
Fire protection	5,364,179	5,806,478	442,299	8.25 %
Building	2,712,400	2,938,906	226,506	8.35 %
Total public safety	19,923,339	21,793,443	1,870,104 #	9.39 %
Operations				
Public works administration	255,766	264,485	8,719	3.41 %
Public works operations	3,523,669	3,603,624	79,955	2.27 %
Vehicle maintenance	1,368,929	1,578,775	209,846	15.33 %
Engineering	556,115	750,625	194,510	34.98 %
Total operations	5,704,479	6,197,509	493,030 #	8.64 %
Parks and Recreation				
Organized recreation	1,769,060	1,972,508	203,448	11.50 %
Recreation Center	2,274,043	2,301,981	27,938	1.23 %
Park maintenance	2,034,509	2,209,742	175,233	8.61 %
Westwood Hills Nature Center	794,170	831,437	37,267	4.69 %
Natural resources	612,110	769,479	157,369	25.71 %
Total parks and recreation	7,483,892	8,085,147	601,255 #	8.03 %
Other				
Racial equity and inclusion	292,194	389,258	97,064	33.22 %
Sustainability	404,890	419,867	14,977	3.70 %
Total other	697,084	809,125	112,041 #	16.07 %
Other financing uses				
Transfers out	-	-	-	(100.00) %
Total expenditures and other financing uses	<u>\$ 44,312,567</u>	<u>\$ 47,269,744</u>	<u>\$ 2,957,177</u>	6.67 %
Major Changes -				
Increase in wages and benefits			\$ 2,220,106	
Supplies (equip parts, salt, asphalt, etc.)			203,275	
Bank and Credit Card fees/Communications			26,600	
Sustainability-moved expense to climate fund			14,977	
Race Equity-bring budget in-line with exp			97,064	
Net of other insignificant increases (decreases)			395,155	
			<u>\$ 2,957,177</u>	

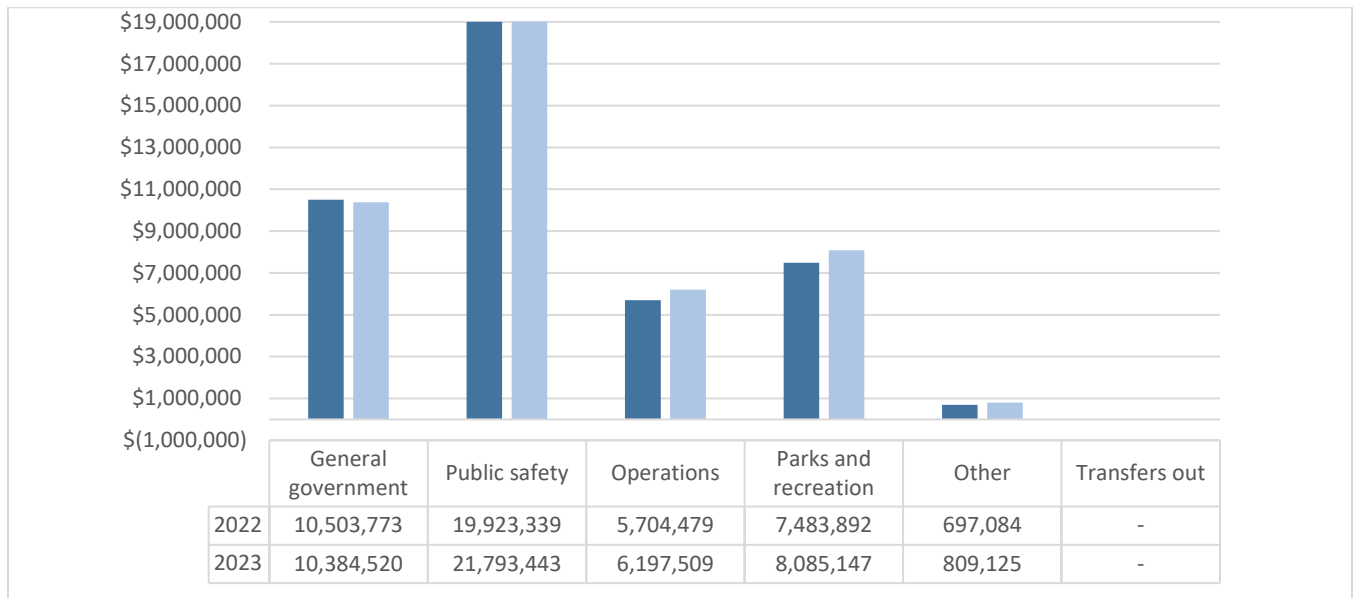
General Fund – Charts of Revenues and Expenditures

The following charts provide data to better illustrate how the General Fund (operating budget) is funded and how these resources are allocated.

