



2017 Budget and Capital Improvement Plan

2017 Budget
2017-2036 Capital Improvement Plan
Adopted December 5, 2016

Prepared by the Department of Finance

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Letter of Transmittal

December 5, 2016

To the Mayor and City Council,

Enclosed is the 2017 City Budget as prepared by City Staff, in accordance with City Council direction. The 2017 Budget culminates nearly a years' worth of planning, evaluation, and input from the City Council, advisory commissions, citizens, and staff. This process included over a dozen public meetings held for the purposes of soliciting input and to gauge citizen reaction to proposed program and service offerings.

Great effort has been taken to ensure that the City's core services are funded in a manner that preserves the greatest value to the community. In addition, steps have been taken to account for the changing trends and impacts that will affect both next year's and future year's budgets.

For 2017, the primary goal of the budget was to provide residents and businesses with the necessary and desired services in the most efficient manner while limiting the financial burden to taxpayers. Secondary goals centered on the allocation of resources to uphold previously-identified community aspirations, and meeting the needs identified in the most recent citizen survey. Those aspirations included the following:

City of Roseville Community Aspirations

- ❑ Welcoming, inclusive, and respectful;
- ❑ Safe and law-abiding;
- ❑ Economically prosperous, with a stable and broad tax base;
- ❑ Secure in our diverse and quality housing and neighborhoods;
- ❑ Environmentally responsible, with well-maintained natural assets;
- ❑ Physically and mentally active and healthy;
- ❑ Well-connected through transportation and technology infrastructure; and
- ❑ Engaged in our community's success as citizens, neighbors, volunteers, leaders, and businesspeople.

In addition, specific *citywide* budgetary objectives were established including:

2017 Citywide Budget Objectives

- ❑ Growing non-property tax revenues through expansion of business-type enterprises
- ❑ Leveraging partnerships to reduce costs while increasing productivity
- ❑ Reorganization of service delivery to more effectively utilize tax dollars and lessen future costs
- ❑ Strategic use of reserve funds

For 2017, the City recognized continuing strengthening of its tax base with overall market values up 5% during the past year and 15% over the past four years. This includes general market value appreciation across all property types as well as new housing units and commercial/retail development.

The City's overall financial condition is expected to remain strong in 2017 with steady property tax and non-tax revenues and minimal overall spending increases. The City's asset replacement programs will receive additional funding in 2017 significantly improving its long-term sustainability. The City currently holds a triple-A bond rating from both Moody's and S&P and expects to retain this in 2017 and beyond.

Despite the City's continued strength of its overall financial condition, on-going challenges will remain. The largest challenge will be securing additional resources for the City's asset replacement programs. While these programs are well-funded for the short and intermediate terms, the City intends to re-purpose expiring debt levies over the next several years to provide greater stability over the long-term. New tax levy dollars are also expected to be used for this purpose; primarily to strengthen street and park system improvements, as well as facilities on the City's main campus.

Finally, the 2017 Budget reflects the adopted budget and financial policies that help guide budgeting and spending decisions. These policies were affirmed in 2015 and can be found in *Appendix A*. This document summarizes the 2017 Budget for all City programs and services and is presented in three sections.

Section 1 – Executive Summary features a summary of the budget, funding sources, tax levy and tax impact, and a summary of financial trends. The purpose of this section is to provide a broad overview of city operations as a whole.

Section 2 – Program Budgets Includes a summary of each major city program or division including goals and objectives, prior year accomplishments, and budget impact items. The purpose of this section is to provide a quick overview of the core programs and services provided by the City.

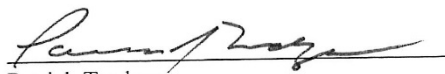
Section 3 – Strategic Financial Plans presents information regarding the City's Debt Management Plan, 20-year Capital Improvement Plan (CIP), and a 10-Year Financial Plan which play an integral part in the City's long-term financial planning as well as subsequent year's budgets.

The **appendices** include supporting documentation that is designed to provide the reader with a greater understanding of the role the budget takes in the City's operations, along with some supplemental demographic and statistical information.

The remaining portions of this budget document provide greater detail on the funding sources and uses. We sincerely hope that all interested parties will find this document useful in evaluating the City's programs and services, and overall financial condition. Supplemental information can also be obtained from the City's Finance Department.

We would like to express our thanks to all City Staff for their hard work and cooperation in preparing this budget. We would also like to express our appreciation for the guidance and direction provided by the City Council over the past year. Finally, it is an honor to serve the citizens of Roseville, whose trust and support are essential to fulfilling the promises embedded in this budget.

Respectfully submitted,

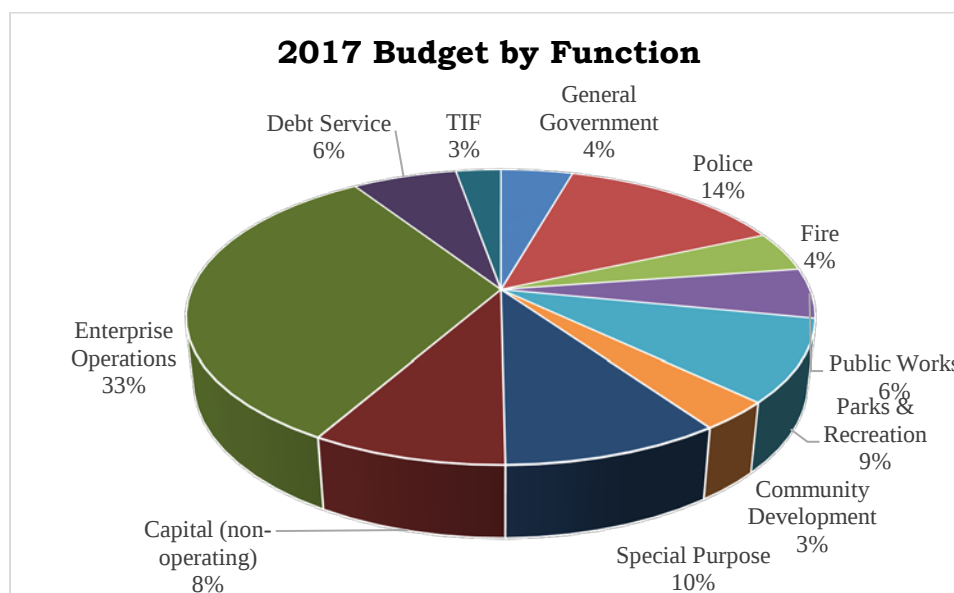

Patrick Trudgeon
City Manager


Christopher K. Miller
Finance Director

2017 Budget Summary

The 2017 Budget is \$51,963,685, a decrease of \$148,935 or 0.3%. The combined budget for the *tax-supported funds* is \$29,270,290, an increase of \$524,800 or 1.8%.

The following graph and table provides a summary of the budget by **major program or function**.



			\$ Increase	% Increase
<u>Program or Function</u>	<u>2016</u>	<u>2017</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
General Government	\$ 2,239,515	\$ 2,286,445	\$ 46,930	2.1%
Police	6,972,630	7,214,025	241,395	3.5%
Fire	2,131,015	2,273,295	142,280	6.7%
Public Works	2,795,975	2,845,235	49,260	1.8%
Parks & Recreation	4,551,710	4,668,165	116,455	2.6%
Community Development	1,601,420	1,660,260	58,840	3.7%
Special Purpose	4,997,370	4,937,575	(59,795)	-1.2%
Capital (non-operating)	4,474,625	4,383,525	(91,100)	-2.0%
Enterprise Operations	17,031,360	16,928,160	(103,200)	-0.6%
Debt Service	3,330,000	3,330,000	-	0.0%
TIF	1,985,000	1,435,000	(550,000)	-27.7%
Trust Operations	2,000	2,000	-	0.0%
Total	\$52,112,620	\$51,963,685	\$ (148,935)	-0.3%

General Government includes activities related to City Council and advisory commissions, elections, legal, general administration, finance, and central services. General government expenditures are expected to increase due to added personnel costs including a 2.0% cost-of-living adjustment for employees.

Police and Fire includes the costs associated with providing police and fire protection. Police and Fire expenditures are expected to increase due to added personnel costs including a 2.0%-2.75% cost-of-living adjustment for employees. The increase is also attributable to higher supply and maintenance costs as well contractual maintenance and professional services.

Public Works includes engineering, street maintenance, street lighting, fleet maintenance, and building maintenance functions. An increase in expenditures is expected due to added personnel costs including a 2.0%-2.75% cost-of-living adjustment for employees, as well as higher supply and maintenance costs.

Parks and Recreation includes recreation administration and programs, leisure activities, and the Skating Center operation. An increase in expenditures is expected due to added personnel costs including a 2.0%-2.75% cost-of-living adjustment for employees, as well as greater participation in fee-based programs.

Community Development includes planning and economic development, code enforcement, and geographic information systems. Expenditures are expected to increase due to added personnel costs including a 2.0% cost-of-living adjustment for employees. Higher costs associated with consulting services are also impacting the budget.

Special Purpose functions include information technology, communications, license center, lawful gambling enforcement, and parks maintenance. Overall, these costs are expected to decline reflecting a shift in cost-sharing to other partnering agencies.

Capital Outlay includes scheduled replacement purchases of vehicles and equipment (non-operating budgets), as well as general infrastructure improvements. A decrease is expected due to lower scheduled capital replacements.

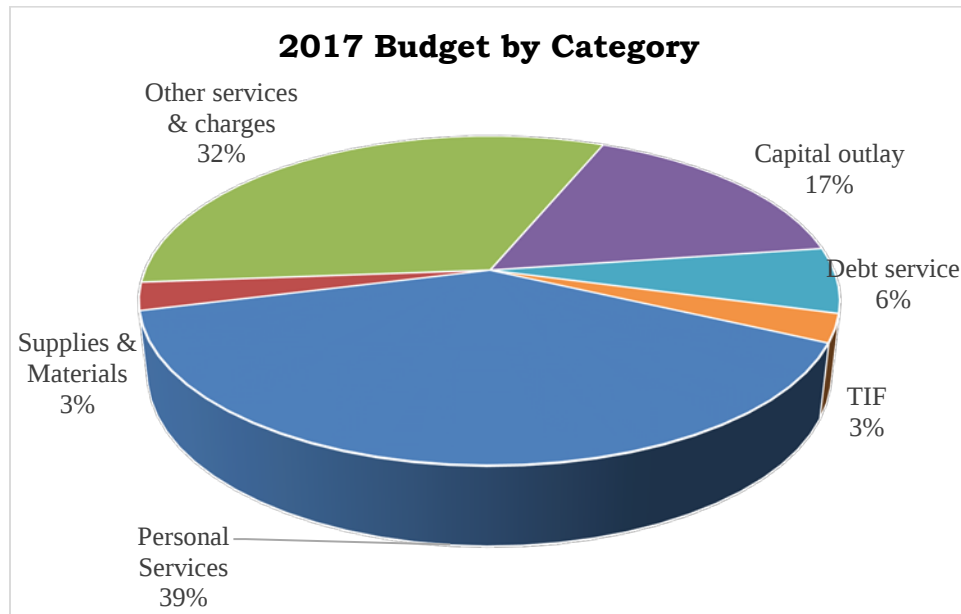
Enterprise Operations includes water, sanitary sewer, storm drainage, solid waste recycling, and the municipal golf course. Overall expenditures are expected to decline due to lower scheduled capital replacements.

Debt Service includes the principal and interest paid on bonds used to finance infrastructure and facility improvement projects.

TIF Pay-as-you-Go refers to tax increment paid to developers as specified in Tax Increment Financing (TIF) agreements between the City and various developers. A decrease is expected in 2017 due to an expiring TIF obligation.

Trust Operations includes funds set aside to maintain a City-owned cemetery. No changes are expected in 2017.

The following graph and table provides a summary of the budget by **major expense category**.



			\$ Increase	% Increase
<u>Expense Category</u>	<u>2016</u>	<u>2017</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	19,995,715	20,340,020	\$ 344,305	1.7%
Supplies & Materials	1,394,950	1,417,235	22,285	1.6%
Other services & charges	17,193,680	16,867,735	(325,945)	-1.9%
Capital outlay	8,213,275	8,573,695	360,420	4.4%
Debt service	3,330,000	3,330,000	-	0.0%
TIF	1,985,000	1,435,000	(550,000)	-27.7%
Total	\$52,112,620	\$51,963,685	\$ (148,935)	-0.3%

Personal Services includes the wage, benefit, and insurance costs of employees. For 2017, personnel costs will rise due to a 2.0%-2.75% cost-of-living adjustment for employees, along with wage step increases for eligible employees.

Supplies and Materials include office supplies, motor fuel and vehicle supplies, clothing and protective gear, street repair materials, and salt/sand purchases. A slight increase in costs are expected due to inflationary-type impacts.

Other Services and Charges include professional services, contractual maintenance and repair, utilities, memberships, inter-fund charges, and training and conferences. It also includes the costs attributable to the purchase of water from the City of St. Paul and wastewater treatment costs paid to the Met Council. A moderate decrease is expected in 2017 due to lower depreciation costs in the city's enterprise operations.

