

City of Roseville
City Manager Recommended
2020 City Budget



2020 City Manager Recommended Budget

For tonight, we intend to:

- Provide the City Council and public more detail on the proposed 2020 budget for the City of Roseville and subsequent property tax impact
- Provide context for the City Council in making the decision on the not-to-exceed levy on September 23
- Answer any questions you may have regarding the recommended 2020 City Budget

Factors Influencing the 2020 City Manager Recommended Budget

Increase in expenditures for existing personnel and services due to inflationary and contractually-obligated factors.

Elimination of the use of the General Reserve Fund to balance the budget.

Discussion on the need for additional public safety personnel.

Balances of the Communications Fund, the Cedarholm Golf Course Fund, and the Community Development Fund.

Expiring debt levy in the amount \$765,000

Staff 2020 Organizational Priorities

2020 City Manager Recommended Budget

Staff Organizational Priorities February 7, 2019

Impacts on Service Delivery from Community & Organizational growth



- Human Capital
- Infrastructure
- Financial Resources
- Public Safety

Prioritize Human Capital



- Staff advancement opportunities
- Compensation study/benefits
- Staffing needs
- Create & maintain a quality and diverse workforce
- Employee training & development
- Technology support

Invest in Infrastructure



- Facility Needs
- Sidewalks/trails
- Invest in public infrastructure/improvements
- Technology investment
- Natural Resources management - EAB

Financial Sustainability



- Continue to position city well for long-term financial stability

Community Revitalization



- Rice/Larpentuer Initiative

Equity



- Racial Equity Plan with deliverables
- Continue outreach to underrepresented populations

2020 City Manager Recommended Budget Strategies

Based on the factors previously mentioned, the City Manager focused on three budget strategies as part of the 2020 budget.

- Adjusting Budget Funding Sources
- Investment in Public Safety
- Investment in City Workforce

2020 City Manager Recommended Budget

Proposed 2020 City Budget: \$62,635,535 or
12.8% increase

Proposed 2020 City Tax Levy
\$22,738,650

Proposed 2020 City Tax Levy Increase
\$1,187,000 or 5.5% increase

Proposed 2020 City Budget Impact on
Median Valued Home (\$272,000)

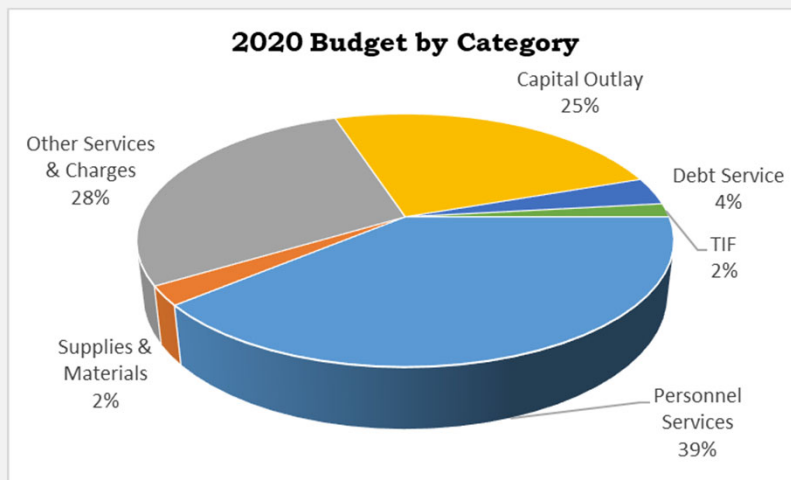
\$80.04 annual increase from 2019 levy amount
\$6.67 per month impact

8.4% cost increase for the median valued
single-family home in Roseville

2020 City Manager Recommended Budget

Total Budget Allocation

2020 Budget Allocation



*Other Services and Charges primarily represents spending on outsourced services such as; water purchases from St. Paul, wastewater treatment costs paid to the Met Council, professional services, specialized maintenance on facilities, infrastructure, & other assets, and energy-related costs.

