

# BUILDING OUR LEGACY TOGETHER

2024 LIBRARY BUDGET PROSPOSAL  
Mayor Melvin Carter



SAINT PAUL  
MINNESOTA

# SAINT PAUL PUBLIC LIBRARY AGENCY 2024 PROPOSED BUDGET BOOK

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# Acknowledgement

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# Introduction

## Saint Paul Public Library Agency Board of Commissioners

### Commissioners

Amy Brendmoen  
Nelsie Yang  
Rebecca Noecker  
Jane L. Prince  
Russel Ballenger  
Chris Tolbert  
Mitra J. Jalali

### Term Ends

December 31, 2023  
December 31, 2023  
December 31, 2023  
December 31, 2023  
December 31, 2023  
December 31, 2023  
December 31, 2023

### Officers

Rebecca Noecker, Library Board Chair  
Nelsie Yang, Library Board Vice Chair

## Budget Process

The budget process commences in February and is designed to conform with Minnesota law, the City charter, and the legislative code.

### January - March

The budget for the new year is finalized during this time. This includes preparing and distributing books reflecting the adopted budget. The Office of Financial Services accounting division begins to prepare the Annual Comprehensive Financial Report for the previous year. During this time, the “base budget” for the upcoming year is identified.

### April - June

Forms, instructions, printouts, and the Mayor’s guidelines are distributed to departments. These tools are used to plan for and develop operating budgets. Department management and staff identify objectives, performance indicators and the resources needed to accomplish goals. Services are reviewed to determine purpose, need and cost-saving ideas.

Department requests for the following year’s budget are submitted in June. The Mayor’s Leadership Cabinet reviews all budget proposals and scores them on criteria that prioritize Citywide efficiency and alignment with Mayoral priorities.

Department directors meet with the Mayor to discuss their needs and to ensure that budgets meet the service level and taxing objectives that have been established for the City.

### July - September

Budget staff finalize the Mayor’s recommendations and produce the Mayor’s proposed budget. The Mayor submits the proposed budget to the City Council in August, after which the City Council review process begins. The Council holds meetings with department leadership and staff to obtain a clear understanding of goals, service priorities and objectives represented in the proposed budget. As required by state law, the City Council sets the maximum property tax levy no later than September 30. Governmental units can adjust budgets, resulting in property taxes less than or equal to, but not more than, the maximum levy.

### October - December

The City Council holds public hearings on the budget. Ramsey County mails property tax statements to property owners indicating the maximum amount of property taxes they will be required to pay, as well as when the budget and property tax public hearings will be held. State law requires the City to hold a meeting to give residents the opportunity to comment on the information in their notices. This meeting is held in early December. The City Council then adopts a budget and tax levy for the City. The adopted budget represents changes made by the City Council to the Mayor’s proposed budget. The Mayor has line-item veto authority over the Council-adopted budget.

## Budget Cycle

	2023												2024		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Establish base budget and prepare instructions															
Distribute Mayor's guidelines															
Distribute forms and instructions															
Departments prepare requested budgets within base															
Deadline for department data entry															
Deadline for budget forms submission to Mayor															
Budget Office analysis of Department requests															
Meetings with Departments and Budget staff															
Meetings with the Mayor and Departments															
Finalize Mayor's recommendations & prepare budget books															
Present Mayor's proposed budget to Council															
Council reviews Mayor's proposed budget															
Council sets maximum tax levies															
Public Truth in Taxation hearing															
Adopt City budgets, certify tax levies & ratify															
Transfer budget information to the Finance system															