Revenues



Expenditures



Special Revenue Funds

The City budgets for six special revenue funds.

	2023						2023 budget	2022 budget	2022 to 2023 increase (decrease)
	Climate Investment	Cable television	CDBG	Housing rehabili- tation	Affordable housing trust	Special service districts 1-6			
venues and other financing sources									
Revenues									
All other taxes -									
Franchise taxes	\$ -	\$ 739,000	\$ -	\$ -	\$ -	\$ -	\$ 739,000	\$ 739,000	0.00 %
Property taxes	-	-	-	-	1,582,696	-	1,582,696	1,517,799	4.28 %
Special assessments	-	-	-	948,165	-	253,155	1,201,320	773,094	55.39 %
Intergovernmental -									
Federal	-	-	165,000	-	-	-	165,000	165,000	0.00 %
Charges for services	-	500	-	-	-	30,566	31,066	28,449	9.20 %
Interest income	100	20,000	-	25,000	15,000	-	60,100	60,000	0.17 %
Miscellaneous	-	-	-	-	-	-	-	1,933	(100.00) %
Other financing sources									
Transfers in	-	-	-	1,078,923	-	-	1,078,923	1,065,633	1.25 %
Total revenues and other financing sources	100	759,500	165,000	2,052,088	1,597,696	283,721	4,858,105	4,350,908	11.66 %
penditures and other financing uses									
Expenditures									
Public information	-	446,273	-	-	-	-	446,273	482,702	(7.55) %
Housing maintenance	-	-	165,000	-	-	-	165,000	165,000	0.00 %
Housing and rehabilitation	-	-	-	1,523,277	1,650,000	-	3,173,277	3,008,406	5.48 %
Social and economic development	-	-	-	-	-	292,721	292,721	292,721	0.00 %
Capital outlay	-	250,000	-	-	-	-	250,000	93,200	168.24 %
Miscellaneous	183,100	-	-	-	500	-	183,600	391,000	
Other financing uses									
Transfers out	-	-	-	813,245	718,564	-	1,531,809	874,650	75.13 %
Total expenditures and other financing uses	183,100	696,273	165,000	2,336,522	2,369,064	292,721	6,042,680	5,307,679	13.85 %
Net change in fund balances	\$ (183,000)	\$ 63,227	\$ -	\$ (284,434)	\$ (771,368)	\$ (9,000)	\$ (1,184,575)	\$ (956,771)	

Capital Project Funds

The city budgets for one capital project fund. The development fund is used by the EDA authority for transactions related to redevelopment efforts within the City.

	Pavement Management 2023 budget	Park Improvement 2023 budget	Development/EDA		2022 to 2023 increase (decrease)
			2023 budget	2022 budget	
Revenues and other financing sources					
Revenues					
Property taxes	\$ -	\$ 860,000	\$ 500,000	\$ 500,000	100.00 %
All other taxes -					
Lodging tax	-	-	668,422	565,000	18.30 %
Franchise Fees	4,880,205	-	-	-	
Charges for services	-	-	189,194	197,730	(4.32) %
Interest income	-	-	300,000	300,000	0.00 %
Miscellaneous	-	1,219,496	50,230	34,230	46.74 %
Other financing sources					
Proceeds from sale of capital assets	-	-	3,465,000	8,997,000	(61.49) %
Total revenues and other financing sources	4,880,205	2,079,496	5,172,846	10,593,960	(51.17) %
Expenditures and other financing uses					
Expenditures					
Social and economic development	-	-	2,807,282	3,851,476	(27.11) %
Capital outlay	5,002,290	2,266,628	2,320,000	1,524,000	52.23 %
Other financing uses					
Transfers out	-	-	-	300,000	(100.00) %
Total expenditures and other financing uses	5,002,290	2,266,628	5,127,282	5,675,476	(9.66) %
Net change in fund balances	\$ (122,085)	\$ (187,132)	\$ 45,564	\$ 4,918,484	

Enterprise Funds

The city maintains and budgets for four enterprise funds, including water, sewer, solid waste, and storm water. For 2023, the city approved rate increases as explained in the paragraphs below.

