ROSEVILLE

REQUEST FOR COUNCIL ACTION

Date: 03/20/17
Item No.: 7.g

Department Approval

City Manager Approval

Item Description: Establishing the 2018 Budget Process Timeline

BACKGROUND

At the January 23, 2017 City Council meeting, the Council discussed the 2018 Budget Process along with the timing of key components of the budget cycle. A significant portion of the discussion centered around five potential areas of improvement or measures, including:

- Establish stronger linkages between public participation and budgetary decisions
- Define the relationship between service levels and taxes or fees
- Consider multi-year budgetary impacts
- Commit to a unified budget track
- Identify critical information packages necessary to make budget decisions

Based on discussion at the January 23 meeting, and reflecting on subsequent discussions at the Staff level, the Council is now asked to consider the following suggested timeline for the 2018 Budget Process:

2018 Budget Process Timeline			**Estimated**
		Regular or	**Discussion**
Discussion Topic	**Date**	**Worksess.**	**Time (mins.)**
Review Ramsey County Assessed Market Value Data	5/15/2017	w/s	15
Receive 2018-2037 Capital Improvement Plan	5/15/2017	w/s	45
Review Impacts from the 2017 Legislative Session	6/12/2017	regular	10
Review Citizen Comments on 2018 Budget Priorities	6/12/2017	regular	30
EDA Budget & Tax Levy Discussion	7/17/2017	w/s	30
Receive City Council Budgetary Goals	7/17/2017	w/s	30
Receive the 2018 City Manager Recommended Budget	8/28/2017	regular	45
Adopt Preliminary EDA Tax Levy	9/11/2017	regular	10
Receive Budget Recommendations from the Finance Commission	9/18/2017	w/s	30
Adopt Preliminary Budget & Tax Levy	9/25/2017	regular	20
Review & Adopt 2018 Proposed Utility Rates	11/13/2017	w/s	30
Review & Adopt 2018 Proposed Fee Schedule	11/13/2017	w/s	30
Final Budget Hearing (Truth-in-Taxation Hearing)	12/4/2017	regular	20
Adopt Final EDA Tax Levy	12/11/2017	regular	10
Adopt Final Budget & Tax Levy	12/11/2017	regular	20

Under this approach their would be no more than 10 meeting dates and this number could be trimmed if the Legislature approves a September 30 deadline for adopting the preliminary EDA Levy, and if the Council chose to hold the joint Council-Finance Commission meeting on September 25. This would reduce the number of meeting dates to eight.

The Council is also asked to discuss the types of information packages it desires to have to allow for an appropriate level of review of the proposed budget and CIP. In recent years, the Council has reviewed the budget at broader category-levels such as: COLA, wage steps, health insurance & benefits, supplies & materials, debt service, etc.

POLICY OBJECTIVE

It is in the City's best interest to adhere to budgeting best practices including a commitment to formally incorporate the public's input, understanding long-term budget impacts, and communicating the City's intentions early and throughout the budget process. A copy of the 1-page Budget reconciliation used during the last few years is included in *Attachment A.*

FINANCIAL IMPACTS

Not applicable.

STAFF RECOMMENDATION

See above.

REQUESTED COUNCIL ACTION

The Council is asked to provide guidance on the 2018 Budget process timeline.

Prepared by: Chris Miller, Finance Director
Attachments: A: Budget Reconciliation Summary Page

City of Roseville Attachment A

2017 Proposed Budget Reconciliation: *Tax-Supported Funds*

	Operating Budget *Expenditures*	Tax Levy *Revenues*	Notes (Pertains to budget impacts unless otherwise noted)
2016 Adopted Budget / Levy	$ 24,270,865	$ 18,944,720	
2017 Proposed Subtractions			
S1: Reduced costs for one-time spending	(8,000)	(8,000)	
S2: Reduced costs for supplies & materials	(43,345)	(43,345)	See Appendix S2
S3: Reduced costs for contractual services, other charges	(142,510)	(142,510)	See Appendix S3
S4: Reduced costs for labor: position reductions	(219,935)	(219,935)	See Appendix S4
S5: Reduced costs for labor: health insurance & benefits	-	-	See Appendix S5
S6: Reduced costs for debt service	-	-	
S7: Reduced levy due to increased non-tax revenues	-	(45,875)	Add'l Park & Rec Program Fees
S8: Reduced contributions to capital reserve funds	-	-	
Total Subtractions	$ (413,790)	$ (459,665)	
2017 Proposed Additions			
A1: Increased costs for one-time spending	30,000	30,000	See Appendix A1
A2: Increased costs for supplies & materials	43,100	43,100	See Appendix A2
A3: Increased costs for contractual services, other charges	216,205	216,205	See Appendix A3
A4: Increased costs for labor: cost-of-living adjustment	191,000	191,000	Includes 2.75% COLA; 2.0% for IAFF
A5: Increased costs for labor: wage steps (net)	218,000	218,000	
A6: Increased costs for labor: new positions	331,385	331,385	See Appendix A6
A7: Increased costs for labor: health insurance & benefits (net)	-	-	
A8: Increased costs for debt service	-	-	
A9: Increased contributions to capital replacement funds	-	225,000	$65K Pathways, $160K for PMP
A10: Makeup of use of reserves in current/previous years	-	375,500	
A11: Increased levy due to decline of non-tax revenues	-	209,425	GF: Court Fines, Interest Earnings
Total Additions	$ 1,029,690	$ 1,839,615	
Proposed for 2017 (Before Tax Relief Measures)	$ 24,886,765	$ 20,324,670	
$ Change	615,900	1,379,950	
% Change	2.5%	7.3%	
Less Use of Reserves for Property Tax Relief (Discretionary)	$ -	$ (811,610)	$375,500 GF; $30K Transp. Plan; $406,110 add'l
Note: Per Cash Reserve Policy, reserves may be used for tax relief if over target levels, or they may be allocated for other funds			
Proposed for 2017 (After Tax Relief)	$ 24,886,765	$ 19,513,060	
$ Change	615,900	568,340	
% Change	2.54%	3.00%	