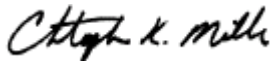


REQUEST FOR COUNCIL ACTION

Date: 04/20/15
Item No.: 13.a

Department Approval



City Manager Approval



Item Description: Consider Establishing a 2016 Budget Calendar & Process

BACKGROUND

In an effort to better coordinate the budget process, the City Council is asked to consider establishing a Budget Calendar. Adhering to a budget calendar demonstrates that the Council and Staff are committed to a process that ensures transparent discussions and informed decisions. It also demonstrates a commitment to ensuring that opportunities are created for citizens and interested parties to participate in the budget process – and to know in advance of when those opportunities will occur.

In addition to establishing a budget calendar, the Council is also asked to decide on the types of budgetary information it needs to ensure an effective and efficient budget process.

Last year, the Council held a dozen budget-related discussions spanning from May to December. This was a significant departure from previous years which routinely numbered 20 or more separate meetings. The calendar of key budget dates from last year included the following:

2015 Budget Calendar

Departmental Budget Presentations.....	May 22, 2014
Discussion on City Council Budget Goals & Priorities.....	June 16, 2014
Present the City Manager Recommended Budget	July 14, 2014
Preliminary Budget Hearing.....	August 11, 2014
Review the 2015-2034 CIP & Funding Strategies	August 25, 2014
Adopt the Preliminary Budget	September 8, 2014
Continue Discussions on the Budget	October 20, 2014
Subsequent Review of the 2015-2034 CIP & Funding Strategies.....	November 10, 2014
Final Budget Hearing.....	December 1, 2014
Adopt the 2015 Water & Sewer Rates.....	December 8, 2014
Adopt the 2015 Final Budget.....	December 8, 2014

To build on the effectiveness of last year's budget calendar, Staff recommends the City continue to adhere to the following principles:

33 A. Commit to a process of reaching budgetary milestones; and keeping the
34 discussion moving forward.

35
36 B. Promote consistency and continuity from one budget cycle to the next by
37 agreeing to the types of budgetary information packages that will be
38 compiled and used.

39
40 The calendar used during last year's budget process is included in *Attachment A*. This furthers the first
41 principle noted above. The Council is asked to consider a similar calendar for this budget cycle. As to
42 the second principle, Staff recommends the Council rely on the following general information
43 packages:

- 44 ❖ Departmental overview (ref: Departmental handouts 5/22/14)
- 45 ❖ City Manager Recommended Budget Summary (ref: PowerPoint presentation – 7/14/14)
- 46 ❖ Council-approved Budget Reconciliation (ref: Excel spreadsheet – 9/8/14)
- 47 ❖ CIP & Utility Rate Summary (ref: PowerPoint presentations – 10/10/14 & 12/1/14)

48
49
50 This approach is consistent with last year's and from Staff's perspective it appeared to be well received
51 and productive. Excerpts of these packages are included in *Attachment B* as a reference.

52
53 There are a couple of other considerations the Council may want to consider for the upcoming budget
54 process. First, the Council may want to consider what role the Finance Commission plays in the
55 process. When creating the Commission, the Council indicated that one of their roles was to participate
56 in the budget process among many other directives.

57
58 Over the past year, the Commission has held discussions on the budget process, budget-reporting
59 formats, general financial planning concepts, and capital spending. That being said, the Commission
60 has expressed some concern about offering budgetary guidance and recommendations prior to
61 understanding the operational essentials of the hundreds of programs and services contained in the City
62 budget. To date, the Commission has had only limited discussions on these programs.

63
64 In addition, if the Council is considering holding budget discussions outside of regularly-scheduled
65 meetings, the availability of the Council Chambers is quite limited during the next few months. A
66 May-September meeting calendar is included in *Attachment C*.

67 **POLICY OBJECTIVE**

68 Establishing an annual budget calendar demonstrates a commitment to an effective and transparent
69 budget process, and encourages citizen participation.

70 **FINANCIAL IMPACTS**

71 Not applicable.

72 **STAFF RECOMMENDATION**

73 Staff recommends that the Council establish a 2016 Budget Calendar and identify the types of
74 working documents you would like to have.