The new utility rates will:

- keep essential indoor water use as affordable as possible.
- promote water conservation.
- allow for ongoing investment in repairs and maintenance of our systems.
- pay for important system upgrades, such as annual repair and rehabilitation of 1.96 miles of water main and 2.75 miles of sanitary sewer.

Water

A comparison of tiers and rates for 2022 and 2023 follows:

<u>Residential</u>	<u>Units of Usage</u>	<u>Rate</u>	
		<u>2022</u>	<u>2023</u>
Tier 1	0 - 13.333 units (0 - 10,000 gallons)	\$2.16	\$2.23
Tier 2	13.333 - 20 units (10,000 - 15,000 gallons)	\$2.62	\$2.70
Tier 3	> 20 units (> 15,000 gallons)	\$3.15	\$3.24

* One unit = 750 gallons

In adjusting rates, the city considered 2023 and future capital projects the water fund will need to pay for. A 3% increase in water rates will keep the fund on track to staying financially sound.

Sewer

For 2023, the sanitary sewer consumption rate increased from \$4.06 to \$4.24 per unit of water used. The sewer rate is calculated based on winter water consumption for residential and multi-family users and on actual use for all other users. Also, the quarterly sanitary sewer service charge, a fixed fee to offset the cost of making sanitary sewer service available to users, increased from \$20.79 to \$21.73.

Solid Waste

Solid waste customers will see an average increase of 5.25% in their solid waste rates in 2023, with a continued focus on pay as you throw. Individual rates vary, based on the total volume of garbage cart(s) elected. Recycling, organics recycling, and yard waste are included in the quarterly rates.

Storm Water

For 2023, the quarterly storm water rate, which pays for storm water drainage and flood control projects, increased from \$27.85 to \$29.24.

Enterprise Funds, continued

	2023				2023 budget	2022 budget	2022 to 2023 increase (decrease)
	Water	Sewer	Solid waste	Storm water			
Revenues and capital contributions							
Operating revenues							
Charges for services	\$ 9,120,106	\$ 8,726,833	\$ 4,239,330	\$ 3,723,098	\$ 25,809,367	\$ 23,489,624	9.88 %
Other	29,000	-	10,050	-	39,050	35,900	8.77 %
Rent	369,554	-	-	-	369,554	350,147	5.54 %
Non-operating revenues							
Intergovernmental	-	-	176,360	-	176,360	164,500	7.21 %
Interest income	1,000	1,000	1,000	1,000	4,000	85,000	(95.29) %
Capital contributions							
Connection fees and sp. assess.	94,000	65,000	-	-	159,000	408,000	(61.03) %
Total revenues and capital contributions	9,613,660	8,792,833	4,426,740	3,724,098	26,557,331	24,533,171	8.25 %
Expenses and transfers out							
Operating expenses							
Personal services	1,818,324	1,320,489	580,612	1,091,226	4,810,651	4,506,747	6.74 %
Supplies	424,800	23,000	79,050	12,000	538,850	708,350	(23.93) %
Professional services	706,767	91,611	30,949	254,978	1,084,305	1,040,033	4.26 %
Insurance	28,049	65,633	6,761	6,256	106,699	104,977	1.64 %
Utilities	422,500	55,000	-	35,200	512,700	512,500	0.04 %
Repairs and maintenance	932,000	235,000	-	140,000	1,307,000	1,174,489	11.28 %
Disposal charges	85,000	4,421,289	3,208,000	-	7,714,289	7,493,421	2.95 %
Other	254,748	296,380	285,664	119,309	956,101	598,351	59.79 %
Non-operating expenses							
Capital outlay	3,164,200	779,700	-	2,024,007	5,967,907	6,615,412	(9.79) %
Interest expense	632,439	49,564	-	54,662	736,665	824,730	(10.68) %
Transfers out	697,854	954,809	271,314	373,855	2,297,832	2,230,904	3.00 %
Total expenses and transfers out	9,166,681	8,292,475	4,462,350	4,111,493	26,032,999	25,809,914	0.86 %
Change in net position	\$ 446,979	\$ 500,358	\$ (35,610)	\$ (387,395)	\$ 524,332	\$ (1,276,743)	

Internal Service Funds

The city budgets for two internal service funds.