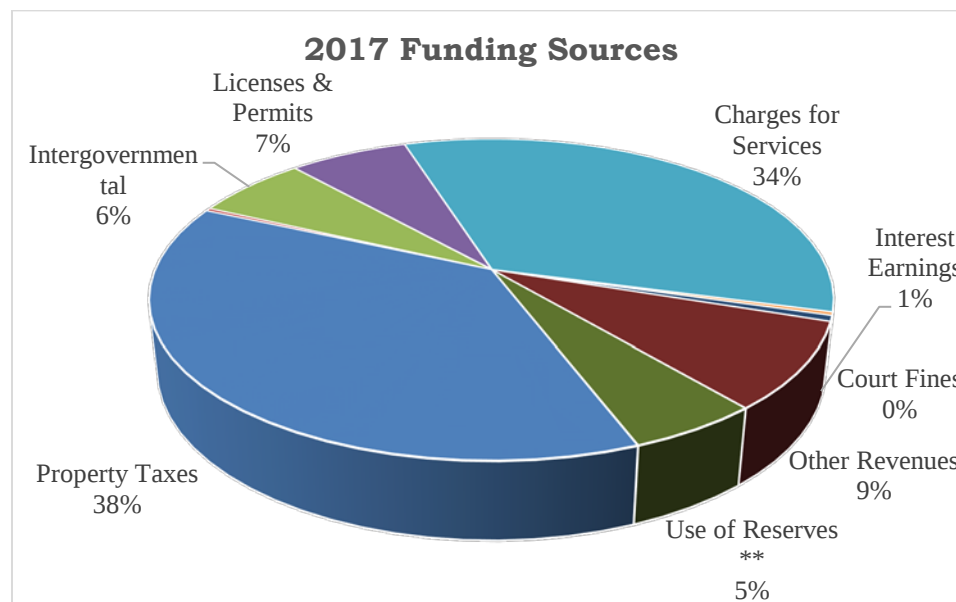
Capital Outlay includes scheduled replacement purchases of vehicles and equipment (non-operating budgets), as well as general infrastructure improvements. An increase is expected due to higher scheduled capital replacements.

Debt Service includes the principal and interest paid on bonds used to finance infrastructure and facility improvement projects.

TIF Pay-as-you-Go refers to tax increment paid to developers as specified in Tax Increment Financing (TIF) agreements between the City and various developers. A decrease is expected in 2017 due to an expiring TIF obligation.

Budget Funding Sources

The following graph and table summarizes the funding sources for the Budget.



<u>Funding Source</u>	<u>2016</u>	<u>2017</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Property Taxes	\$ 18,944,720	\$ 19,513,060	\$ 568,340	3.0%
Special Assessments	151,500	151,225	(275)	-0.2%
Intergovernmental	3,577,120	3,315,800	(261,320)	-7.3%
Licenses & Permits	3,250,500	3,468,000	217,500	6.7%
Charges for Services	17,499,580	17,738,280	238,700	1.4%
Court Fines	240,000	168,000	(72,000)	-30.0%
Interest Earnings	383,800	302,900	(80,900)	-21.1%
Other Revenues	5,228,765	4,531,650	(697,115)	-13.3%
Use of Reserves **	2,836,635	2,774,770	(61,865)	-2.2%
Total	\$ 52,112,620	\$ 51,963,685	\$ (148,935)	-0.3%

** Represents planned spending from capital replacement funds as well as operating funds.

Property Taxes include taxes levied against taxable property. The increase in property taxes is necessary to provide for increased capital investments and to offset inflationary-type costs for day-to-day operations.

Special Assessments include assessments levied against benefiting properties for various infrastructure improvements.

Intergovernmental Revenues include MSA state aids (\$900,000), police, fire, and street maintenance aid (\$1,000,000) and monies received under joint powers agreements (\$1,400,000). The decrease represents a change in categorization for reimbursements by the Roseville EDA towards 'charges for services'.

Licenses & Permits include business licenses (\$375,000), building-related permits and fees (\$1,180,000), and licenses and fees collected at the License Center (\$1,350,000). License Center fees are expected to increase due to higher customer activity.

Charges for Services include wireless antenna lease revenues (\$380,000), recreation program fees (\$2,015,000), user charges for; water (\$8,875,000), sanitary sewer (\$5,680,000), storm drainage (\$1,585,000), solid waste recycling fees (\$310,000), and greens fees for the municipal golf course (\$290,000).

Court Fines include fines paid for traffic violations and criminal offenses occurring within the City limits. A reduction is planned in 2017 to reflect lower levels of criminal and civil case-load processing.

Interest Earnings include investment earnings on cash reserves. An decrease is expected in 2017 due to lower earnings on the City's investment portfolio.

Other Revenues include tax increment (\$1,385,000), lawful gambling taxes (\$150,000), cable franchise fees (\$445,000), and inter-fund transfers.

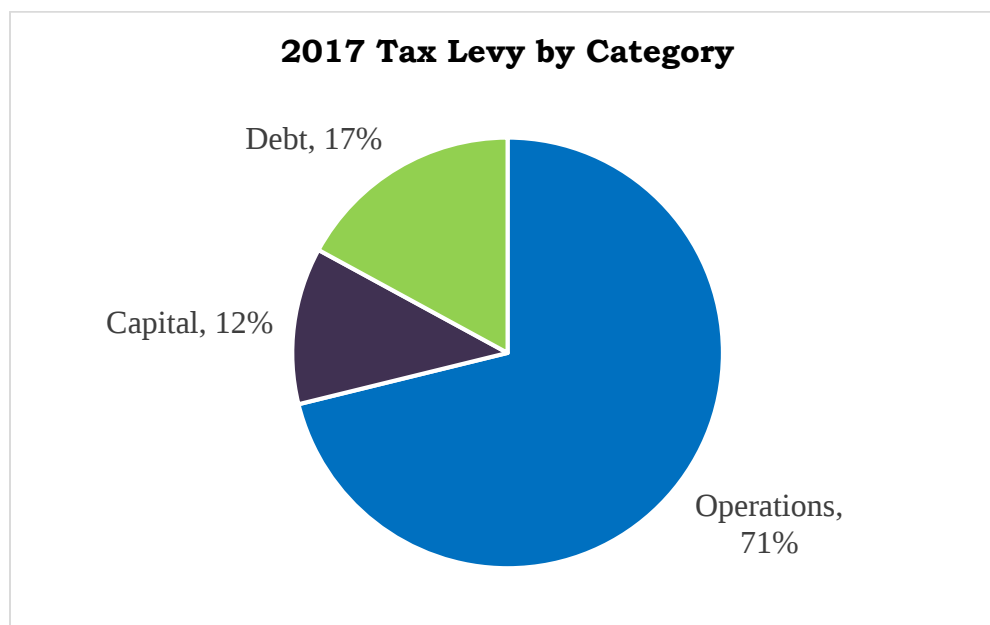
Use of Reserves denotes the amount of reserves that is projected to be used to finance one-time capital replacements and other uses. A decrease of planned uses of reserves is expected in 2017.

Tax Levy, Tax Capacity, and Tax Impact

The tax levy for 2017 is \$19,513,060; an increase of \$568,340 or 3.0%. The increase in property taxes is necessary to offset higher capital replacement and inflationary-type operational costs.

With the proposed tax levy and estimated changes in the City's tax base, a median-valued home of \$226,800 that experiences a 4.8% change in valuation would see a property tax increase of \$26 or 3.1% in their local property taxes.

The following graph and table summarizes the 2017 tax levy.



<u>Fund / Program</u>	<u>2016</u>	<u>2017</u>	<u>\$ Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>
General Fund Programs	\$10,771,905	\$11,044,390	\$ 272,485	2.5%
Parks & Recreation - Programs	1,256,135	1,288,915	32,780	2.6%
Parks & Recreation - Maintenance	1,210,680	1,248,755	38,075	3.1%
Pathways & Parking Lots Maintenance	180,000	245,000	65,000	36.1%
Boulevard Landscaping	60,000	60,000	-	0.0%
General Vehicle & Equipment Replacements	1,426,000	1,399,000	(27,000)	-1.9%
General Facility Replacement	185,000	212,000	27,000	14.6%
Park Improvement Program	200,000	200,000	-	0.0%
Pavement Management Program	310,000	470,000	160,000	0.0%
Street Lighting Replacement	15,000	15,000	-	0.0%
Debt Service - City Hall, Public Works Buidings	765,000	765,000	-	0.0%
Debt Service - Ice Arena	355,000	355,000	-	0.0%
Debt Service - Fire Station, Park Renewal I	835,000	835,000	-	0.0%
Debt Service - Park Renewal Phase II & III	1,375,000	1,375,000	-	0.0%
	\$18,944,720	\$19,513,060	\$ 568,340	3.0%

The Citywide tax capacity represents the taxable property value within the City. It is determined by applying the State-wide property tax formula for each parcel, then adding each parcel's tax capacity. The citywide tax capacity is then applied to the proposed levy to determine the local tax rate. The citywide tax rate for 2016 and 2017 (estimated) is 39.445% and 38.802% respectively.

To determine an individual property's tax, the local tax rate is applied to the property's net tax capacity. For example, a \$226,800 home has a tax capacity of 2,268 (226,800 multiplied by 1% which represents the Statewide tax formula for homestead property). This tax capacity figure is then multiplied by the local tax rate.

$$2,268 \times .38802 = \$880$$

In 2017 a \$226,800 home will pay an estimated \$880 in city taxes. A similar calculation for other property valuations is shown in the tables below.

The following table summarizes the estimated tax impact on **residential** homes, based on the 2017 tax levy and budget, estimates provided by Ramsey County, and assuming a 4.8% increase in property valuation.

			\$ Increase	% Increase
<u>Value of Home</u>	<u>2016</u>	<u>2017</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
167,680	631	651	20	3.09%
188,640	710	732	22	3.09%
226,800	854	880	26	3.10%
246,280	927	956	29	3.09%
267,240	1,006	1,037	31	3.09%

* Note: Property valuations are determined by the Ramsey County Assessor's Office

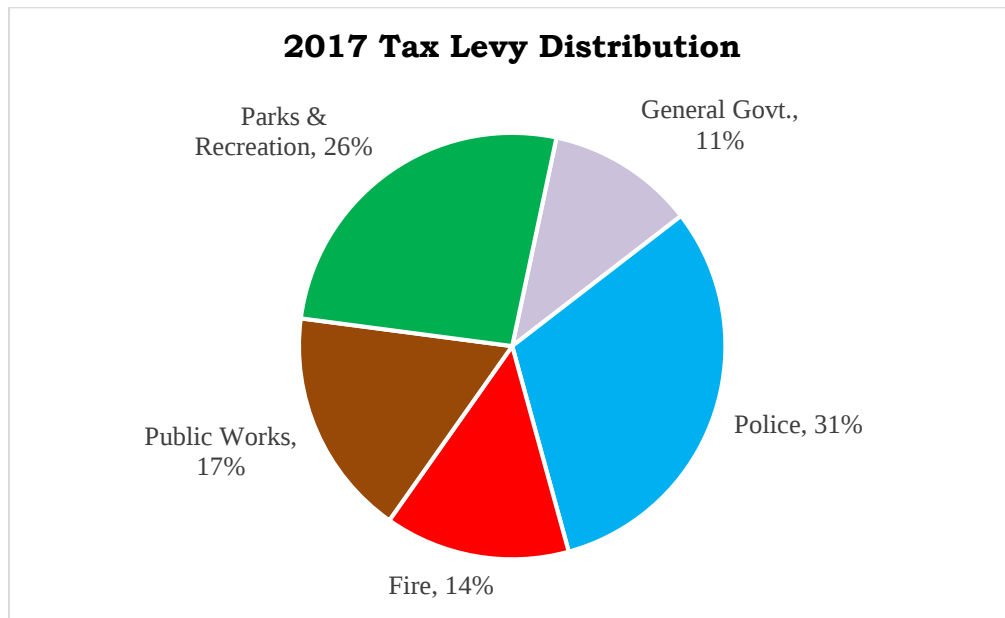
As shown above, a median-valued home of \$226,800 would see an increase of \$26 or 3.1%, holding all other factors constant.

The following table summarizes the estimated tax impact on **commercial** property, based on the 2017 tax levy and budget, estimates provided by Ramsey County, and assuming no increase in property valuation.