76 **REQUESTED COUNCIL ACTION**

77 Establish a 2016 Budget Calendar and identify the types of working documents to be used for the
78 budget process.

79

Prepared by: Chris Miller, Finance Director

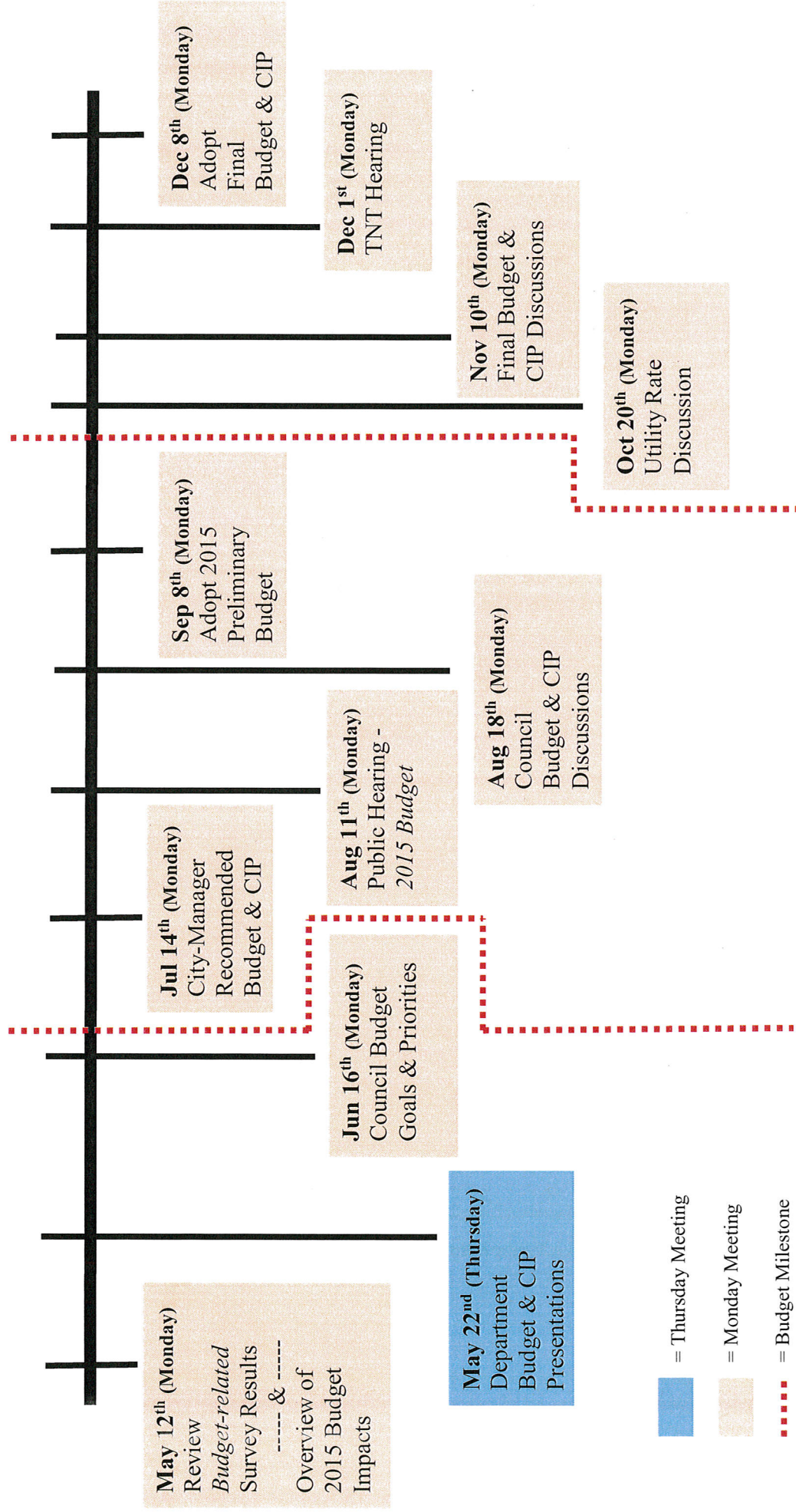
Attachments: A: 2015 Budget Calendar (2014 Budget Process)
B: Excerpts of Last Year's Budget working documents
C: May-September 2015 Meeting Calendar

80

City of Roseville

2015 Budget Calendar (2014 Budget Process)

May - December



** Note **

Additional budget discussion topics may include discussions on; financial policies, CIP Funding plan, etc.