Total Budget : \$62,635,535

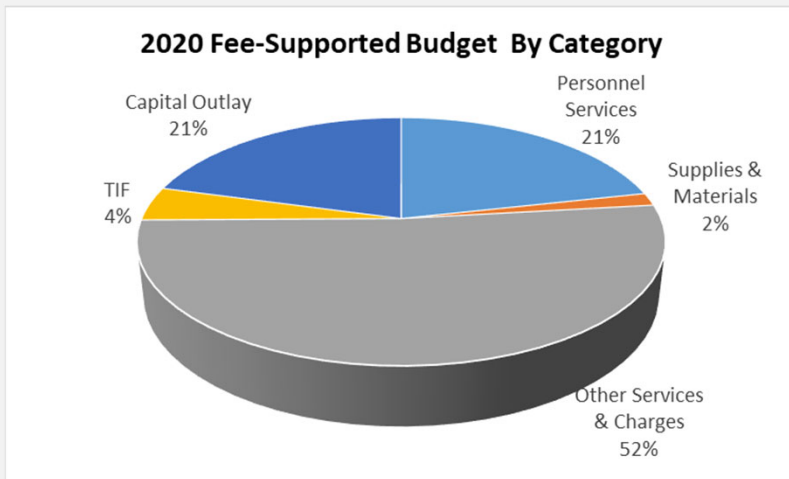
- Overall Increase of \$7,128,395 or 12.8%
- Fee Supported Budget: \$24,713,485
- Property Tax Supported: \$37,922,050

| 2020 Proposed Budget by Funding Source | | \$ Increase | % Increase | |
|--|---------------|---------------|--------------|------------|
| | 2019 | 2020 | (Decrease) | (Decrease) |
| Property Tax-Supported | \$ 31,010,720 | \$ 37,922,050 | \$ 6,911,330 | 22.3% |
| Fee-Supported | 24,496,420 | 24,713,485 | 217,065 | 0.9% |
| Total | \$ 55,507,140 | \$ 62,635,535 | \$ 7,128,395 | 12.8% |

2020 City Manager Recommended Budget

Fee Supported Budget Allocation

2020 Budget Allocation



*Other Services and Charges primarily represents spending on outsourced services such as; water purchases from St. Paul, wastewater treatment costs paid to the Met Council, professional services, specialized maintenance on facilities, infrastructure, & other assets, and energy-related costs.

Fee-Supported Budget : \$24,713,485

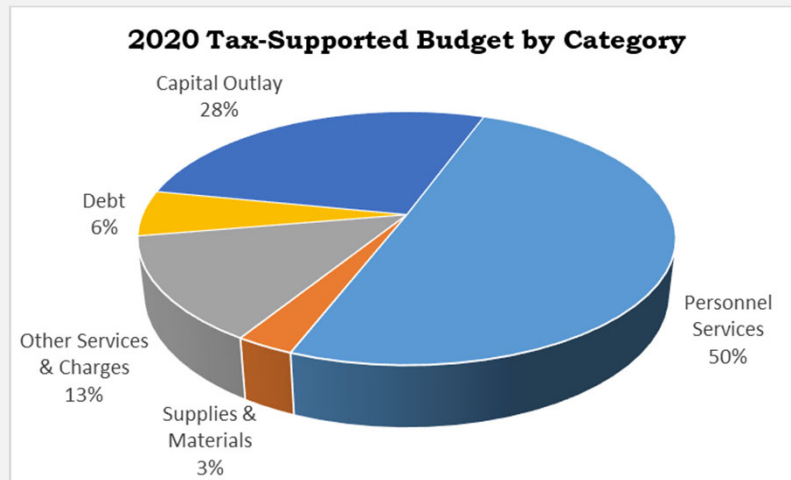
- Increase of \$217,065 or 0.9% increase
- Increase due to slightly higher personnel and contractual services costs

| 2020 Fee-Supported Budget by Category | | | \$ Increase | % Increase |
|---------------------------------------|----------------------|----------------------|-------------------|-------------|
| | 2019 | 2020 | (Decrease) | (Decrease) |
| Personnel Services | \$ 5,131,170 | \$ 5,315,290 | \$ 184,120 | 3.6% |
| Supplies & Materials | 409,900 | 409,590 | (310) | -0.1% |
| Other Services & Charges | 12,576,050 | 12,765,405 | 189,355 | 1.5% |
| TIF | 1,101,000 | 1,101,000 | - | 0.0% |
| Capital Outlay | 5,278,300 | 5,122,200 | (156,100) | -3.0% |
| | \$ 24,496,420 | \$ 24,713,485 | \$ 217,065 | 0.9% |

2020 City Manager Recommended Budget

Property Tax Supported Budget Allocation

2020 Budget Allocation



*Other Services and Charges primarily represents spending on outsourced services such as; water purchases from St. Paul, wastewater treatment costs paid to the Met Council, professional services, specialized maintenance on facilities, infrastructure, & other assets, and energy-related costs.