## **City and Library Agency Composite Summary**

## Property Tax Levy and State Aid: City, Library Agency and Port Authority Combined 2023 Adopted vs. 2024 Proposed

### Property Tax Levy

	<u>2023 Adopted</u>	<u>2024 Proposed</u>	<u>Amount Change</u>	<u>Percent Change</u>	<u>Percent of City 2023 Total</u>	<u>Percent of City 2024 Total</u>
City of Saint Paul						
General Fund	155,780,139	160,243,894	4,463,755	2.9%	78.5%	77.8%
General Debt Service	21,648,845	23,179,457	1,530,612	7.1%	10.9%	11.3%
Saint Paul Public Library Agency	21,017,604	22,462,394	1,444,790	6.9%	10.6%	10.9%
<b>Total (City and Library combined)</b>	<b>198,446,588</b>	<b>205,885,745</b>	<b>7,439,157</b>	<b>3.7%</b>	<b>100.0%</b>	<b>100.0%</b>
Port Authority	2,611,700	2,611,700	-	0.0%		
<b>Overall Levy (City, Library &amp; Port)</b>	<b>201,058,288</b>	<b>208,497,445</b>	<b>7,439,157</b>	<b>3.7%</b>		

These amounts are the total property tax levy used to determine tax rates. Actual financing available to support the budget is less, due to a 2% "shrinkage" allowance for delinquent taxes.

### Local Government Aid Financing

	<u>2023 Adopted</u>	<u>2024 Proposed</u>	<u>Amount Change</u>	<u>Percent Change</u>	<u>Percent of City 2023 Total</u>	<u>Percent of City 2024 Total</u>
City of Saint Paul						
General Fund	72,480,360	81,311,670	8,831,310	12.2%	99.54%	99.59%
General Debt Service	-	-	-	N.A.	0.0%	0.0%
Saint Paul Public Library Agency	337,000	337,000	-	0.0%	0.46%	0.41%
<b>Total (City and Library combined)</b>	<b>72,817,360</b>	<b>81,648,670</b>	<b>8,831,310</b>	<b>12.1%</b>	<b>100.0%</b>	<b>100.0%</b>

Of the City's \$81.6 million Local Government Aid allocation, \$337,000 is budgeted in the Library General Fund. The remainder is budgeted in the City's General Fund.

# 2024 Proposed Budget: Library

**MISSION:** We welcome all people to connect, learn, discover, and grow.

**VISION:** We imagine a Saint Paul where all people feel seen, safe, and welcome. We imagine a city where libraries bring people together to experience hope, joy, and creativity through learning.

**Learn More:** [spl.org/](http://spl.org/)

## Department Facts

<b>Total General Fund Budget:</b>	\$22,544,558
<b>Total Special Fund Budget:</b>	\$1,244,417
<b>Total FTEs:</b>	180.60

## Department Goals

- **WELCOME** - We create welcoming places and experiences for library users.
- **CONNECT** - We make it easy to connect with learning, information, and people.
- **LEARN** - We provide free, equitable access to learning across a lifetime.
- **DISCOVER** - We provide opportunities to discover potential and unlock new ideas.
- **GROW** - We play a vital role in Saint Paul becoming a city that works for all.