			\$ Increase	% Increase
<u>Value of Property</u>	<u>2016</u>	<u>2017</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
500,000	3,649	3,589	(60)	-1.63%
750,000	5,621	5,529	(92)	-1.63%
1,000,000	7,593	7,469	(124)	-1.63%
2,000,000	15,482	15,230	(252)	-1.63%
3,000,000	23,371	22,990	(381)	-1.63%

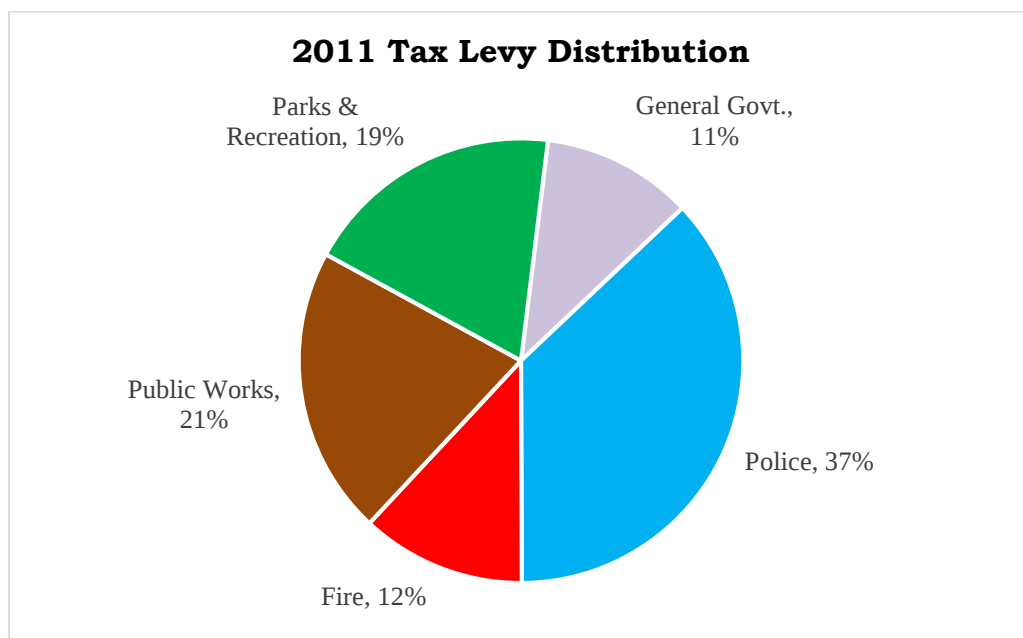
Tax Levy Benchmarks

The following graphs are presented to provide citizens with an understanding of where their property tax dollars are spent, and how current tax burdens compare to certain benchmarks. The majority of local tax monies provide funding for public safety, public works, and parks and recreation services. This can be shown in the following graph which highlights tax spending for these services as compared to other governmental services.

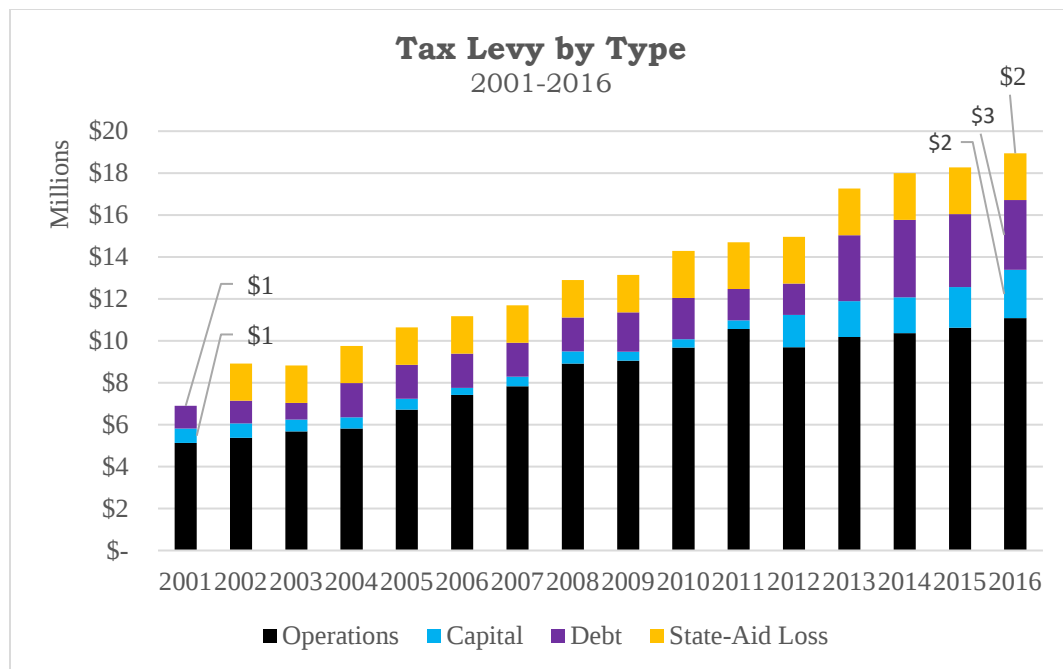


As depicted in the chart, police-related programs and services receive the highest level of tax levy support at 31% followed by Parks & Recreation at 27%. This distribution includes each function's proportionate share of debt service used to finance related improvements.

It should be noted that this distribution represents a snapshot in time and can change from year to year depending on the timing of capital projects and other factors. The following graph depicts the same information from six years ago.



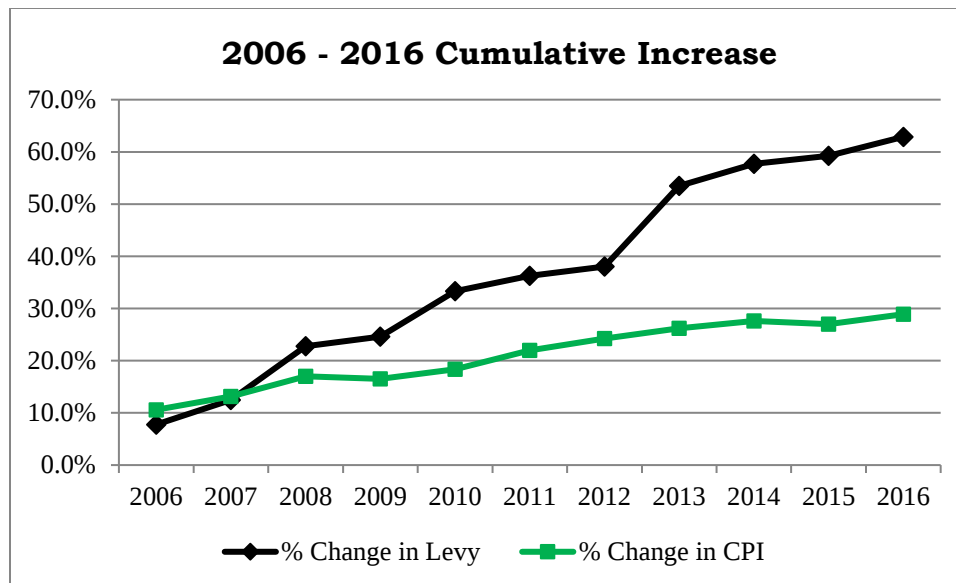
We can also depict the year-by-year changes in the overall tax levy to not only gauge taxpayer impact over time, but to also demonstrate what's driving property tax changes. The following chart depicts the tax levy by type since 2001.



As show in this chart, the overall tax levy has risen significantly in the past 16 years. However, the major drivers behind these increases is due to two primary factors: 1) the loss of state-aids and other non-tax revenues, and 2) the need for capital reinvestment.

Since 2001, the City has lost nearly \$2 million *annually* in various state-aids necessitating an increase in the tax levy to maintain programs and services levels. During this same period, the tax levy needed to support capital investment (including debt-financed capital replacements) has risen from \$2 million per year to \$5 million. In contrast, the tax levy needed to support day-to-day operations (after adjusting for lost state-aid) has increased by only 1.0% per year since 2011.

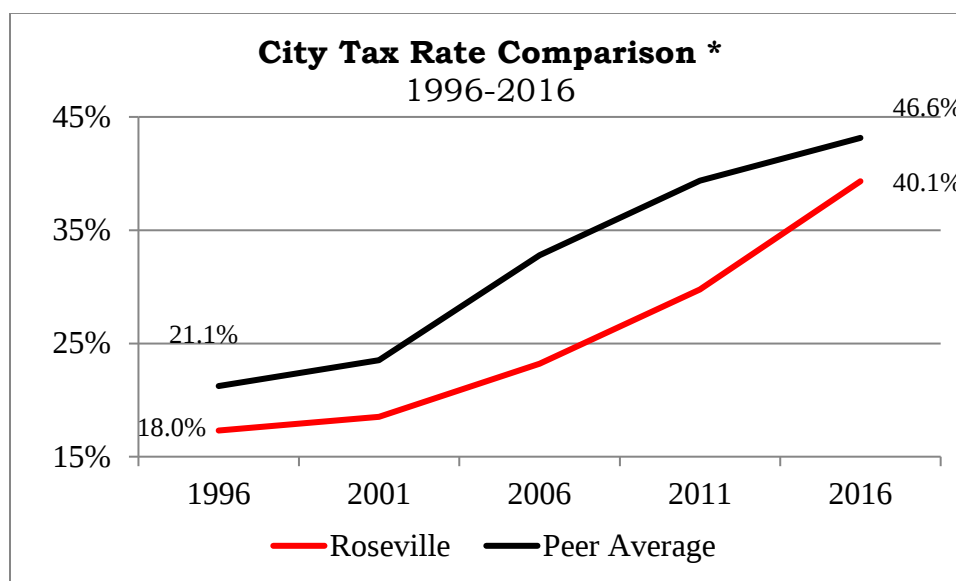
Another comparison we can make is to compare changes in the tax levy over time to a standard benchmark – the local inflation rate as measured by the Consumer Price Index (CPI). The CPI represents the change in prices over time for a typical household's purchases such as housing, food, clothing, utilities, etc. A 10-year cumulative summary of the tax levy increases as compared to the local inflation rate is shown below.



Over the past 10 years the increase in the tax levy has outpaced the inflation rate. Again this is largely the result of added capital replacements associated with the construction of a new fire station and park renewal program. It's also the result of renewed investment in the City's vehicle and equipment replacement program.

Another benchmark that is oftentimes used is a comparison of local property taxes among comparable cities. Although the comparison somewhat masks local needs and preferences, it nonetheless provides a general picture of each City's tax burden.

In a comparison with all cities in the Twin Cities Metro Area that serve a population in excess of 10,000, Roseville has the 25th lowest taxes out of 60 cities. The tax burden on Roseville homeowners has consistently remained below the average for this peer group over the past two decades. This is summarized in the chart below.



In 1996, Roseville's tax rate was 18% lower than the peer average. In 2006, Roseville's tax rate was 29% lower than the average reflecting a period of relatively low levels of capital replacements. Today, after a significant increase in levy-supported capital investments we're 9% lower.

Overview of Financial Structure

Like most governmental units, the City of Roseville operates under a financial structure that segregates programs and services within funds or functional units. This segregation is made to ensure that legally restricted funds are used in the manner in which they're prescribed, and to account for programs whose financial activities are tracked separately for management purposes. The table below outlines the financial relationship between the City's primary programs and services.

Program or Service	Type of Fund	Fund Name
City Council	Governmental	General
Human Rights	Governmental	General
Fire Relief Association	Governmental	General
Administration	Governmental	General
Elections	Governmental	General
Legal	Governmental	General
Finance	Governmental	General
Central Services	Governmental	General
General Insurance	Governmental	General
Police – all divisions	Governmental	General
Fire – all divisions	Governmental	General
Public Works Administration	Governmental	General
Streets & Street Lighting	Governmental	General
General Building Maintenance	Governmental	General
Central Garage	Governmental	General
Recreation Programs	Governmental	Recreation
Skating Center	Governmental	Recreation
City Planning	Governmental	Community Development
Economic Development	Governmental	Community Development
Building Permits & Codes	Governmental	Community Development
Geographic Information Systems	Governmental	Community Development
Communications	Governmental	Communications
Information Technology	Governmental	Information Technology
License Center	Governmental	License Center
Lawful Gambling	Governmental	Lawful Gambling
Pathway & Parking Lot Maintenance	Governmental	Pathway Maintenance
Park Maintenance	Governmental	Park Maintenance
Park Improvements	Governmental	Park Improvement
Recycling	Proprietary	Recycling
Sanitary Sewer	Proprietary	Sanitary Sewer
Water	Proprietary	Water
Storm Drainage	Proprietary	Storm Drainage
Golf Course	Proprietary	Golf Course

Summary of Financial Trends

Governmental Funds

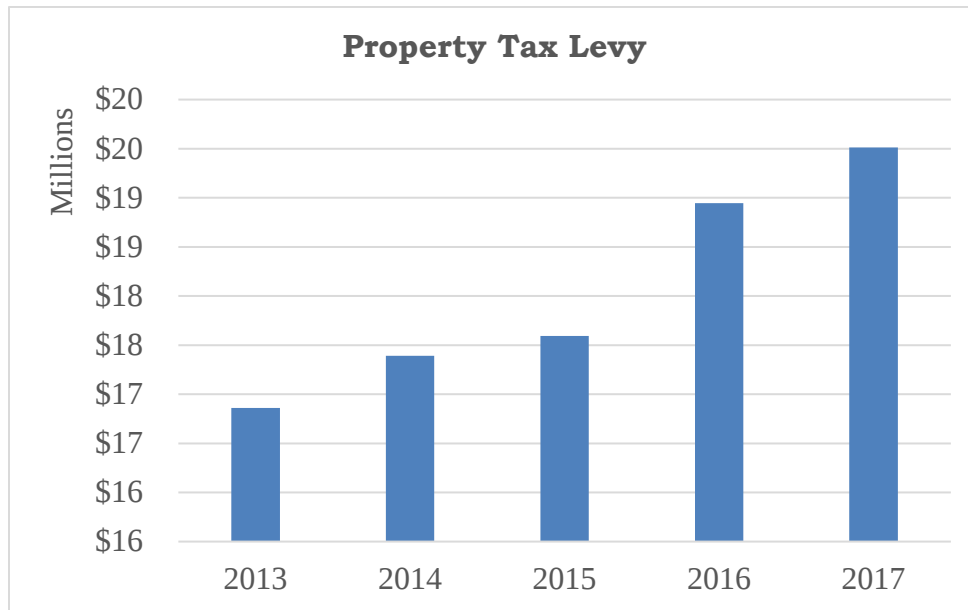
The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for all governmental funds.