**City Council Budget Discussion
Administration Department
May 22, 2014**

The Administration Department has 7 full-time employees. Funding for the Administration Department comes from a variety of sources including the Communications Funds, HRA Fund, and Levy Funds.

The Administration Budget currently includes Communications, Elections, Administration, City Council, Ethics and HRC, and Legal. In total, about 75% of the Administration Department budget is levy-supported. The 2013 approved budget is \$1,626,325.00.

Budget Priorities

- Continuation of coordinated communication efforts
- Continuation and expansion on use volunteers by City
- Support of Commissions (Human Rights, Ethics, and Community Engagement)
- Wellness Program
- HRIS Support

Budget Challenges

- Affordable Health Care Act
- Human Resources Support
- Cable Franchise Renewal

**Parks and Recreation 2015 Budget Topics/Discussion
Overview, Priorities and Challenges 5-22-14**

Overview

- 4 areas- Parks, Recreation, Golf, Skating Center
- Golf – currently an enterprise fund
- 25.25 FTE – rely also on seasonal, part time and volunteers
- 2014 Budget - Expenses = \$4,599,905 Revenue = \$2,383,495
- Department – overall 50-60% fee, charge and contribution supported

2015 Budget Priorities (new initiatives)

- Renewal Program Projects
 - a. Park Maintenance
 - i. New Buildings
 - ii. Land Acquisition
 - b. Recreation
 - i. staffing for additional use
- Minimum Wage
- Emerald Ash Borer (EAB) - treatment, removal and replacements - \$100K
- Intern stipend

Other Budget Challenges and Opportunities

- Staffing levels – no new positions requested
 - 1. Park Supervisor – reinstatement
 - 2. Custodial (RSC and HANC) – reinstatement
 - 3. Forester – new
 - 4. Recreation Programmer – new
- Volunteers
- EAB
- Trail Plowing
- Golf Course
- Wildlife management

Highlights of 2015 Operating Budget

- Reorganization of Fire Department to a more full-time staffing model.
- Establishment of full-time Forester position.
- Less debt service due to Street Bond #25 being paid off and refunding savings from City Hall Bond to be repurposed towards CIP.
- Funding for Emerald Ash Borer treatment (\$25,000)
- 2% COLA for union and non-union employees.
- Inflationary increase of 2.5% for goods and material.
- Healthcare premium costs expected to remain flat.
- Continued levy dollars towards replacement of capital items.
- Use of approximately \$141,000 of reserves from the License Center Fund for operational and capital needs.

City of Roseville

2015-2034 CIP Presentation

Presented August 25, 2014

Presentation Topics:

- ❖ Overview of the 2015-2034 Capital Improvement Plan (CIP)
- ❖ Recommended Funding Strategies for 2015
- ❖ Financial Impacts
- ❖ Future Funding Considerations
- ❖ Q & A

Budget Proposal Reconciliation - Tax Supported Funds (version 1 - 9/8/14)

2014 Adopted Budget/Levy:

Subtractions proposed for 2015:

- S1. Reduced costs for one-time spending
- S2. Reduced costs supplies and materials
- S3. Reduced costs for contractual services
- S4. Reduced costs for labor: position reductions/adjustments
- S5. Reduced costs for labor: health, insurance, & benefits
- S6. Reduced costs for debt service
- S7. Reduced levy due to increased non-levy support of budget
- S8. Reduced contributions to capital reserve funds

Total Subtractions:

Additions proposed for 2015:

- A1. Increased costs for one-time spending
- A2. Increased costs of supplies and materials
- A3. Increased costs for contractual services
- A4. Increased costs for labor: Cost-of-living adjustment
- A5. Increased costs for labor: Wage steps
- A6. Increased costs for labor: position additions/promotions
- A7. Increased costs for labor: health, insurance, & benefits
- A8. Increased costs for debt service
- A9. Increased contributions to capital reserve funds
- A10. Make-up of use of reserves in current (and previous) years

Total Additions:

Proposed for 2015 (before Tax Relief):

Change from 2014:
% change from 2014:

Proposed Use of reserves for Property Tax Relief (discretionary)

Per policy, reserves may be used for tax relief, if over target levels, or they may be allocated for other purposes or transferred to other funds.