	2023		2023 budget	2022 budget	2022 to 2023 increase (decrease)
	Employee benefits	Insurance			
Operating revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	0.00 %
Other	373,000	60,000	\$ 433,000	341,500	26.79 %
Non-operating revenues			\$ -		
Property taxes	150,000	-	\$ 150,000	150,000	0.00 %
Intergovernmental	-	-	\$ -	-	0.00 %
Interest income	15,000	10,000	\$ 25,000	30,000	(16.67) %
Transfers in	-	-	\$ -	-	100.00 %
Total revenues	538,000	70,000	608,000	521,500	16.59 %
Operating expenses					
Personal services	687,717	47,999	735,716	748,741	(1.74) %
Professional services	122,000	-	122,000	68,000	79.41 %
Insurance deductibles and Uninsured losses	-	200,000	200,000	200,000	0.00 %
Other	1,000	500	1,500	47,500	(96.84) %
Transfers out	-	-	-	-	100.00 %
Total expense	810,717	248,499	1,059,216	1,064,241	(0.47) %
Change In net position	\$ (272,717)	\$ (178,499)	\$ (451,216)	\$ (542,741)	

Capital Improvement Plan (CIP)

The Capital improvement Plan (CIP) is a tool the city uses as a guide for capital needs planning over the next 10 years and to ensure appropriate funding is in place for those purchases. It includes purchases of equipment and infrastructure exceeding \$10,000. The current CIP covers the ten-year period from 2023-2032.

Only those projects included in the CIP for 2023 are authorized for the coming year. Projects included for years 2023-2027 are for planning purposes only and in all cases do not represent a firm commitment to construct or purchase any specific assets until such time as they are authorized by the city council.

A summary of projects planned for the next five years is as follows:

<u>Project category</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Technology	\$ 2,748,526	\$ 2,586,729	\$ 2,496,120	\$ 3,312,233	\$ 2,228,994
Buildings	880,000	1,223,000	1,920,000	444,000	267,000
Police	200,500	48,000	54,000	-	-
Fire	387,000	39,000	128,500	112,000	55,000
Operations and recreation	5,765,292	4,604,483	4,646,065	7,538,108	7,369,314
Engineering	12,820,870	23,657,283	27,828,145	12,694,285	13,489,400
Cable television	353,000	250,000	-	-	-
Total	<u>\$ 23,155,188</u>	<u>\$ 32,408,495</u>	<u>\$ 37,072,830</u>	<u>\$ 24,100,626</u>	<u>\$ 23,409,708</u>

A few notable projects for 2023 include:

Local Street Rehab (Area 1)

Park and Ride ramp at the Beltline station

Conclusion

The 2023 budget supports the city's Vision 3.0, comprehensive plan goals, and the city council's strategic priorities.

- St. Louis Park is committed to being a leader in racial equity and inclusion to create a more just and inclusive community for all.
- St. Louis Park is committed to continue to lead in environmental stewardship.
- St. Louis Park is committed to providing a broad range of housing and neighborhood-oriented development.
- St. Louis Park is committed to providing a variety of options for people to make their way around the city comfortably, safely, and reliably.
- St. Louis Park is committed to creating opportunities to build social capital through community engagement.

In addition to the five strategic priorities, the budget will support all services provided by the city, including but not limited to, general government, public safety, operations, parks and recreation, and climate investment.

The city council and staff will continue their efforts in long-range financial planning for capital needs, including parks, buildings, infrastructure, technology, vehicles, and major equipment.

We believe all interested parties will find this document useful in evaluating the city's programs and services. Supplemental line-item budgets can be obtained from the Finance Division.