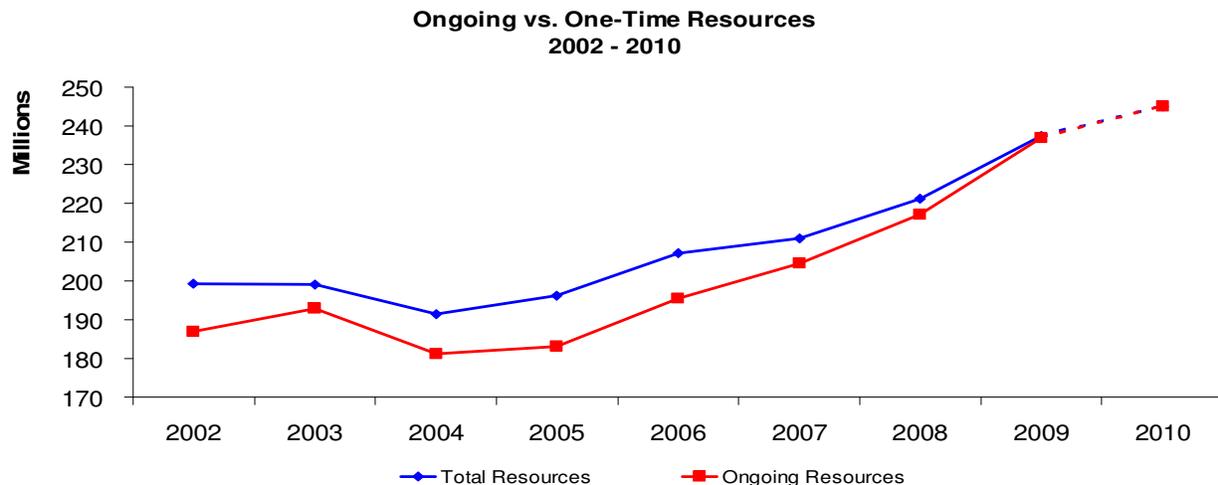




Mayor Coleman's 2009 Proposed Budget: Financial Stability. Wise Investments. Strong Management.

Putting Saint Paul Back on Track



Mayor Chris Coleman is committed to managing the City of Saint Paul's finances in a fiscally sound manner. Despite many financial challenges occurring before and during his first years in office, the list of accomplishments is significant, including:

- Achieving a structurally balanced budget one year ahead of schedule.
- Adopting and adhering to a prudent fund balance policy in tax supported funds.
- Maintaining a "AAA" credit rating while achieving a "Strong" fiscal management rating from Standard & Poor's.

Mayor Coleman's 4-year plan to achieve structural balance

During his first year in office, Mayor Coleman convened a blue ribbon panel of community financial experts to help him develop a 4-year plan to achieve structural balance. In his first budget address, Mayor Coleman signaled his intentions to grow ongoing revenues, make strategic investments in City services and infrastructure, and redefine and reorganize service delivery in key areas to deliver better service at a better price. Although the effort required tough choices, bold action, and diligent attention, Mayor Coleman has been able to achieve structural balance in the 2009 budget, one year ahead of schedule.

Saint Paul's key indicators of fiscal health

- "AAA" credit rating with a "Strong" financial management rating.
- Competitive property tax ranking of 73 out of 117 metro area communities.
- General fund balance that complies with the fund balance policy adopted by City Council.
- Achieved a structurally balanced budget just 3 years after facing a \$16.5 million shortfall.

What does it mean?

Structural balance exists when budgeted ongoing revenues match budgeted ongoing expenditures. When a budget becomes structurally imbalanced, one-time resources, which are often unreliable in the long term and limited in availability, are tapped to pay for ongoing services like public safety, parks and library services. For several years prior to the 2003 budget, Saint Paul relied on one-time uses of a healthy fund balance reserve to pay for ongoing expenses. In 2003 when the state legislature significantly reduced the amount of Local Government Aid to Saint Paul, City leaders needed to substantially draw down reserves and continued to rely more extensively on one-time resources to balance future budgets. By 2006 use of one time resources totaled \$11.8 million dollars and excess reserves were depleted.