	2013	2014	2015	2016	2017
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$16,861,841	\$17,392,732	\$17,592,865	\$ 18,944,720	\$ 19,513,060
Tax Increments	1,481,124	2,043,476	1,928,239	1,935,000	1,385,000
Special Assessments	178,657	213,528	170,841	151,500	151,225
Intergovernmental	1,880,019	1,523,496	3,515,434	3,507,120	3,230,800
Licenses & Permits	1,629,620	1,513,956	1,754,773	1,657,000	1,796,500
Charges for Services	5,664,896	4,742,687	5,188,227	4,327,825	4,768,670
Fines & Forfeits	236,510	204,799	135,766	240,000	168,000
Interest Earnings	280,110	1,943,123	661,420	342,800	269,900
Other Revenue	1,482,593	1,476,745	1,724,459	1,974,150	1,007,150
Total Sources	29,695,370	31,054,542	32,672,024	33,080,115	32,290,305
Funding Uses					
General Government	2,411,123	2,188,814	2,392,912	2,231,515	2,286,445
Public Safety	8,517,680	8,704,561	9,021,451	9,103,645	9,487,320
Public Works	2,333,802	2,397,213	2,488,414	2,795,975	2,845,235
Parks & Recreation	3,808,075	4,069,483	4,616,641	4,451,710	4,668,165
Community Development	1,207,605	1,249,625	1,300,285	1,601,420	1,660,260
Special Purpose	3,239,832	3,145,902	3,359,442	4,861,370	4,937,575
Capital Outlay	9,988,833	14,098,442	10,551,732	4,474,625	4,383,525
Debt Service	2,237,472	7,344,686	3,472,417	3,330,000	3,330,000
TIF-Related	564,796	678,641	474,676	1,985,000	1,435,000
Trust Operations	4,500	4,500	-	2,000	2,000
Total Uses	34,313,718	43,881,867	37,677,970	34,837,260	35,035,525
Other Sources (Uses)					
Transfers in (out)	25,000	782,000	782,000	871,000	1,048,000
Bond Proceeds (net)	4,173,553	-	3,246,065	-	-
Sale of capital assets	210,589	26,811	531,052	20,000	-
Other	-	-	-	-	-
Total Other Sources (Uses)	4,409,142	808,811	4,559,117	891,000	1,048,000
Excess of Funding Sources					
Over (Under) Funding Uses	(209,206)	(12,018,514)	(446,829)	(866,145)	(1,697,220)
Fund Balance - Jan 1st	57,486,915	57,277,709	45,259,195	44,812,366	43,946,221
Fund Balance - Dec 31st	\$57,277,709	\$45,259,195	\$44,812,366	\$ 43,946,221	\$ 42,249,001

Discussion Items

From 2013-2017, overall funding sources for the City's governmental fund operations have remained fairly stable with a few exceptions.

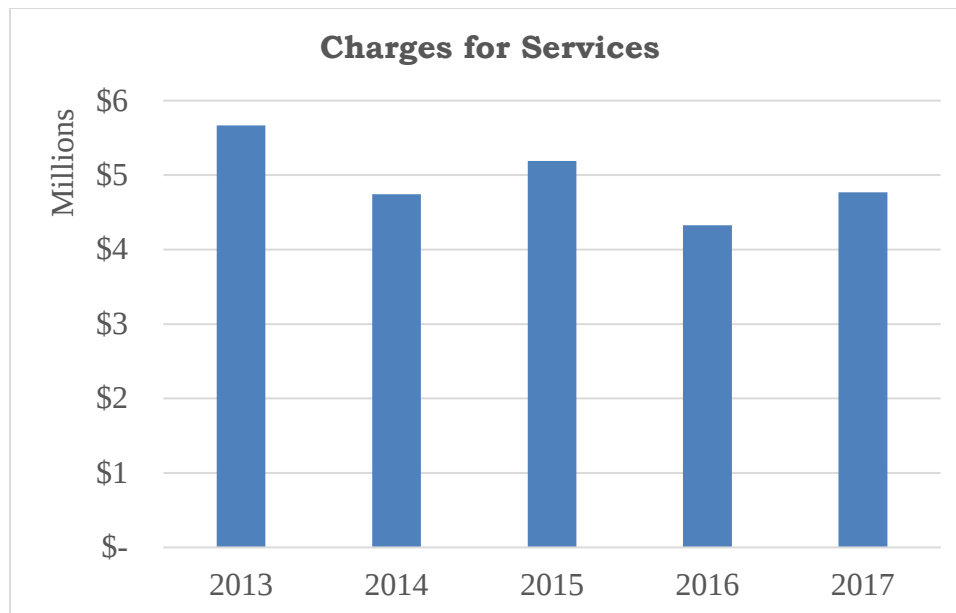
Since 2013, the City has become more reliant on the property tax to fund current operations. This has resulted in large part due to the added debt service costs associated with the bonds that were issued to finance the construction of a new fire station and the park renewal program. The City's reliance on the property tax also resulted from the decline in interest earnings and other non-tax revenue sources during this period. The chart below depicts the property tax levy for the past 5 years.



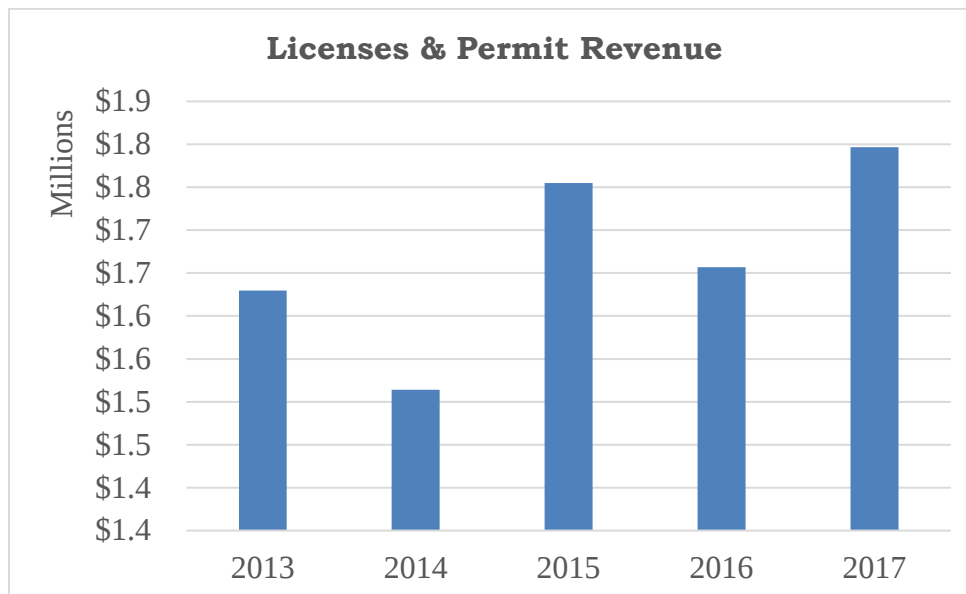
Over the next five years, it is expected that the City's tax levy will need to increase at levels that are somewhat above inflation. This will be necessary to offset expected increases in personnel-related costs and to continue improving the City's asset replacement funding mechanisms.

After several years of decline, the City has realized a stabilization of its investment earnings, albeit at lower levels than a few years ago.

Charges for Services also remain a significant revenue source for the City, accounting for approximately 15% of total Governmental Fund revenues. These revenues include; internal service charges from the General Fund to other general purpose functions, IT-related charges collected from joint partnerships, and recreation program fees. These revenues are expected to grow at inflationary-type levels in the future and are depicted below.



Another significant revenue source for the governmental funds is licensing and permit revenues accounting for approximately 5% of total revenues. Although some fluctuations have occurred, the City has generally maintained its license and permits revenues during the past five years and expects that to continue in 2017 and beyond. This is depicted in the chart below.



From a governmental expenditure standpoint, the City continues its emphasis on its core functions of public safety and public works. During the last five years, a substantial investment was made in police and fire technology and communication systems. The public works area is also realizing higher operating costs due to higher energy and fuel-related costs. It is expected that these costs will continue to increase in future budget years in order to maintain service levels.

The City's special purpose operations account for a variety of stand-alone functions including the City's License Center and Information Technology (IT) Support areas. As noted above, the License Center continues to experience relative stability. The IT area has seen substantial growth in recent years as the City has not only emphasized greater investment in IT for its own needs, but it also provides IT support services for 38 area municipalities and other governmental agencies. The City expects these IT partnerships to continue for the foreseeable future.

After rising over the past few years, the City's debt service payments have leveled off as recent bond issues have been offset by retiring bonds. This City does not have any current plans to issue new debt.

Overall fund balance levels in the City's governmental funds are expected to decline in the next few years as a result of planned capital replacements. This follows a period of expanding cash reserves as the City systematically set aside funds to finance improvements on a pay-as-you-go basis.

Proprietary Funds

The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for all proprietary funds, which includes Sanitary Sewer, Water, Storm Sewer, Recycling, and the Golf Course.

	2013	2014	2015	2016	2017
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Net Sales of Merchandise	\$ 8,947	\$ 11,714	\$ 23,505	\$ -	\$ -
User Charges	12,895,707	13,177,289	13,476,106	14,425,135	14,641,110
Other Revenue	203,537	80,788	75,732	23,000	110,500
Total Sources	13,108,191	13,269,791	13,575,343	14,448,135	14,751,610
Funding Uses					
Personal Services	1,504,371	1,618,229	1,650,863	1,790,000	1,820,700
Supplies & Maintenance	233,827	330,636	242,999	263,100	272,400
Other Services & Charges	8,681,754	8,492,812	8,271,694	10,169,560	9,972,560
Depreciation	910,375	876,396	964,668	1,410,000	1,051,000
Total Uses	11,330,327	11,318,073	11,130,224	13,632,660	13,116,660
Other Sources (Uses)					
Interest Earnings	(207,704)	298,049	50,328	40,000	33,000
Sale of Assets	-	9,536	145,442	-	-
Grants / Other	427,047	90,419	191,251	-	-
Transfer In (out)	(25,000)	(331,033)	(782,000)	(25,000)	-
Total Other Sources (Uses)	194,343	66,971	(394,979)	15,000	33,000
Excess of Funding Sources					
Over (Under) Funding Uses	1,972,207	2,018,689	2,050,140	830,475	1,667,950
Net Assets - Jan 1st	25,787,472	27,759,679	29,778,368	30,859,340	31,689,815
Prior Period Adjustment	-	-	(969,168)	-	-
Net Assets - Dec 31st	\$27,759,679	\$29,778,368	\$30,859,340	\$ 31,689,815	\$ 33,357,765

Discussion Items

Proprietary funds receive most of their funding from user fees. Funding sources for the City's Proprietary operations remain stable as the City's water and sewer customers continue their strong presence. Utility rate increases enacted in 2013-2017 will result in significant increases in revenues to stabilize asset replacement programs.

A significant portion of the revenues and expenditures are related to water consumption, which in turn is heavily correlated with weather conditions. This can cause significant fluctuations in water purchases and subsequent wastewater treatment charges. These expenditures are included in the 'Other Services & Charges' category.

Independent of weather impacts and water consumption, the City expects spending in its proprietary operations to increase somewhat higher than inflation in the next few years reflecting a comprehensive plan to upgrade its water distribution and sanitary sewer collection systems. Net assets of the City's proprietary operations are expected to increase steadily over the next couple of years as the City continues its long-term capital replacement program for the City's water and sewer infrastructure.

General Fund

The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for the General Fund; the City's primary operating fund.