Property Tax Supported Budget: \$37,922,050

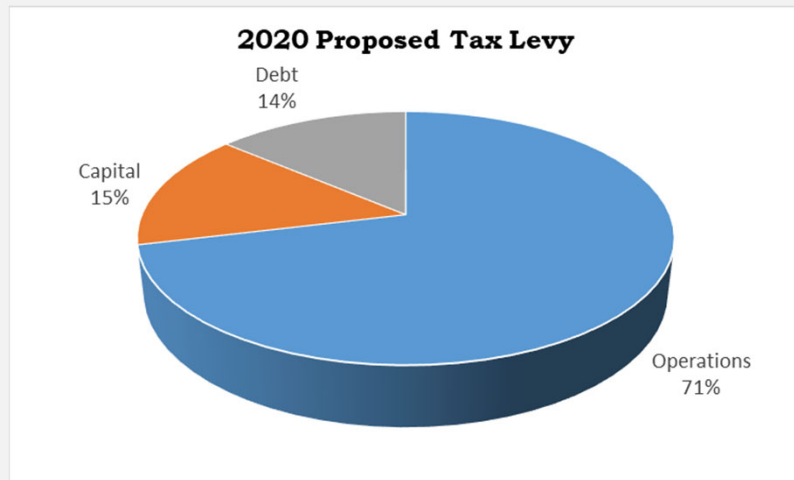
- Budget increase of \$6,911,330 or 22.3%
- Majority of increase due to an increase in capital projects including for the OVAL (\$5 million)
- Additional personnel services costs also contribute to the increase

| | 2019 | 2020 | \$ Increase (Decrease) | % Increase (Decrease) |
|--------------------------|---------------|---------------|---------------------------|--------------------------|
| Personnel Services | \$ 17,391,095 | \$ 19,096,560 | \$ 1,705,465 | 9.8% |
| Supplies & Materials | 1,082,045 | 1,126,130 | 44,085 | 4.1% |
| Other Services & Charges | 5,224,775 | 5,090,100 | (134,675) | -2.6% |
| Debt | 2,975,000 | 2,210,000 | (765,000) | -25.7% |
| Capital Outlay | 4,337,805 | 10,399,260 | 6,061,455 | 139.7% |
| | \$ 31,010,720 | \$ 37,922,050 | \$ 6,911,330 | 22.3% |

2020 City Manager Recommended Budget

Tax Levy Allocation

2020 Budget Allocation



Total Proposed Levy: \$22,738,650

- Increase of \$1,187,000 or 5.5% increase over 2019 levy
- The bond for the City Hall and Maintenance Facility expires at the end of 2019. As a result, \$765,000 of levy will no longer need to be allocated toward this debt starting in 2020
- The 2020 Budget programs this additional levy capacity into the Park Improvement Fund, the Pavement Management Program, and into the Operations Budget

| 2020 Proposed Tax Levy | | | \$ Increase | % Increase |
|-------------------------------|----------------------|----------------------|---------------------|-------------------|
| | <u>2019</u> | <u>2020</u> | <u>(Decrease)</u> | <u>(Decrease)</u> |
| Operations | \$ 15,346,650 | \$ 16,783,650 | \$ 1,437,000 | 9.4% |
| Capital | 3,230,000 | 3,745,000 | 515,000 | 15.9% |
| Debt | 2,975,000 | 2,210,000 | (765,000) | -25.7% |
| Total | \$ 21,551,650 | \$ 22,738,650 | \$ 1,187,000 | 5.51% |

2020 City Manager Recommended Budget

Budget Strategies

Adjusting Budget Funding Sources

| | |
|---|----------------------|
| Using Levy Capacity from Expiring Debt Levy | \$0 Levy Impact |
| Decrease Use of Communications Fund to Finance Operations | +\$67,010 to levy |
| Utilize Community Development Fund for Nuisance Code Enforcement | -\$135,450 from levy |
| Shift Capital Funding for Cedarholm Golf Course | \$0 levy impact |
| Eliminate the Use of General Fund Reserves to Balance the Budget | +\$340,805 to levy |
| Shift a Portion of Levy Earmarked for IT Capital Equipment to Operations Budget | \$0 Levy Impact |

2020 City Manager Recommended Budget

Budget Strategies

Investment in Public Safety

Police Department

| | | |
|--|------------------|-----------------|
| 2 patrol officers | | \$193,760 |
| 1 Commitment to Diversity patrol officer | | <u>\$96,880</u> |
| | New Levy Dollars | \$290,640 |

| | | |
|--|------------------|----------|
| 1 Investigator-Sex Crimes (Ramsey County Grant Funded) | | \$89,000 |
| | New Levy Dollars | \$0 |

Fire Department

| | | |
|--------------------|------------------|-----------|
| Three Firefighters | New Levy Dollars | \$221,760 |
|--------------------|------------------|-----------|