Proposed for 2015 (after Tax Relief)

Change from 2014:
% change from 2014:

Total Tax-Supported
Operating Budget Expenditures
\$24,339,400

Estimated
Total Tax Levy
Revenues
\$18,003,721

(\$15,000)
(\$10,100)
(\$31,980)
\$0
(\$11,000)
(\$220,000)
n/a
n/a
(\$288,080)

(\$15,000)
(\$10,100)
(\$31,980)
\$0
(\$11,000)
(\$220,000)
(\$102,921)
\$0
(\$391,001)

\$0
\$41,800
\$209,630
\$203,135
\$168,000
\$174,000
\$100,000
\$0
n/a
n/a
\$896,565

\$0
\$41,800
\$134,030
\$177,135
\$129,000
\$101,865
\$67,000
\$0
\$220,000
\$175,500
\$1,046,330

\$24,947,885
\$608,485
2.5%

\$18,659,050
\$655,329
3.6%

n/a

\$0

\$24,947,885
\$608,485
2.5%

\$18,659,050
\$655,329
3.6%

Notes:

(Generally, dollar amounts in Notes refer to BUDGET impacts, not necessarily levy impacts, unless noted.)

Park & rec re-accreditation (amount assumed from \$57,980 on Miller 9/8/14report)

General reductions in various operating budgets

Balance of \$57,980 from Miller report after subtracting assumed P & R re-accreditation amt & fire relief reduction

Reduced fire relief contribution, per actuarial (amount deducted from \$57,980 on Miller report - taken from prev. reports)

Street bonds issue #25 retired (\$160k); refinanced city hall/pub works bonds (\$60k)

Added category since 8/25 discussion (Moved from "additions" in Miller report)

Includes street maint. mat'l's (\$24,000), motor fuel (\$2,300), and other misc.supplies

City Attorney (\$17,925); dispatch (\$58,185); Emerald Ash Borer (\$25,000), and misc. items

1.4% COLA proposed for non-union (\$84,035); 2% COLA included in union contracts (\$119,100)

50 out of 120 tax-supported employees eligible for step increases in 2015

FD reorg. (6 new FT positions - \$69,000); also incl. conting. for fire union contract (\$32,865); and new IT Position

Mandated contribution increase to PERA for police and fire employees and others

Per CIP subcommittee and staff recommendations (\$160k streets; \$55k facilities; \$5k pathway PMP)

Used \$321,000 from General Fund and \$30,000 from Park & Rec Funds in 2014

(reduced by \$25k on 8/25, and \$175K on 09/08/14)

2013 year-end aggregate reserves were approximately \$764,000 above target high-end percentage (per Fin. Comm.)

2013 year-end aggregate reserves were approximately \$1,740,000 above target mid-point percentage

2014 budget aggregate reserves are projected at approximately \$453,000 above target high-end percentage

2014 budget aggregate reserves are projected at approximately \$1,494,000 above target mid-point percentage

Represents a \$6.54/month (10.1%) increase to the median single family property tax (from \$64.86 to \$71.40/month)

(Median single family property tax will increase 5.7% - \$3.71/mo. - in 2015 if no change is made to the levy from 2014, because of the greater increase to assessed single family property values for 2015 as opposed to other property types.)