	2013	2014	2015	2016	2017
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$10,065,348	\$10,173,073	\$10,236,716	\$ 10,771,905	\$ 11,044,390
Intergovernmental	1,053,778	991,970	1,031,110	1,002,000	961,000
Licenses & Permits	384,467	416,659	396,247	403,500	323,000
Charges for Services	1,241,970	221,728	212,120	123,730	193,000
Fines & Forfeits	236,510	204,799	135,479	240,000	168,000
Interest Earnings	(241,261)	338,364	74,431	30,000	30,000
Other Revenue	164,699	96,735	83,548	44,500	40,000
Total Sources	12,905,511	12,443,328	12,169,651	12,615,635	12,759,390
Funding Uses					
General Government	2,411,123	2,193,314	2,323,882	2,239,515	2,286,445
Police	6,646,790	6,701,924	6,863,443	6,972,630	7,214,025
Fire	1,571,657	1,661,020	1,826,476	1,922,015	2,064,295
Fire Relief	299,233	341,617	220,012	209,000	209,000
Public Works	2,333,802	2,397,213	2,211,904	2,795,975	2,845,235
Other	-	-	-	-	-
Total Uses	13,262,605	13,295,088	13,445,717	14,139,135	14,619,000
			-		
Other Sources (Uses)					
Transfer In (Out)	-	926,471	962,148	1,148,000	1,048,000
Other	-	-	-	-	-
Total Other Sources (Uses)	-	926,471	962,148	1,148,000	1,048,000
Excess of Funding Sources					
Over (Under) Funding Uses	(357,094)	74,711	(313,918)	(375,500)	(811,610)
Fund Balance - Jan 1st	6,564,987	6,207,893	6,282,604	5,968,686	5,593,186
Fund Balance - Dec 31st	\$ 6,207,893	\$ 6,282,604	\$ 5,968,686	\$ 5,593,186	\$ 4,781,576

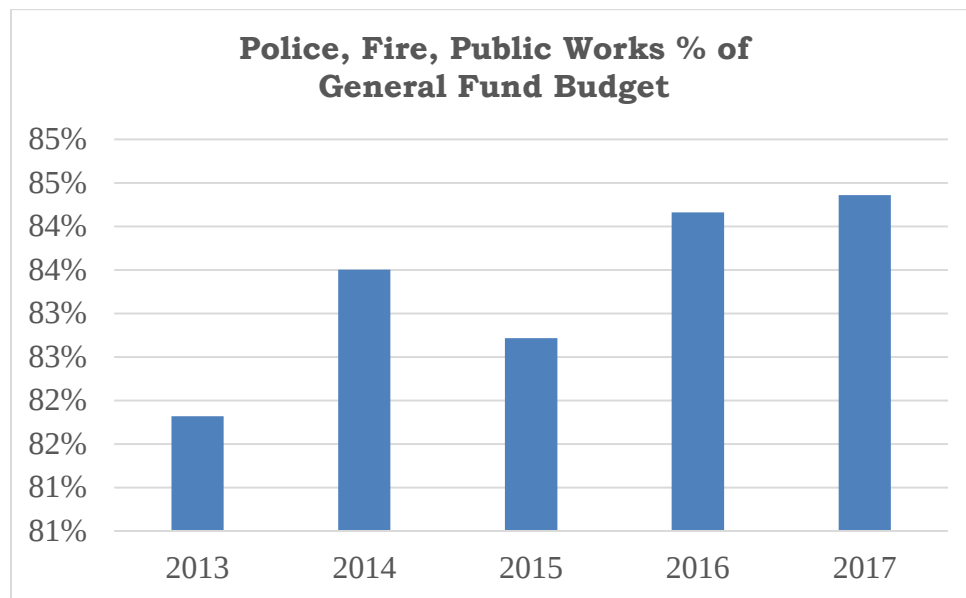
Discussion Items

During the period 2013-2017, overall funding sources for the City's General fund operations remained fairly flat partially relying on excess cash reserves. The City's tax levy increased steadily during this period averaging 2% per year. In 2017, the increase was specifically designated for added personnel-related costs as well as contractual maintenance and professional services.

Beyond 2017, it is expected that the General Fund's tax levy will increase somewhat above inflationary-type levels. This will be necessary to offset expected personnel-related costs and other inflationary impacts as well as eliminate the use of cash reserves to fund the operating budget.

License and permits revenue is also expected to remain near current levels for the foreseeable future. The City is not anticipating any significant changes in the issuance of business licenses and permits, nor do we project that the regulatory costs incurred by the City will change in any significant manner. As such, overall revenues should remain largely unchanged.

As noted earlier, from 2013-2017, the City continued to emphasize its core functions of public safety and public works. These core functions have historically accounted for approximately 84% of General Fund spending. This is depicted in the chart below.



Higher public safety and public works-related costs have been somewhat offset by lower general administrative costs, which have experienced a decline since 2013.

In 2017, the General Fund balance is expected to decrease by \$811,000 due to the planned use of cash reserves to minimize property tax impacts. It is expected that future budgets will remain balanced.

Parks & Recreation Fund

The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for the Parks & Recreation Fund.

	2013	2014	2015	2016	2017
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$ 2,011,660	\$ 1,978,856	\$ 2,136,995	\$ 2,466,815	\$ 2,537,670
Charges for Services	1,717,648	1,771,633	1,908,640	2,070,595	2,119,970
Rentals	54,713	59,625	52,796	-	-
Donations	121,082	119,900	166,416	10,500	-
Interest Earnings	(36,655)	52,769	17,535	3,300	10,300
Other Revenue	128,251	74,550	54,002	500	225
Total Sources	3,996,699	4,057,333	4,336,384	4,551,710	4,668,165
Funding Uses					
Personnel	2,430,568	2,608,189	2,664,519	2,937,360	2,996,410
Supplies & Materials	284,571	305,730	297,316	332,865	325,855
Other Services & Charges	1,059,455	1,120,742	1,179,001	1,278,485	1,345,900
Capital Outlay	33,481	34,822	9,698	3,000	-
Total Uses	3,808,075	4,069,483	4,150,534	4,551,710	4,668,165
Other Sources (Uses)					
Transfer In (Out)	-	-	-	-	-
Other	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	188,624	(12,150)	185,850	-	-
Fund Balance - Jan 1st	922,537	1,111,161	1,099,011	1,284,861	1,284,861
Fund Balance - Dec 31st	\$ 1,111,161	\$ 1,099,011	\$ 1,284,861	\$ 1,284,861	\$ 1,284,861

Discussion Items

From 2013-2017, the City's Parks & Recreation Fund realized a steady increase in revenues at approximately 4% annually. This was somewhat due to a significant increase in the portion of the property tax dedicated for parks and recreation activities. User charges have increased at approximately 6% per year keeping pace with inflation and activity levels.

During this same period, operating expenses increased at approximately 6% annually, leaving the Fund balance relatively strong during the past few years.

It is expected that future revenues and expenditures will increase at a level commensurate with program activity levels.

Community Development Fund

The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for the Community Development Fund.

	2013	2014	2015	2016	2017
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Licenses & Permits	\$ 1,245,028	\$ 1,097,097	\$ 1,358,426	\$ 1,213,500	\$ 1,373,500
Charges for Services	200,775	243,679	258,412	261,000	297,300
Interest Earnings	(31,826)	45,987	16,452	8,000	15,000
Other Revenue	17,994	21,239	15,021	-	-
Total Sources	1,431,971	1,408,002	1,648,311	1,482,500	1,685,800
Funding Uses					
Personnel	970,439	1,045,079	1,075,295	1,265,425	1,073,125
Supplies & Materials	12,788	9,154	11,613	17,875	24,945
Other Services & Charges	193,602	174,550	205,135	308,970	480,920
Capital Outlay	30,776	20,843	8,242	9,150	81,270
Total Uses	1,207,605	1,249,626	1,300,285	1,601,420	1,660,260
Other Sources (Uses)					
Transfer In (Out)	-	(40,000)	(40,000)	-	-
Other	3,365	-	-	-	-
Total Other Sources (Uses)	3,365	(40,000)	(40,000)	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	227,731	118,376	308,026	(118,920)	25,540
Fund Balance - Jan 1st	367,417	595,148	713,524	1,021,550	902,630
Fund Balance - Dec 31st	\$ 595,148	\$ 713,524	\$ 1,021,550	\$ 902,630	\$ 928,170

Discussion Items

During the period 2013-2017, the Community Development Fund realized increasing overall activity which was indicative of improving market conditions for both housing and commercial development. It is expected that over the next several years, development at several major areas will continue to take place which should maintain relative stability in the Fund's operations.

City of Roseville, Minnesota

Elected and Appointed Officials

January 1, 2015

Elected Officials

		Term of Office expires *
Mayor	Dan Roe	2019
Councilmember	Bob Willmus	2019
Councilmember	Tam McGehee	2019
Councilmember	Jason Etten	2021
Councilmember	Lisa Laliberte	2021

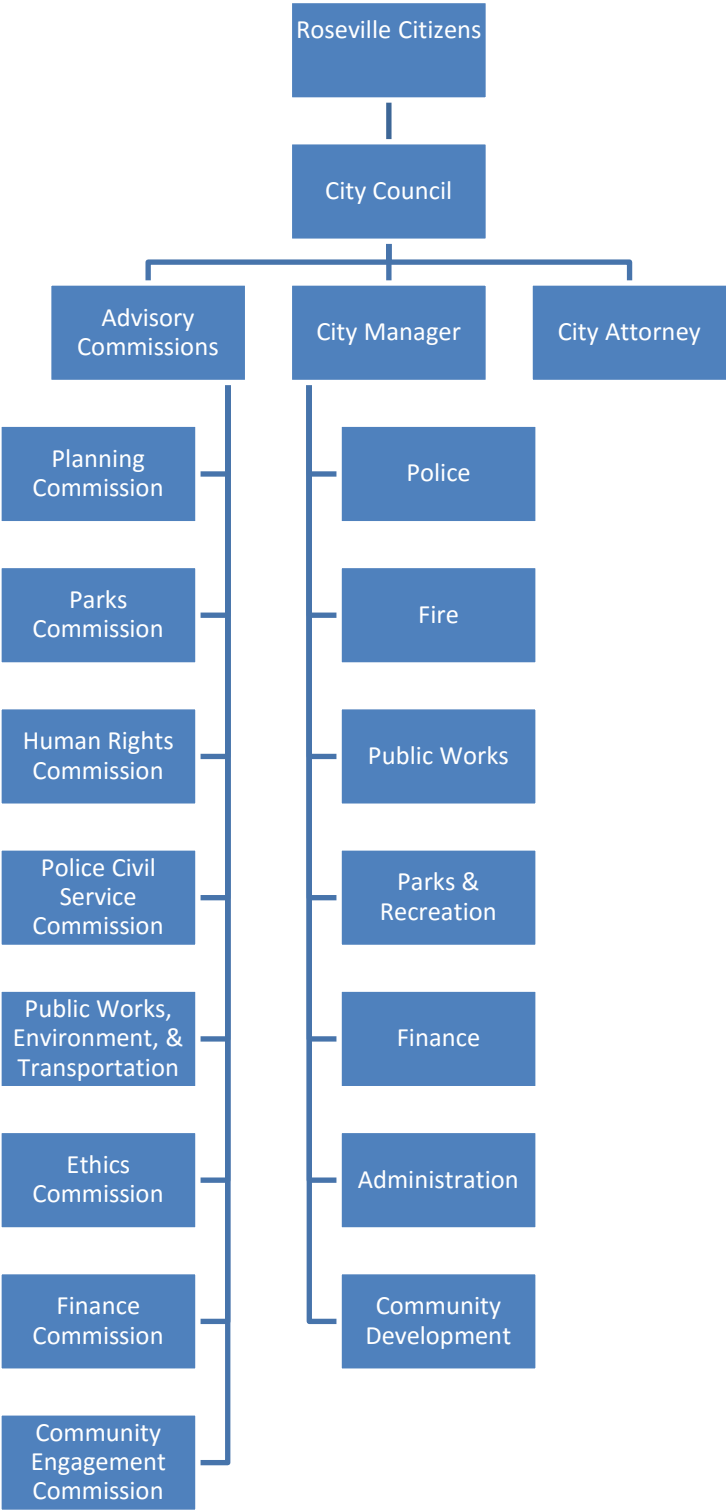
* expires on the first official business day in January

Appointed Officials

City Manager	Patrick Trudgeon
Finance Director	Christopher Miller
Public Works Director	Marc Culver
Police Chief	Rick Mathwig
Fire Chief	Tim O'Neill
Parks & Recreation Director	Lonnie Brokke
Community Development Director	Kari Collins

City of Roseville, Minnesota

Organizational Chart



City of Roseville

Summary of the Budget Process

Budget Process Overview

The City of Roseville adheres to a comprehensive budgeting process that typically includes Council budgeting goal-setting sessions, an extensive review and analysis by Staff of the general needs and available resources, and the eventual submittal of the City Manager's Recommended Budget to the City Council.

This year's budgeting process was designed to continue promoting transparency on where financial resources were allocated. It also ensured that the programs and services that mattered the most to the community received sufficient funding.

The City's annual budgeting process is preceded and supplemented by a number of planning processes that are used to provide general direction for the City and to designate tentative resource allocations. These planning processes include the creation of a Comprehensive Plan, Park Master Plan, and the Capital Improvement Plan. Given their size, the text of these documents has been excluded from this Budget Document, however they can be found on the City's website at: www.ci.roseville.mn.us. These planning processes forecast the eventual impact on the City budget by projecting the capital investments and redevelopment cycles that are needed to maintain service levels and achieve overall objectives.

The submittal of the Recommended Budget is followed by a series of public presentations to the City Council that is designed to give the Council and citizens an overview of the proposed Budget, and to prepare the Council in making informed budget decisions. Budget amendments are made in conjunction with the City's independent financial audit to ensure legal compliance. These amendments are made when actual expenditures exceed budgeted amounts at the Fund level.