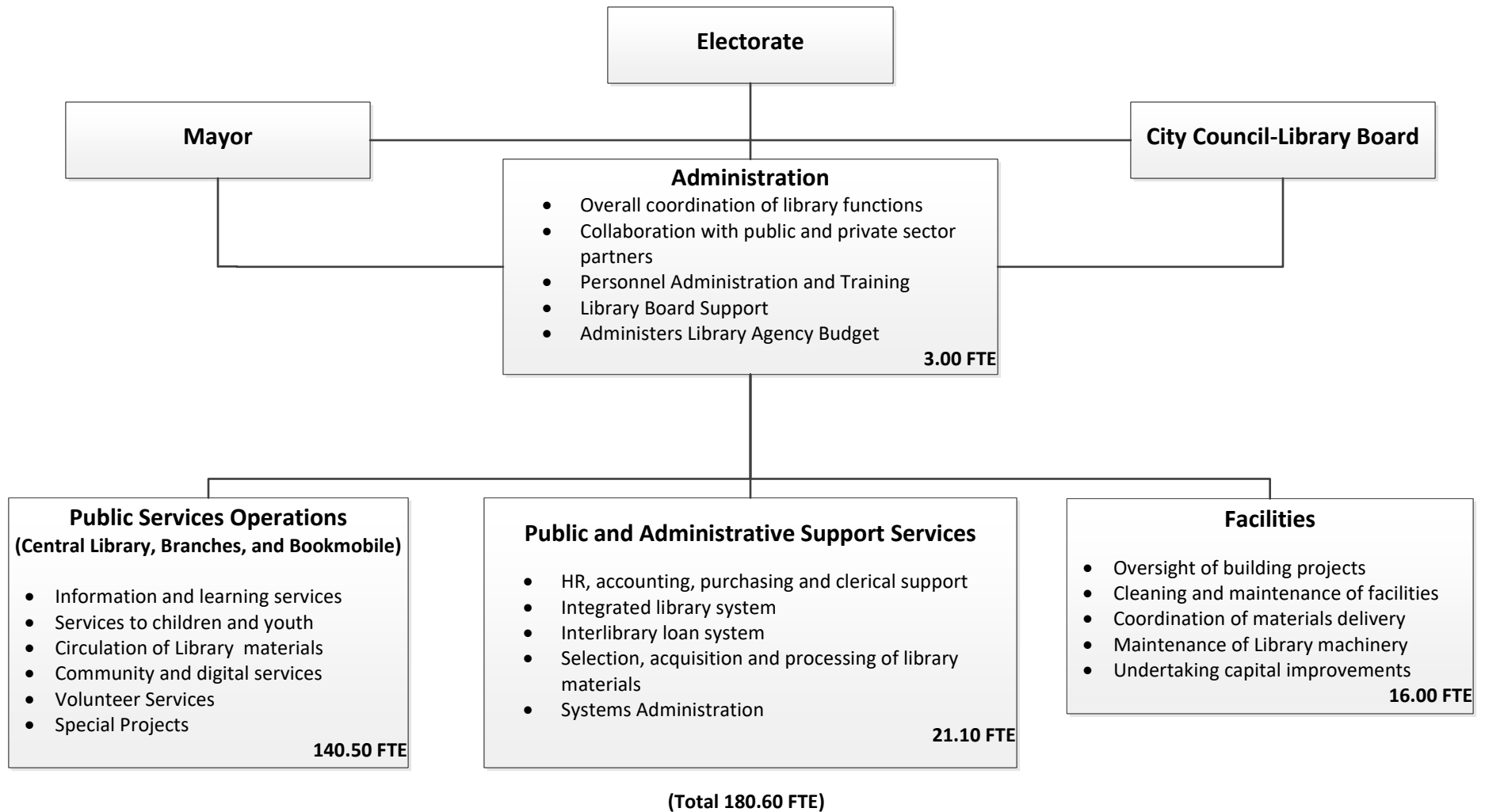
## Recent Accomplishments

- Over 1,000,000 in-person visits
- 2,492,987 total circulation
- 9% increase in physical materials - 1,641,561 items
- 16% increase in electronic materials – 851,426 items
- Over 3.4 million online visitors (3,253,885 website visits and 149,526 mobile app visits)
- 2,082 programs w/ 30,090 program attendance
- 2,330 uses of meeting rooms
- 787,864 total physical materials in collection
- 21,429 new patron accounts created
- Read Brave – Mental Health: 300 attended in-person events and 490 students participated in a classroom visit by an author
- Community Services Specialists made 1,121 connections at multi-cultural, intergenerational community events.
- Summer Spark summer youth programs: 11,923 books given to youth ages 0-18; 900 Take & Make kits distributed; 73 hands-on and performance programs had a total of 2,009 attendees
- 655 teens participated in Createch, a tech and maker space created by teens for teens to explore talents and pursue interests
- Career Lab staff provided 3,484 help sessions.
- Bookmobile served 1200 students weekly, circulated nearly 60,000 items, gave away 3,800 children's books at 38 stops
- Trauma Sensitive Libraries: Social worker had 677 patron visits and 91 consultations with staff; CROP served 463 people
- Volunteer Services: 660 volunteers served nearly 7,000 hours.
- Homework Centers served 641 participants throughout its five locations. They employed 140 volunteer tutors over 2100 hours.
- Reading Together: 52 volunteers provided mentoring for 132 youth in 6 libraries, connecting them with books they love, & reading skills