2020 City Manager Recommended Budget

Budget Strategies

Investment in City Workforce

Position Adjustments

| | |
|---|-----------------------------------|
| Police Department Assistant to Police Department Support Specialist | \$1,280 |
| Police Investigative Aide to Investigative Analyst | \$2,540 |
| Fire Department Assistant to Administrative Coordinator | <u>\$4,800</u> |
| Total Levy Impact | \$8,620 |
| Civil Engineer to Assistant City Engineer | Engineering Services Fund \$4,000 |

2020 City Manager Recommended Budget

Tax Levy Increase

Existing Programs and Services

- \$607,475 levy increase needed to maintain the City's existing programs and services.
- These cost increases are due to several factors including:
 - Inflationary cost increases for supplies and services,
 - Planned employee wage step increases,
 - Employee cost of living adjustment of 3% for non-union and union employees
 - Increased costs for health insurance
 - Police and Fire PERA Mandated Increases
 - Reclassification for four employee positions

Elimination of Use of General Fund Reserves to Balance Budget

- \$340,805 of new levy dollars is proposed to eliminate the reliance on using the General Fund reserves to balance the budget.

2020 City Manager Recommended Budget

Tax Levy Increase

Tax Levy Impacts in 2020 Budget

| | |
|---|--------------------|
| New Staffing/Reclassifications (including wage transfer from Comm. Fund) | \$588,030 |
| Existing Programs and Services Inflationary and Other Cost Increases | \$607,475 |
| Eliminate Deficit Spending (General Fund) | <u>\$340,805</u> |
| Total | \$1,536,310 |
| Less Additional Non-Tax Revenue: Additional General Revenue | (\$13,860) |
| Less Additional Non-Tax Revenue: Com. Dev. Fund for Nuisance Code Enforcement | (\$135,450) |
| Less Additional Funding from Expiring Debt Levy | <u>(\$200,000)</u> |
| Total | (\$349,310) |

Total Tax Levy Change in Proposed 2020 Budget: \$1,187,000

2020 City Manager Recommended Budget

Tax Levy Impact on Homeowners

- The City of Roseville overall market value is projected to increase by 4.4%.
- Since the median single-family home value increase (6.7%) in Roseville is higher than the overall tax capacity growth, a greater portion of the tax burden has shifted to single-family properties
- The 2020 City Manager Recommended Budget will have a tax levy of \$22,738,650 and a levy increase of 5.5%
- The overall tax capacity increase for Roseville will result in the owner of the median valued single-family home (\$272,000) paying a total of **\$80.04 per year more** in 2020 for city (non-EDA) taxes compared to 2019
- With the recommended City and EDA levy and projected utility rate increases, the budget impact for the median valued home is expected to be \$9.65 per month or \$115.80 annually

| Budget Impact on Median-Valued Home (monthly) | | | | |
|---|------------------|------------------|----------------|-------------|
| | 2019 | 2020 | \$ Chg. | % Chg. |
| Property Tax Levy: City | \$ 79.14 | \$ 85.81 | \$ 6.67 | 8.4% |
| Property Tax Levy: EDA* | \$ 1.92 | 1.92 | \$ (0.00) | -0.1% |
| Utility Rates** | \$ 57.62 | \$ 60.60 | \$ 2.98 | 5.2% |
| Total | \$ 138.47 | \$ 148.33 | \$ 9.65 | 7.0% |
| * Based on a proposed \$463,400 EDA levy | | | | |
| **Based on a proposed 5.2% rate increase | | | | |

2020 City Manager Recommended Budget

City Budget Next Steps

- September 16- Joint Meeting with Finance Commission to received budget recommendations
- September 23 -Review Preliminary 2020 Fee Schedule
 - Adopt Preliminary City and EDA Tax Levy and Budget
- November 4– Review and adopt 2020Utility Rates
- November 25 – Conduct Final Budget Hearing (Truth-in Taxation Hearing)
- December 2 – Adopt Final City and EDA Tax Levy and Budget

2020 City Manager Recommended Budget

City Budget Summary

- 2020 City Manager Recommended Budget
 - \$62,635,535 (12.8% increase)
- Total Proposed City Levy: \$22,738,650 (5.5% increase)
- Budget Priorities
 - Adjust Budget Funding Sources
 - Invest in Public Safety
 - Invest in City Workforce
- Increase in Levy due inflationary costs for employees, supplies, and equipment for existing programs and services, the inclusion of additional levy dollars to eliminate the use of General Fund Reserves to balance the budget, and the addition of new public safety positions
- Owner of the median valued single-family home will paying a total of an **additional \$6.67 per month or \$80.04 per year more** in 2020 for city (non-EDA) taxes compared to 2019
- **The cost impact for the median valued home** is expected to be **\$9.65 per month or \$115.80 annually** with the recommended City and EDA levy and projected utility rate increases

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Questions?