The calendar of key budget dates was as follows:

2017 Budget Calendar

Presentation of Organizational Priorities	May 16, 2016
Review a Variety of Budget Information Packages	June 20, 2016
Presentation of the City Manager Recommended Budget	July 18, 2016
Review 2017-2036 Capital Improvement Plan.....	August 15, 2016
Receive Budget Recommendations from the Finance Commission.....	August 15, 2016
Preliminary Budget Hearing	August 22, 2016
Adopt the Preliminary Budget	September 12, 2016
Review Proposed Utility Rates	November 14, 2016
Final Budget Hearing.....	November 28, 2016
Adopt the 2017 Water & Sewer Rates.....	December 5, 2016
Adopt the 2017 Final Budget.....	December 5, 2016

City of Roseville - Summary of Departmental Full-time Equivalent Employees **

<u>Division</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Administration	3.75	4.70	4.70	4.70	5.00
Elections	0.15	0.05	0.05	0.05	0.05
Communications	1.52	2.25	2.25	2.25	2.45
Recycling	0.33	-	-	-	-
Total Administration	5.75	7.00	7.00	7.00	7.50
Finance	5.90	5.90	5.90	5.90	5.55
Lawful Gambling	0.10	0.10	0.10	0.10	0.10
Information Technology	11.50	13.00	14.00	17.00	17.00
License Center	14.25	14.75	14.75	16.75	16.75
Total Finance	31.75	33.75	34.75	39.75	39.40
Police Administration	9.00	9.00	9.00	9.00	9.50
Police Patrol	37.00	37.00	37.00	37.00	37.00
Police Investigations	9.00	9.00	9.00	9.00	9.00
Police Community Svcs.	2.00	2.00	2.00	3.00	3.00
Total Police	57.00	57.00	57.00	58.00	58.50
Fire Administration	2.00	2.00	2.00	3.00	3.00
Fire Prevention	2.00	2.00	1.00	1.00	-
Fire Operations	2.00	2.00	8.00	8.00	12.00
Total Fire	6.00	6.00	11.00	12.00	15.00
PW Administration	7.25	7.25	7.25	7.25	7.25
Street Maintenance	7.00	7.10	7.10	7.10	7.10
Central Garage	2.22	2.00	2.00	2.00	2.00
Engineering Services	1.00	1.00	1.00	2.00	2.00
Sanitary Sewer	3.71	4.70	4.70	4.70	5.05
Water	7.54	7.15	7.15	7.15	7.15
Storm Drainage	4.03	4.20	4.20	4.20	4.20
Recycling	-	0.35	0.35	0.35	0.35
Total Public Works	32.75	33.75	33.75	34.75	35.10
Recreation Administration	4.89	4.90	4.90	4.90	4.90
Recreation Programs	4.36	4.35	4.35	4.85	4.85
Skating Center	5.75	5.75	5.75	5.75	5.75
Park Maintenance	9.00	9.00	9.50	9.50	9.50
Golf Course	1.75	1.75	1.75	1.75	1.75
Total Parks & Recreation	25.75	25.75	26.25	26.75	26.75
Planning	3.69	4.25	5.25	3.60	3.10
Housing & Economic Development	0.43	0.25	0.25	1.90	1.90
GIS	0.83	1.00	1.00	0.80	0.80
Rental Licensing	-	-	-	1.25	1.25
Neighborhood Enhancement	-	-	-	0.50	0.50
Code Enforcement	5.95	7.00	7.00	5.45	5.45
Total Community Development	10.90	12.50	13.50	13.50	13.00
Total Citywide	169.90	175.75	183.25	191.75	195.25

** Excludes seasonal or intern employees



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Roseville

Minnesota

For the Fiscal Year Beginning

January 1, 2016

Jeffrey R. Egan

Executive Director

Department Description

The City Council promotes the health, safety and welfare of the citizens through the formulation of policy and the passage of ordinances governing the City. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Housing and Economic Development
 - Focus on Southeast Roseville
 - Foster Twin Lakes Redevelopment
 - Create Move-Up Housing Opportunities
 - Increase Residential Housing Values
 - Facilitate City-Wide Economic Development
- Infrastructure Sustainability
 - Categorize Infrastructure Condition
 - Ensure Capital Improvement Funding

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 40,044	\$ 40,044	\$ 46,247	\$ 42,180	\$ 46,800	\$ 4,620	11.0%
Supplies & Materials	-	-	115	-	-	-	0.0%
Other Services & Charges	140,494	143,768	153,532	164,125	164,975	850	0.5%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 180,538	\$ 183,812	\$ 199,893	\$ 206,305	\$ 211,775	\$ 5,470	2.7%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- 'Personal Services' increase due to Police Officer attendance at City Council meetings.

2015/2016 Achievements

- Adopted the 2016 Policy Priority Planning document.

Department Description

The Human Rights Commission works for equal opportunity employment, non-discrimination in housing and public accommodations, and the fostering of a diverse community. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Promote community-wide events that provide for education and dialogue about human rights issues.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	2,000	2,000	-	0.0%
Other Services & Charges	4,139	1,808	4,434	1,700	1,700	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 4,139	\$ 1,808	\$ 4,434	\$ 3,700	\$ 3,700	\$ -	0.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Co-sponsored and participated in several community events and meetings including Imagine Roseville conversations about race and policing.
- Continued sponsoring a citizen naturalization ceremony in Roseville.
- Continued connect youth with commission activities through the human rights essay contest.

Department / Program: Fire Relief Association
Organizational Responsibility: City Council & City Manager

Department Description

The Roseville Fire Relief Association provides for the oversight of the retirement plan available to Roseville paid-on-call firefighters. The retirement plan is separate from the City's pension plan. The City makes an annual contribution to the Association's pension fund. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Maintain adequate pension funding in accordance with the most recent actuarial study.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	299,233	341,617	220,012	209,000	209,000	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$299,233	\$341,617	\$220,012	\$209,000	\$209,000	\$ -	0.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- The amount shown above represents the City's share of the Association's Pension Fund. The Fund's unfunded liability has remained largely unchanged from the previous year.

2015/2016 Achievements

- The City has maintained full actuarial funding of pension requirements.

Department Description

The Administration Department provides the City Council with information to make policy decisions and proposes recommendations concerning measures or actions considered necessary for effective and efficient operations. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Revisit Policy Priority Planning document approved by City Council.
- On-board new Assistant City Manager position.
- Review all Administration Department services for effectiveness and efficiency
- Continue to be visible in the community and responsive to citizens.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$436,683	\$468,368	\$534,087	\$563,100	\$603,700	\$ 40,600	7.2%
Supplies & Materials	1,111	857	1,069	1,500	1,500	-	0.0%
Other Services & Charges	81,461	72,775	84,721	116,180	120,830	4,650	4.0%
Capital Outlay	29,877	-	-	5,000	-	(5,000)	-100.0%
Total	\$549,131	\$542,000	\$619,877	\$685,780	\$726,030	\$ 40,250	5.9%
FTE's	3.75	4.70	4.70	4.70	5.00		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also reflects the added costs associated with hiring a part-time Office Assistant.

2015/2016 Achievements

- Implemented Policy Priority Planning document.
- Implemented Benovate on-line wellness program.
- Entered into multi-year contracts with all bargaining units.
- Drafted and implemented a Uniform Commission Code for all city commission to ensure each was operating similarly and consistently.

Department / Program: Elections
Organizational Responsibility: City Manager

Department Description

The Elections Department administers all federal, state, county, and municipal elections held in the City of Roseville. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Coordinate elections function with Ramsey County as necessary in 2017.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 5,018	\$ 5,264	\$ 5,264	\$ 6,300	\$ 6,300	\$ -	0.0%
Supplies & Materials	-	84	-	50	50	-	0.0%
Other Services & Charges	53,836	58,438	68,487	66,350	66,350	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 58,855	\$ 63,786	\$ 73,751	\$ 72,700	\$ 72,700	\$ -	0.0%
FTE's	0.15	0.05	0.05	0.05	0.05		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Staffed early voting during the 2016 election.
- Implemented new voting machines.
- Implemented statewide voter registration system to process absentee ballots.

Department / Program: Legal
Organizational Responsibility: City Manager

Department Description

The Legal Department guides the City's decision-making with the best possible legal counsel to both the City Council and Staff. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue providing timely and thorough legal advice to the City Council and Staff.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	324,492	332,161	346,269	338,555	348,700	10,145	3.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$324,492	\$332,161	\$346,269	\$338,555	\$348,700	\$ 10,145	3.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- The City's legal costs are reflected in service contracts with area law firms. An contractual increase is expected in 2017.

2015/2016 Achievements

- Led organizational ethics training.
- Entered into a new 3-year contract.

Department Description

The Communications Program provides timely information to residents regarding city issues, activities, and services through the use of all available media resources. The Program's activities are accounted for in Communications Fund.

2017 Goals and Objectives

- Continue evaluating and improving all communication media produced by the City.
- Work with all departments on communication efforts, both to improve and coordinate efforts.
- Coordinate 2040 Comprehensive Plan communication efforts with Community Development.
- Install signage in City Council Chambers.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$177,533	\$229,178	\$220,992	\$238,900	\$270,700	\$ 31,800	13.3%
Supplies & Materials	1,401	1,283	1,706	2,500	2,500	-	0.0%
Other Services & Charges	177,808	222,621	230,721	254,875	239,875	(15,000)	-5.9%
Capital Outlay	56,801	1,052	152,664	10,000	10,000	-	0.0%
Total	\$413,543	\$454,134	\$606,084	\$506,275	\$523,075	\$ 16,800	3.3%
FTE's	1.52	2.25	2.25	2.25	2.45		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes funding to upgrade an existing position to an Asst. City Manager position.

2015/2016 Achievements

- Upgraded cameras, video projector, and lighting in City Council Chambers.
- Created new city website.
- Created new civic engagement portal; "Speak Up Roseville!" for residents, staff, and elected officials to share and discuss information.
- Redesigned and expanded City's bi-monthly newsletter.

Department Description

The Finance Department provides for the financial operations of the City and is responsible for all treasury operations, debt management, and risk management activities. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue implementing the Finance & Accounting Division's 2016-2020 Strategic Plan.
- Update the Annual Work Plan.
- Promote cost effective and quality service to external and internal customers through continuous improvement.
- Maintain an AAA bond rating from Moody's and Standard & Poor's.
- Receive the GFOA's Financial Reporting and Budget Presentation awards.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$550,636	\$566,029	\$557,495	\$616,115	\$620,615	\$ 4,500	0.7%
Supplies & Materials	2,445	3,208	2,824	3,000	3,000	-	0.0%
Other Services & Charges	51,265	58,272	51,480	65,790	62,110	(3,680)	-5.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$604,346	\$627,508	\$611,800	\$684,905	\$685,725	\$ 820	0.1%
FTE's	5.90	5.90	5.90	5.90	5.55		

2017 Budget Impact Items

- Personal Services increase include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. 0.35 FTE's were reallocated to the Water Fund to more accurately reflect the staffing resources associated with that function.

2015/2016 Achievements

- Maintained a AAA bond rating from Moody's and Standard & Poor's.
- Received the Award for Excellence in Financial Reporting for the 36th consecutive year.
- Received the Distinguished Budget Presentation Award for the 17th consecutive year.
- Processed 7,542 vendor payments, 8,448 payroll payments, 41,500 utility bills, and 43,210 cash receipts.

Department / Program: Central Services
Organizational Responsibility: Finance Director

Department Description

Central Services provides an efficient and effective control point for purchasing, printing, and central store activities. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Review citywide purchasing strategies to determine where potential savings exist.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	22,549	23,465	24,242	27,100	27,100	-	0.0%
Other Services & Charges	39,624	28,584	27,427	40,630	32,500	(8,130)	-20.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 62,173	\$ 52,049	\$ 51,669	\$ 67,730	\$ 59,600	\$ (8,130)	-12.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Expenditures are projected to remain below 2013 levels.

Department Description

The General Insurance Program provides for the protection of capital assets and employees. Insurance is maintained through the League of Minnesota Cities Insurance Trust. The Department's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue to protect the City's assets by maintaining appropriate risk management programs and insurance coverage.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	61,500	61,500	61,500	61,500	61,500	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 61,500	\$ 61,500	\$ 61,500	\$ 61,500	\$ 61,500	\$ -	0.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- General Fund's share of property/liability and workers compensation costs have remained flat for five consecutive years.
- Workers Compensation claims have fallen two consecutive years and remain well below the City's six-year average.

Department Description

The Information Technology provides for the purchasing, installation, and support of communication and information systems in city buildings. The Program's activities are accounted for in the Information Technology Fund.

2017 Goals and Objectives

- Continue implementing the Information Technology Division's 2016-2020 Strategic Plan.
- Update the Annual Work Plan.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 937,086	\$ 1,100,010	\$ 1,228,497	\$ 1,749,500	\$ 1,767,100	\$ 17,600	1.0%
Supplies & Materials	26,738	25,673	55,026	30,500	36,000	5,500	18.0%
Other Services & Charges	308,446	156,122	205,551	195,020	216,500	21,480	11.0%
Capital Outlay	193,814	198,985	297,334	275,000	250,000	(25,000)	-9.1%
Total	\$ 1,466,084	\$ 1,480,790	\$ 1,786,409	\$ 2,250,020	\$ 2,269,600	\$ 19,580	0.9%
FTE's	11.50	14.00	14.00	17.00	17.00		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Supplies & Materials and Other Services & Charges have been adjusted to reflect prior year actuals.
- Capital Outlay is decreasing due to lower scheduled equipment replacements.