# Saint Paul Public Library Agency

***Mission:** We welcome all to connect, learn, discover and grow*



## 2024 Proposed Budget LIBRARY AGENCY

### Fiscal Summary

	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Proposed Budget	Change From Prior Year	FY 2023 Adopted Budget FTE	FY 2024 Proposed Budget FTE
<b>Spending</b>							
270: SPPL GENERAL FUND	17,568,437	18,610,082	21,128,664	22,544,558	1,415,894	178.10	179.10
275: SPPL SPECIAL PROJECTS	1,648,776	1,747,699	1,522,157	1,244,417	-277,740	2.90	1.50
<b>Total</b>	<b>19,217,213</b>	<b>20,357,781</b>	<b>22,650,821</b>	<b>23,788,975</b>	<b>1,138,154</b>	<b>181.00</b>	<b>180.60</b>
<b>Financing</b>							
270: SPPL GENERAL FUND	18,716,274	18,610,084	21,128,664	22,544,558	1,415,894		
275: SPPL SPECIAL PROJECTS	1,423,822	1,747,698	1,522,157	1,244,417	-277,740		
<b>Total</b>	<b>20,140,096</b>	<b>20,357,782</b>	<b>22,650,821</b>	<b>23,788,975</b>	<b>1,138,154</b>		

### Budget Changes Summary

The 2024 Library General Fund budget includes the addition of an Office Assistant to manage the staffing sub-pool created in the 2023 Adopted Budget, as well as a one-time investment of \$12,500 in the General Fund for the Library's contribution to an evaluation of how the Library and Parks department can better collaborate on procedures, investments, and services. There is an equal contribution from the Parks department.

Library special fund changes reflect a decrease of 1.4 FTE in Digital Navigator positions following the end of grant funding in 2023, as well as the final shift of funding from Libraries to Parks for the management of the Sprockets program, which moved program staff to the Parks department in 2023.

Public Safety Aid and Opioid Settlement: the 2024 budget includes \$678,000 in funding to improve safety infrastructure in libraries. The budget on this page does not reflect this funding. Please see the General Government Accounts section for additional information.

## Spending Reports

**CITY OF SAINT PAUL**  
**Spending Plan by Department**

**Department: LIBRARY AGENCY**  
**Fund: SPPL GENERAL FUND**

**Budget Year: 2024**

	<b>FY 2021 Actuals</b>	<b>FY 2022 Adopted Budget</b>	<b>FY 2023 Adopted Budget</b>	<b>FY 2024 Proposed Budget</b>	<b>Change From Prior Year</b>
<b>Spending by Major Account</b>					
EMPLOYEE EXPENSE	12,795,570	13,687,767	15,794,992	17,309,725	1,514,733
SERVICES	2,872,191	3,090,952	3,365,488	3,265,530	-99,958
MATERIALS AND SUPPLIES	1,857,333	1,779,831	1,917,443	1,917,443	0
ADDITIONAL EXPENSES	0	500	500	500	0
DEBT SERVICE	0	26,105	26,105	26,105	0
OTHER FINANCING USES	43,343	24,927	24,136	25,255	1,119
<b>Total Spending by Major Account</b>	<b>17,568,437</b>	<b>18,610,082</b>	<b>21,128,664</b>	<b>22,544,558</b>	<b>1,415,894</b>
<b>Spending by Accounting Unit</b>					
27043100 - SPPL GENERAL ADMINISTRATION	835,674	1,036,855	1,072,909	973,487	-99,422
27043200 - SPPL PUBLIC SERVICES	10,992,059	11,858,912	13,605,132	15,117,250	1,512,118
27043300 - SPPL SYSTEM SUPPORT SERVICES	3,663,199	3,585,418	3,937,299	3,894,107	-43,192
27043400 - SPPL FACILITY OPS AND MNTNCE	2,077,504	2,128,897	2,513,324	2,559,714	46,390
<b>Total Spending by Accounting Unit</b>	<b>17,568,437</b>	<b>18,610,082</b>	<b>21,128,664</b>	<b>22,544,558</b>	<b>1,415,894</b>