ROSEVILLE Minnesota

<u>May</u> <u>2015</u>						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	01	02
03	04 <u>City Council Meeting</u>	05 <u>Parks and Recreation Commission</u>	06 <u>Variance Board</u> <u>Planning Commission</u>	07 <u>Roseville University</u>	08	09
10	11 <u>City Council Meeting</u>	12 <u>Finance Commission</u>	13 <u>Ethics Commission</u>	14 <u>Community Engagement Commission</u>	15	16 <u>Pottery in the Park</u>
17	18	19 <u>Housing and Redevelopment Authority</u>	20 <u>Human Rights Commission</u>	21 <u>Roseville University</u>	22	23
24	25 <u>Memorial Day - City Offices Closed</u>	26 <u>Public Works, Environment and Transportation Commission</u>	27 <u>Roseville Business Council</u>	28 <u>Roseville University</u> <u>Roseville University</u>	29	30
31	01	02	03	04	05	06

ROSEVILLE Minnesota

June 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	01	02 <u>Parks and Recreation Commission</u>	03 <u>Variance Board</u> <u>Planning Commission</u>	04 <u>Roseville University</u> <u>Citywide Garage Sale Days</u>	05 <u>Citywide Garage Sale Days</u> <u>Roll-In Movies @ the OVAL : "Lego Movie"</u>	06 <u>Citywide Garage Sale Days</u>
07 <u>Roseville University</u>	08 <u>City Council Meeting</u>	09 <u>Finance Commission</u>	10	11 <u>Community Engagement Commission</u>	12	13
14	15 <u>City Council Meeting</u>	16 <u>Housing and Redevelopment Authority</u>	17 <u>Human Rights Commission</u>	18 <u>Puppet Wagon Preview Party</u>	19	20 <u>Car Seat Safety</u>
21	22 <u>City Council Meeting</u>	23 <u>Public Works, Environment and Transportation Commission</u>	24 <u>Roseville Business Council</u>	25	26	27
28	29	30	01	02	03	04

ROSEVILLE Minnesota

July 2015						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	01 <u>Variance Board</u> <u>Planning Commission</u>	02	03 <u>Independence Day</u> <u>Observance - City Offices Closed</u>	04
05	06 <u>City Council Meeting</u>	07 <u>Parks and Recreation Commission</u>	08	09 <u>Community Engagement Commission</u>	10	11 <u>Car Seat Safety</u>
12	13 <u>City Council Meeting</u>	14 <u>Finance Commission</u> <u>Roseville University</u>	15 <u>Human Rights Commission</u>	16	17 <u>Roll-In Movies @ the OVAL : "Frozen"</u>	18
19	20 <u>City Council Meeting</u>	21 <u>Housing and Redevelopment Authority</u>	22 <u>Roseville Business Council</u>	23	24	25
26	27	28 <u>Public Works, Environment and Transportation Commission</u>	29	30	31	01

ROSEVILLE Minnesota

August 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	01
02	03	04 <u>Parks and Recreation Commission</u>	05 <u>Variance Board</u> <u>Planning Commission</u>	06	07 <u>Roll-In Movies @ the OVAL : "Paddington"</u>	08
09	10 <u>City Council Meeting</u>	11 <u>Finance Commission</u>	12 <u>Ethics Commission</u>	13 <u>Community Engagement Commission</u>	14	15
16	17 <u>City Council Meeting</u>	18 <u>Housing and Redevelopment Authority</u>	19 <u>Human Rights Commission</u> <u>Roseville University</u>	20	21	22
23	24 <u>City Council Meeting</u>	25 <u>Public Works, Environment and Transportation Commission</u>	26 <u>Roseville Business Council</u>	27	28	29
30	31	01	02	03	04	05

ROSEVILLE Minnesota

September 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	01 <u>Parks and Recreation Commission</u>	02 <u>Variance Board</u> <u>Planning Commission</u>	03	04	05
06	07 <u>Labor Day - City Offices Closed</u>	08 <u>Finance Commission</u>	09	10 <u>Community Engagement Commission</u>	11	12
13	14 <u>City Council Meeting</u>	15 <u>Housing and Redevelopment Authority</u>	16 <u>Human Rights Commission</u>	17	18	19 <u>Car Seat Safety</u>
20	21 <u>City Council Meeting</u>	22 <u>Roseville University</u> <u>Public Works, Environment and Transportation Commission</u>	23 <u>Roseville Business Council</u> <u>Roseville University</u>	24 <u>Roseville University</u>	25	26
27	28 <u>City Council Meeting</u>	29 <u>Roseville University</u>	30	01	02	03