2015/2016 Achievements

- Added six additional Joint Powers Agreements with other governmental agencies bringing the total to 43. These collaborative efforts provide over \$2.0 million in annual revenues reducing the City's IT costs.
- Completed major communication systems upgrades for Exchange Email, Cisco IP Telephony and wireless network infrastructure.
- Designed and implemented network and technology features for 8 new facilities; Forest Lake City Hall, Little Canada Public Works and 6 Roseville Park buildings.
- Deployed first phase of a multi-year project to install network security cameras for Mounds View and Anoka.
- Completed police dispatch upgrades for Anoka and Ramsey County based public safety units.
- Completed municipal fiber optic network for St. Anthony to connect 5 city facilities.

Department Description

The License Center serves the general public as a MN Department of Public Safety Deputy, offering State auto, drivers, and DNR licenses. It also serves as a Passport Acceptance Agency in conjunction with the U.S. State Department. The Program's activities are accounted for in the License Center Fund.

2017 Goals and Objectives

- Continue implementing the License Center's 2016-2020 Strategic Plan.
- Update the Annual Work Plan.
- Maintain a minimum 98% compliance rating on passport policies and procedures.
- General an annual net surplus to support other City programs and services.
- Renovate selected facility areas to maintain customer service levels and overall appearance.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 957,650	\$ 1,034,920	\$ 1,066,715	\$ 1,295,900	\$ 1,266,400	\$ (29,500)	-2.3%
Supplies & Materials	9,357	13,595	13,742	13,300	14,000	700	5.3%
Other Services & Charges	205,124	234,137	460,840	546,925	455,950	(90,975)	-16.6%
Capital Outlay	6,892	5,334	7,266	21,500	37,400	15,900	74.0%
Total	\$ 1,179,023	\$ 1,287,987	\$ 1,548,563	\$ 1,877,625	\$ 1,773,750	\$ (103,875)	-5.5%
FTE's	14.25	14.75	14.75	16.75	16.75		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. These added costs were offset by personnel changes.
- Other services and charges decrease is due to lower budgeted contributions to support other City functions.
- Capital Outlay is increasing due to planned equipment replacements.

2015/2016 Achievements

- Maintained the highest volume in the State for all city-managed Deputy Registrar Offices.
- 100% compliance rating from the U.S. State Department's audit on the License Center's passport policies and procedures.
- Generated \$650,000 in net annual proceeds to support other City programs and services.

Department Description

The Lawful Gambling Regulation operation provides for the regulation of lawful gambling activities within the City, in accordance with State Statutes and City Ordinance. The City has designated the North Suburban Community Foundation, with the assistance of the Roseville Donor Advisory Board, with the responsibility to allocate 10% of the net gambling profits to Roseville-based non-profit organizations. The Program's activities are accounted for in the Lawful Gambling Fund.

2017 Goals and Objectives

- Continue allocating proceeds to Roseville area organizations to support local charities, and youth scholarships and athletic programs.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personal Services	\$ 3,082	\$ 3,305	\$ 3,289	\$ 4,500	\$ 4,700	\$ 200	4.4%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	132,870	138,037	132,867	146,650	146,650	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$135,952	\$141,342	\$136,156	\$151,150	\$151,350	\$ 200	0.1%
FTE's	0.10	0.10	0.10	0.10	0.10		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Distributed over \$85,000 from net proceeds to Roseville area organizations in 2015 and 2016.
- Maintained over \$950,000 in an endowment fund to sustain future contributions to area organizations in the event lawful gambling activities are discontinued in the City.

Division / Program Description

The Police Administration Department is responsible for ensuring continuous, innovative, and effectual public safety services by anticipating, planning, and fulfilling the needs of citizens and Department Staff. Police Administration's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Expand all forms of communication with focus on social media applications and City website resources.
- Apply real time statistical information to increase intelligence-based policing services.
- Implement online crime reporting tool.
- Expand department volunteers (e.g. reserve officers, park patrollers, interns, explorers, block captains, etc.), streamlining opportunities through the City's volunteer coordinator.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$787,567	\$875,647	\$886,778	\$ 927,835	\$ 964,935	\$ 37,100	4.0%
Supplies & Materials	13,853	15,309	17,866	16,450	16,800	350	2.1%
Other Services & Charges	71,504	77,727	83,265	90,995	106,100	15,105	16.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$872,925	\$968,684	\$987,909	\$1,035,280	\$1,087,835	\$ 52,555	5.1%
FTE's	9.00	9.00	9.00	9.00	9.50		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes funds for a new 0.50 FTE Office Assistant position.
- Increase in Other Services & Charges includes new funding for remote access software licenses.

2015/2016 Achievements

- Provided department-wide *Mental Health Awareness/De-escalation* training and began initiative to provide all sworn personnel with 40 hours of *Crisis Intervention Training (CIT)* by 2018.
- Passed June 2015 Peace Officer Standards and Training and Compliance audit.
- Expanded social media outreach- Facebook (1800+ followers) and Twitter (2400+ followers).
- Continued monthly summaries and "One Chief's Perspective" bi-weekly newsletter to better inform the public on police related topics.
- Participated in a variety of community engagement meetings and forums (e.g. Imagine Roseville police and race dialogues, Karen Interagency, Service Enterprise, RAS Community Conversations, ECHO Rental Rights and Responsibilities project, Communicating with Volunteers Workshop, Ramsey County Out of School Time Network meeting, League of Women Voters Police panel, Ramsey County Sexual Assault Protocol meeting, etc.)
- Completed 2016 customer service survey in an effort to measure overall satisfaction with policing services as well as general feelings of safety while living in, working in and visiting Roseville.
- Participated in multi-agency stabilization/ reinvestment planning efforts in SE Roseville (e.g. playground project, community garden, police substation, directed patrols, lighting evaluation, business organization, blight elimination programs, etc.).

Division / Program Description

The Operations Division encompasses all uniformed personnel and is the largest division of the Police Department. This division is on duty 24 hours per day. The division members are the most visible members of the department and are the first to respond to emergency situations. The Operation Division's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Implement department-wide body camera program (personal recording systems).
- Expand participation in community engagement opportunities.
- Increase traffic enforcement activities targeting areas with high traffic incidents and crime.
- Increase utilization of *Adopt a Speed Board* program to address citizen traffic concerns and continue the collaboration with the Public Works Department.
- Increase enforcement of Repeat Nuisance to address nuisance properties; continue to collaborate with Code Enforcement.
- Continue development of partnerships with major retailers and hotels; promote the use of trespass forms and other tools to reduce criminal incidents.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 3,991,869	\$ 4,007,987	\$ 4,150,814	\$ 3,946,200	\$ 4,075,120	\$ 128,920	3.3%
Supplies & Materials	210,620	206,234	169,498	230,000	227,500	(2,500)	-1.1%
Other Services & Charges	431,122	488,545	560,844	554,350	585,080	30,730	5.5%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 4,633,611	\$ 4,702,766	\$ 4,881,156	\$ 4,730,550	\$ 4,887,700	\$ 157,150	3.3%
FTE's	37.00	37.00	37.00	37.00	37.00		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other Services & Charges increase is primarily due to additional crisis intervention training.

2015/2016 Achievements

- Ten officers trained in intensive 40-hour *Crisis Intervention Training (CIT)* or equivalent.
- Tested equipment, sought public input and created a policy on body cameras/ PRS (personal recording systems).
- Developed a comprehensive plan to continue to facilitate safe and peaceful public assemblies.
- Completed full revision of agency's policy and procedure manual (Fall of 2016)
- Through grant funding, officers worked various traffic enforcement details (e.g. *Safe & Sober*, *Click It or Ticket*, *Operation Nightcap*, etc.).
- Increased community engagement and outreach through events, presentations and programs such as *Imagine Roseville*, *Make a Difference*, *P.A.L.*, *Coffee with a Cop*, *lemonade stands*, etc.
- In 2016, responded to 36,058 incidents (10,102 traffic stops; 4,943 community outreach events)

Division / Program: **Police Investigations**
Organizational Responsibility: Chief of Police

Division / Program Description

The Criminal Investigation Unit is responsible for the review, follow-up and case presentation to the County/City attorney on all criminal cases that are not resolved at the Department's Patrol Unit Level. The Investigation Unit's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Partner with the BCA and Ramsey County to investigate internet crimes against children.
- Expand volunteer *Neighborhood Watch* program to include a virtual block watch component.
- Institute virtual meetings to share information between other governmental jurisdictions.
- Increase outreach to refugee, immigrant and other underrepresented residents.
- Expand new *Police Activities League (P.A.L.)* program.
- Develop partnerships with the Ramsey County Attorney's Office and Ramsey County Court to effectively address mental health related crimes and maximize intervention methods.
- IMPACT team to focus efforts on utilizing electronic tracking technology to enhance theft recovery and prevention.
- Implement new part-time Investigative Aide position.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$579,039	\$521,939	\$532,982	\$ 957,500	\$ 969,985	\$ 12,485	1.3%
Supplies & Materials	39,332	38,065	29,616	43,100	40,450	(2,650)	-6.1%
Other Services & Charges	19,482	23,100	15,010	24,925	23,550	(1,375)	-5.5%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$637,853	\$583,104	\$577,608	\$1,025,525	\$1,033,985	\$ 8,460	0.8%
FTE's	9.00	9.00	9.00	9.00	9.00		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.

2015/2016 Achievements

- Expanded crime scene team consisting of five officers with advanced training in evidence collection and processing to aid investigative processes; grant funding supported fingerprinting and safety equipment purchase.
- Increased regional and national investigative information sharing through becoming a member of Mid-States Organized Crime Information Center (MOCIC).
- Obtained grant funding to expand financial crimes education and prevention outreach with directed programming for senior population.
- Expanded *Police Activities League (PAL)* as opportunity to reach out to area youth; grant funding supported purchase of equipment for soccer, basketball and badminton youth programs.
- Organized community safety talks and developed resources for new Americans.
- Helped coordinate and participated in "Dialogues on Community Violence" with the HRC.
- Launched revamped crime mapping and analysis software.

Division / Program Description

Community Service works in conjunction with the other divisions within the Police Department, and interacts with the City Administration. Community Service has been an excellent source for potential candidates for police officer. The Community Service Division's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue to network and train with Hillcrest Animal Hospital.
- Increase participation in community engagement and outreach.
- Expand job shadowing opportunities for Community Service Officers.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$127,165	\$132,257	\$144,238	\$153,000	\$181,800	\$ 28,800	18.8%
Supplies & Materials	10,351	7,786	9,435	15,020	11,300	(3,720)	-24.8%
Other Services & Charges	8,421	7,700	10,130	13,255	11,405	(1,850)	-14.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$145,937	\$147,743	\$163,803	\$181,275	\$204,505	\$ 23,230	12.8%
FTE's	2.00	2.00	2.00	3.00	3.00		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.

2015/2016 Achievements

- Instated CSO/Community Liaison position to enhance communication efforts with multicultural and minority members of the community.
- Successfully transitioned to new animal care services provider Hillcrest Animal Hospital, realizing significant budget savings.
- Updated and revised Field Training Officer (FTO) Manual.
- Provided police sponsored Coyote Clinic for residents.
- Promoted three CSOs to sworn police officer positions.
- Implemented City Dangerous Dog Ordinance.
- Updated animal licensing guidelines and ordinance; implemented online database
- Trained in the use of non-lethal weapons (e.g. tasers).
- Updated all animal control forms.
- In 2016, responded to 2,004 calls for service.

Division / Program: Fire Administration
Organizational Responsibility: Fire Chief

Division / Program Description

Fire Administration assures that the community receives efficient and effective fire prevention, suppression, rescue and emergency services. The focus is on developing and implementing long-range plans that improve the quality of life for Roseville residents. The Division's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue the progression of the Department's staffing transition plan, while balancing part-time staffing needs, and continually looking to the future for impacts and initiatives.
- Complete reorganization of the department's fire inspections, and preventions programs.
- Research and explore potential auto-aid agreements with surrounding communities.
- Continue administration of Fire Department lead citywide Safety and Loss Control program, and Emergency Management Programs.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$204,657	\$229,071	\$224,465	\$360,355	\$368,055	\$ 7,700	2.1%
Supplies & Materials	11,270	6,926	4,313	6,300	2,900	(3,400)	-54.0%
Other Services & Charges	27,151	51,649	48,387	10,200	35,500	25,300	248.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$243,077	\$287,646	\$277,165	\$376,855	\$406,455	\$ 29,600	7.9%
FTE's	2.00	2.00	2.00	3.00	3.00		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other Services & Charges now includes funds for utilities charges.

2015/2016 Achievements

- Completed restructure of Battalion Chief Positions, and process for new Assistant Fire Chief Position.
- Completed hiring of three additional full-time firefighters.
- Began restructure process of department's inspections and preventions programs.
- Continued department involvement in community senior programs.

Division / Program: Fire Operations
Organizational Responsibility: Fire Chief

Division / Program Description

Fire Operations Division provides for the protection of the businesses, citizens, and visitors to Roseville through pre-emergency planning, fire suppression services, emergency medical services, water rescue, hazardous materials spill response and vehicle rescues. Division activities are accounted for in the General Fund.