**CITY OF SAINT PAUL**  
**Spending Plan by Department**

**Department: LIBRARY AGENCY**

**Fund: SPPL SPECIAL PROJECTS**

**Budget Year: 2024**

	<b>FY 2021 Actuals</b>	<b>FY 2022 Adopted Budget</b>	<b>FY 2023 Adopted Budget</b>	<b>FY 2024 Proposed Budget</b>	<b>Change From Prior Year</b>
<b>Spending by Major Account</b>					
EMPLOYEE EXPENSE	385,794	701,631	220,425	141,879	-78,546
SERVICES	457,571	391,601	647,265	458,546	-188,719
MATERIALS AND SUPPLIES	661,649	643,992	643,992	643,992	0
ADDITIONAL EXPENSES	-475	0	0	0	0
OTHER FINANCING USES	144,237	10,475	10,475	0	-10,475
<b>Total Spending by Major Account</b>	<b>1,648,776</b>	<b>1,747,699</b>	<b>1,522,157</b>	<b>1,244,417</b>	<b>-277,740</b>
<b>Spending by Accounting Unit</b>					
27543610 - LIBRARY FEES FINES N REVENUES	182,481	254,271	254,271	254,037	-234
27543615 - SPROCKETS PROGRAM	38,514	67,937	69,164	0	-69,164
27543620 - RELLA HAVENS BEQUEST	5,565	14,433	14,433	14,433	0
27543650 - MELSA PROGRAMS STATE AID	152,609	210,834	210,834	210,834	0
27543800 - FRIENDS OF THE LIBRARY GRANTS	769,087	575,907	692,870	595,161	-97,709
27543820 - LIBRARY PRIVATE GRANTS	375,103	504,677	150,945	40,312	-110,633
27543830 - PERRIE JONES ENDOWMENT FRIENDS	125,418	119,640	129,640	129,640	0
<b>Total Spending by Accounting Unit</b>	<b>1,648,776</b>	<b>1,747,699</b>	<b>1,522,157</b>	<b>1,244,417</b>	<b>-277,740</b>

# Financing Reports



**CITY OF SAINT PAUL**  
**Financing Plan by Department**

**Department: LIBRARY AGENCY**  
**Fund: SPPL GENERAL FUND**

**Budget Year: 2024**

	<b>FY 2021 Actuals</b>	<b>FY 2022 Adopted Budget</b>	<b>FY 2023 Adopted Budget</b>	<b>FY 2024 Proposed Budget</b>	<b>Change From Prior Year</b>
<b>Financing by Major Account</b>					
TAXES	18,484,827.56	18,418,084	20,616,664	22,032,558	1,415,894
INTERGOVERNMENTAL REVENUE	56,426.82	17,000	337,000	337,000	0
MISCELLANEOUS REVENUE	20	0	0	0	0
OTHER FINANCING SOURCES	175,000	175,000	175,000	175,000	0
<b>Total Financing by Major Account</b>	<b>18,716,274</b>	<b>18,610,084</b>	<b>21,128,664</b>	<b>22,544,558</b>	<b>1,415,894</b>
<b>Financing by Accounting Unit</b>					
27043100 - SPPL GENERAL ADMINISTRATION	18,716,254.38	18,610,084	21,128,664	22,544,558	1,415,894
27043200 - SPPL PUBLIC SERVICES	20	0	0	0	0
<b>Total Financing by Accounting Unit</b>	<b>18,716,274</b>	<b>18,610,084</b>	<b>21,128,664</b>	<b>22,544,558</b>	<b>1,415,894</b>

**CITY OF SAINT PAUL**  
**Financing Plan by Department**

**Department: LIBRARY AGENCY**  
**Fund: SPPL SPECIAL PROJECTS**

**Budget Year: 2024**

	<b>FY 2021 Actuals</b>	<b>FY 2022 Adopted Budget</b>	<b>FY 2023 Adopted Budget</b>	<b>FY 2024 Proposed Budget</b>	<b>Change From Prior Year</b>
<b>Financing by Major Account</b>					
INTERGOVERNMENTAL REVENUE	351,823.9	385,340	259,126	251,146	-7,980
CHARGES FOR SERVICES	61,999.66	165,174	165,174	164,940	-234
FINE AND FORFEITURE	19,707.35	0	0	0	0
INVESTMENT EARNINGS	4,224.94	14,433	14,433	14,433	0
MISCELLANEOUS REVENUE	802,669.06	758,072	953,424	813,898	-139,526
OTHER FINANCING SOURCES	183,396.65	424,679	130,000	0	-130,000
<b>Total Financing by Major Account</b>	<b>1,423,822</b>	<b>1,747,698</b>	<b>1,522,157</b>	<b>1,244,417</b>	<b>-277,740</b>
<b>Financing by Accounting Unit</b>					
27543610 - LIBRARY FEES FINES N REVENUES	277,985.65	254,271	254,271	254,037	-234
27543615 - SPROCKETS PROGRAM	0	67,937	69,164	0	-69,164
27543620 - RELLA HAVENS BEQUEST	4,224.94	14,433	14,433	14,433	0
27543650 - MELSA PROGRAMS STATE AID	224,125.35	210,834	210,834	210,834	0
27543800 - FRIENDS OF THE LIBRARY GRANTS	480,839.37	575,906	692,870	595,161	-97,709
27543820 - LIBRARY PRIVATE GRANTS	308,655.8	504,677	150,945	40,312	-110,633
27543830 - PERRIE JONES ENDOWMENT FRIENDS	119,991.34	119,640	129,640	129,640	0
27543860 - SPECIAL PROJECTS COVID-19	7,999.11	0	0	0	0
<b>Total Financing by Accounting Unit</b>	<b>1,423,822</b>	<b>1,747,698</b>	<b>1,522,157</b>	<b>1,244,417</b>	<b>-277,740</b>

# Appendix- Glossary

**Account Code:** A five-digit code assigned to a specific type of receipt or expenditure. A major account code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personnel services, materials, supplies, and equipment are major account codes.

**Accounting Unit (AU):** An accounting unit is a subunit of a fund. Each fund contains one or more accounting units, a specific and distinguishable budgetary unit of work or service. Accounting units are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

**Accounting Unit Number:** An eight (8)-digit number which uniquely identifies the accounting unit. The first digit indicates the fund type, while the second digit indicates the department.

**Allocation:** A portion of a lump sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See Appropriation.

**American Rescue Plan Act (ARP):** The American Rescue Plan Act, signed into law March 11, 2021, provides \$1.9 trillion in direct economic assistance for American workers, families, small businesses, and industries to address issues related to the COVID-19 pandemic. The ARP creates the Coronavirus State and Local Fiscal Recovery Funds, which provide \$350 billion to address the pandemic's public health and economic impacts and lay the foundation for a strong and equitable recovery.

**Appropriation:** An expenditure authorized by the City Council for a specified amount and time.

**Assessed Valuation:** The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

**Bond:** A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

**Budget Document:** The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

**Capital Allocation:** Assignment of available capital (dollars) to specific uses.

**Capital Expenditure:** Actual spending of capital (dollars) for capital improvement projects.

**Capital Improvement:** The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

**Capital Improvement Budget (CIB):** A plan for capital expenditures (physical development of the city) to be incurred each year, over a fixed number of years, in order to meet capital needs arising from the long-term work program.

**Capital Outlay:** Equipment, machinery, vehicles or furniture items included in the operating budget. See Capital Improvement Budget.

**Capital Projects Fund:** A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary or fiduciary funds.

**CIB:** Acronym for capital improvement budget.

**Debt Service Fund:** A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

**Division:** An organizational subunit of a department. Each department has one or more divisions, which are responsible for one or more activities.

**Encumbrances:** Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

**Enterprise Fund:** A fund established to account for city operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs (expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

**ERP:** Acronym for Enterprise Resource Planning, a document and information management system. The City's ERP system is Infor.

**ETI:** Acronym for Enterprise Technology Initiative. This is an activity in the Technology department in which spending and financing for city-wide technology improvements are budgeted.

**Expenditures:** Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds) .

**Expenses:** Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See Expenditures.

**Fiduciary Fund:** A fund established to account for resources held for the benefit of parties outside the government.

**Financing Plan:** Identifies sources of revenues that support the spending plan.

**Full Time Equivalent (FTE):** A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

**Fund:** Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements.

**Fund Balance:** An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

**Fund Manager:** Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such

information to their department director and the director of the office of financial services. See Performance Plan, Spending Plan, and Financing Plan.

**Fund Number:** A three-digit number which uniquely identifies the fund. For example, the General Fund is fund number 100, the city grants fund is 200, and the parks and recreation special projects is 260. There is no significance to the sequence of numbers. See Activity Number.

**Fund Type:** A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see Fund.

**GIS:** Acronym for geographic information system.

**General Fund:** The fund used to account for all financial resources not specifically earmarked for other purposes. The General Fund is the primary operating fund for the City of Saint Paul.

**Governmental Funds:** All funds other than fiduciary and proprietary funds. Includes the general fund, special revenue funds, capital projects funds, debt service funds and special assessment funds. The measurement focus is on spending or financial flow rather than on net income. See Fiduciary Funds and Proprietary Funds.

**Internal Service Fund:** A fund established to account for the financing of goods or services provided by one city department to other city departments, divisions or funds on a cost reimbursement basis.

**LGA:** Acronym for local government aid. See State Aids.

**MSA:** Acronym for municipal state aids. See State Aids.

**Operating Budget:** The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

**Operating Transfer In/Out:** Interfund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

**PED:** Acronym for the planning and economic development department.

**Permanent Fund:** A fund established to account for the custody and administration of assets held in a trust capacity. The assets held in a trust fund must be spent or invested in accordance with the conditions of the trust. Expendable trust funds are similar to governmental funds in that the measurement focus is on spending or financial flow rather than on net income. Non-expendable trust funds are similar to proprietary funds, with the measurement focus on determination of net income. See Agency Fund and Fiduciary Fund.

**Proprietary Funds:** Any fund which attempts to determine net income. Measurement focus is on cost of services similar to private sector for-profit organizations. This category includes enterprise and internal service funds.

**Recoverable Expenditure:** An expenditure made for, or on behalf of, another governmental unit, fund, or department, private individual, firm, or corporation which will, subsequently, be recovered in cash or its equivalent.

**Retained Earnings:** An equity account reflecting the accumulated earnings of an enterprise or internal service fund which are not reserved for any specific purpose.

**Special Assessment:** Charges which the local government collects from property owners to pay for specific services or capital improvement projects such as streets, sewers, etc., which benefit a particular piece of real estate.

**Special Fund:** A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

**Spending Plan:** Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

**STAR:** Acronym for sales tax revitalization program.

**State Aids:** The following are the major types of intergovernmental revenues received by the City of Saint Paul from the State of Minnesota:

**Local Government Aid (LGA):** Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula is based on "need" as well as "capacity". The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

**Municipal State Aids (MSA).** This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

**Tax Increment Financing (TIF) District:** A TIF district is a designated geographical area where a city is undertaking redevelopment or development activity. Any increase in assessed valuation due to new development activity is captured by the district. Property taxes levied against those captured values are used to finance the public improvement costs incurred to induce the private development activity. Public improvement costs can be financed by issuing bonds or by a pay-as-you-go plan