2017 Goals and Objectives

- Build the foundation for the next steps in the full-time staffing transitional process.
- Take initial step for in the progression toward Advanced Life Support (ALS) first response.
- Complete command level 3-ECOH active shooter training program with Roseville Police.
- Continued focus on building solid programs for firefighter health and wellness.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 912,825	\$ 972,266	\$ 1,142,172	\$ 1,292,210	\$ 1,442,840	\$ 150,630	11.7%
Supplies & Materials	112,066	76,946	118,555	83,900	80,000	(3,900)	-4.6%
Other Services & Charges	85,928	86,717	120,076	98,700	87,000	(11,700)	-11.9%
Capital Outlay	6,544	-	-	-	-	-	0.0%
Total	\$ 1,117,363	\$ 1,135,928	\$ 1,380,803	\$ 1,474,810	\$ 1,609,840	\$ 135,030	9.2%
FTE's	2.00	2.00	8.00	8.00	12.00		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. An additional 3.0 FTE's are being added in 2017.

2015/2016 Achievements

- Took delivery and placed into service new SCBA units.
- Responded to over 5000 emergency calls for service.
- Placed new medic unit into service.
- Took new steps in firefighter safety and wellness program.

Division / Program: Fire Training
Organizational Responsibility: Fire Chief

Division / Program Description

The Fire Training Division provides training and development in firefighting skills, medical skills, hazardous material handling, weapons of mass destruction and other emergency skills. This training ensures that the firefighters are efficiently and effectively able to protect lives and property. The Division's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Implement new EMS educational program with off-shift training, utilizing Regions Medical Direction.
- Continue to look for cooperative training opportunities involving County wide departments.
- Take initial steps toward Advanced life Saving skills training, and equipment implementation.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 200	\$ 412	\$ 936	\$ 18,500	\$ 19,500	\$ 1,000	5.4%
Supplies & Materials	299	-	-	1,800	-	(1,800)	-100.0%
Other Services & Charges	28,171	22,110	8,617	21,600	18,700	(2,900)	-13.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 28,670	\$ 22,523	\$ 9,553	\$ 41,900	\$ 38,200	\$ (3,700)	-8.8%

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Conducted eight multiple company training sessions.
- Performed multiple live burn training opportunities to keep skill set at its highest levels.
- Hosted several county-wide training opportunities for firefighters throughout the county.

Division / Program: **Emergency Management**
Organizational Responsibility: Fire Chief

Division / Program Description

The Emergency Management Program provides for the protection and assistance to Roseville citizens before, during, and after disasters, while maintaining the continuity of City Government. The Emergency Management Program includes volunteer police reserves. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Complete a large EOC activation and operations training session.
- Continue to assure all city employees are trained to needed levels for position responsibilities per FEMA requirements.
- Train fire department personnel on EOC set-up operations.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	1,200	1,000	(200)	-16.7%
Other Services & Charges	5,819	1,160	7,924	7,250	8,800	1,550	21.4%
Capital Outlay	-	18,746	19,031	20,000	-	(20,000)	-100.0%
Total	\$ 5,819	\$ 19,906	\$ 26,955	\$ 28,450	\$ 9,800	\$ (18,650)	-65.6%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Reduction in Other Services & Charges is decreasing as the replacement cycle for all outdoor warning sirens is now complete.

2015/2016 Achievements

- Completed replacement of last outdoor warning siren.
- Completed senior city staff table-top training operation.

Division / Program Description

Public Works Administration provides for the coordination, administration, and engineering of the City's transportation and utility infrastructure. It also provides information to the public and reviews private development plans for conformance to city and cooperative agency guidelines. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue to implement the City's Comprehensive Asset Management Program into the daily work flow and Capital Improvement Plan development.
- Work with the Community Development department to implement the Accela Permitting/Licensing system into the plan review process.
- Implement an electronic/on-line permitting interface for right-of-way and erosion control permits.
- Meet the challenge of reconstruction and rehabilitation as outlined in the 20-Year Capital Improvement Plan.
- Manage the update to the City's Transportation Plan and Pathway Master Plan while coordinating with the Community Development department on the overall City Comprehensive Plan update.
- Determine a plan for a long term solution to seasonal storage needs for the maintenance divisions.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$697,283	\$754,268	\$872,497	\$776,935	\$785,935	\$ 9,000	1.2%
Supplies & Materials	5,075	7,883	19,389	8,700	9,100	400	4.6%
Other Services & Charges	29,306	45,521	36,806	40,740	70,550	29,810	73.2%
Capital Outlay	-	-	-	3,000	-	(3,000)	-100.0%
Total	\$731,664	\$807,672	\$928,693	\$829,375	\$865,585	\$ 36,210	4.4%
FTE's	7.25	7.25	7.25	7.25	7.25		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Increase in Other Services & Charges is due to a required update to the Transportation Plan.

2015/2016 Achievements

- Provided engineering services for the City of Falcon Heights' future mill and overlay projects.
- Repaved almost 9 miles of roadway, lined 5 miles of sanitary sewers and 0.4 miles of watermain, replaced 0.77 miles of watermain, reconstructed one sanitary sewer lift station and constructed 0.88 miles of new sidewalk.
- Completed the extension of Twin Lakes Parkway to Fairview Ave, upgraded the interchange at Cleveland Ave and I-35W, and inspected and supervised the construction of a new residential street extension of Wheaton Ave to Dale Street.
- Processed over 7000 Gopher State One Call tickets, marking nearly 4,000 of these in the field.
- Processed approximately 60 new erosion control permits and performed over 700 erosion control inspections.

Division / Program: Streets
Organizational Responsibility: Public Works Director

Division / Program Description

The Streets Division provides maintenance services such as snow & ice control, pavement maintenance, right-of-way maintenance, street signage, and implementation of a proactive pavement management program for City streets, sidewalks, and pathways. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue to improve pavement maintenance programs and streetscape and right-of-way maintenance programs.
- Identify cost effective ways to maintain the infrastructure and pavement ratings within the constraints of the available budget and in line with the Council's Policy Priority Planning objectives.
- Continue implement the Comprehensive Asset Management Program for assets within the street division.
- Improve safety for maintenance workers at remote work sites as well as on campus.

Financial Summary

	2013	2014	2014	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 534,073	\$ 583,593	\$ 487,292	\$ 548,900	\$ 556,200	\$ 7,300	1.3%
Supplies & Materials	297,128	276,390	264,102	265,700	295,700	30,000	11.3%
Other Services & Charges	248,885	277,693	306,515	319,600	326,150	6,550	2.0%
Capital Outlay	-	(5,000)	-	-	-	-	0.0%
Total	\$ 1,080,086	\$ 1,132,676	\$ 1,057,909	\$ 1,134,200	\$ 1,178,050	\$ 43,850	3.9%
FTE's	7.00	7.10	7.10	6.10	6.10		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Supplies and materials change due to an increase in the purchase of street maintenance materials.

2015/2016 Achievements

- Responded to storm event in July resulting in three weeks of clean up.
- Performed an additional Citywide street sweep with resources freed up from the discontinuation of the leaf pick up program.
- Completed street maintenance programs on time and within budgets.
- Completed tree trimming along boulevards & trails.
- Met or exceeded snow and ice control policy goals.
- Met pavement management goals, resurveyed 50% of street network. Established a plan to update one quarter of the City street mileage every year.

Division / Program: **Street Lighting**
Organizational Responsibility: Public Works Director

Division / Program Description

Street Lighting provides for the maintenance of safe, well-lit signaled streets for the community and its visitors, customers, and guests. Xcel Energy maintains public streetlights under contract with the City. Ramsey County contractually maintains city owned intersection signal lights. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Replace or upgrade the oldest city-owned street light system components.
- Begin a signal painting program to repaint signal systems. Maintenance of the paint on signal systems is, by agreement, the responsibility of the City.
- Establish a program to begin retrofitting overhead lights at signalized intersections to LED lights.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	221,802	227,102	191,153	228,000	213,000	(15,000)	-6.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$221,802	\$227,102	\$191,153	\$228,000	\$213,000	\$(15,000)	-6.6%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Completed retrofit of City owned corridor street lights to LED lighting.

Division / Program Description

Building Maintenance provides general governmental building maintenance including janitorial services and HVAC maintenance. Building maintenance is continuing to be a decentralized operation with the City, and longer term planning for the implementation of a stronger program is continuing. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Investigate and implement additional security initiatives at City Hall and the Maintenance Facility including adding electronic locks to doors to non-public areas.
- Finish replacing the carpeting in City Hall and Police Complex.
- Meeting the demand for maintenance on City facilities due to the wear and tear of use by community groups.
- Continue to investigate opportunities to cost effectively add solar panels somewhere on the City Campus.
- Develop and partially implement a rehabilitation plan for the elevator in City Hall.
- Continue to input assets into the Asset Management Program for Building Maintenance and input actual condition ratings for each asset.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personal Services	\$ 1,246	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	18,556	17,105	18,067	24,200	18,000	(6,200)	-25.6%
Other Services & Charges	297,880	298,303	318,292	398,500	391,500	(7,000)	-1.8%
Capital Outlay	-	13,031	-	-	-	-	0.0%
Total	\$317,682	\$328,439	\$336,359	\$422,700	\$409,500	\$ (13,200)	-3.1%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Lower supply and maintenance costs are budgeted based on prior year actuals.

2015/2016 Achievements

- Remodeled four of the six bathrooms in the City Hall complex.
- Replaced approximately 50% of the carpeting in City Hall and the Police Complex, including installing a hard floor surface in high traffic areas.
- Retrofitted all fluorescent ceiling lamps in City and PD with LED bulbs and also replaced the high intensity discharge lights in the Council Chambers with LED fixtures.
- Re-glazed the large windows on the east side of City Hall to address water intrusion issues.
- Maintained a clean environment for city staff and the public.
- Continued an aggressive proactive maintenance program on the HVAC equipment in our facilities to extend the life of the HVAC components.

Division / Program Description

The Central Garage provides quality and effective vehicle maintenance to all City departments in a manner and cost that are competitive with outside service alternatives. The Central Garage maintains the vehicles for all departments. Direct expense of such maintenance is charged to each department. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Continue focus on reducing fleet energy use and purchasing fleet fuel on a long term contract to reduce price volatility impacts on budgets.
- Meeting the demand for increasing maintenance on City equipment due to increasing utilization and extended retention schedules.
- Continue evaluating alternative fuel vehicle options.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$156,688	\$166,112	\$151,336	\$178,100	\$175,400	\$ (2,700)	-1.5%
Supplies & Materials	5,970	(45,791)	(1,752)	2,600	2,700	100	3.8%
Other Services & Charges	9,725	790	(4,775)	1,000	1,000	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$172,382	\$121,111	\$144,810	\$181,700	\$179,100	\$ (2,600)	-1.4%
FTE's	2.22	2.00	2.00	2.00	2.00		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Completed approximately 1,000 service/repair work orders annually.
- Provided maintenance services & repairs to City fleet at competitive costs and provided excellent customer service with minimal down time.
- Provided assistance to other divisions on numerous repair/maintenance projects.
- Responded to snow and ice events and other emergencies as necessary.

Division / Program: Sanitary Sewer
Organizational Responsibility: Public Works Director

Division / Program Description

The Sanitary Sewer Fund provides for the maintenance of the sanitary sewer collection system to assure the public's health and general welfare. This fund also provides for the payment to the Met Council Environmental Services for treatment of wastewater generated by Roseville customers. The Program's activities are accounted for in the Sanitary Sewer Fund.

2017 Goals and Objectives

- Rehabilitate utility infrastructure in conjunction with street improvement projects and through the use of trenchless technologies to ensure uninterrupted operations and reliable infrastructure.
- Evaluate additional inflow and infiltration reduction strategies.
- Replace the Cleveland Ave Lift Station and force main.
- Make building repairs to the Fernwood Lift Station structure.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 458,934	\$ 430,291	\$ 434,334	\$ 469,200	\$ 493,100	\$ 23,900	5.1%
Supplies & Materials	66,179	54,883	34,268	50,200	50,400	200	0.4%
Other Services & Charges	3,066,131	3,372,634	3,368,874	3,874,550	3,805,550	(69,000)	-1.8%
Capital Outlay	1,066	110,794	(10,505)	1,565,000	1,432,500	(132,500)	-8.5%
Total	\$ 3,592,311	\$ 3,968,603	\$ 3,826,970	\$ 5,958,950	\$ 5,781,550	\$ (177,400)	-3.0%
FTE's	3.71	4.70	4.70	4.70	5.05		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes a slight change in personnel allocation from other budgets.
- Decrease in Other Services & Charges due to lower depreciation charges.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2015/2016 Achievements

- Cleaned all lift stations quarterly.
- Completed design and awarded contract for the replacement of the Cleveland Ave lift station.
- Cleaned one-third of the sanitary sewer system and all higher frequency areas.
- Rehabilitated/lined approximately 5 miles of sewer main.

Division / Program Description

The Water Fund provides city residents with potable water in quantities sufficient to provide fire protection and general public health. The Program's activities are accounted for in the Water Fund.

2017 Goals and Objectives

- Continue to rehabilitate utility infrastructure in conjunction with street improvement projects and through the use of trenchless technologies to ensure uninterrupted operations and the most cost effective infrastructure replacement.
- Develop short term plan for rehabilitation of the Water Distribution Booster Station.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 516,633	\$ 532,112	\$ 575,240	\$ 642,800	\$ 642,500	\$ (300)	0.0%
Supplies & Materials	69,896	154,973	95,981	82,100	88,200	6,100	7.4%
Other Services & Charges	5,370,767	5,251,080	5,411,976	6,393,850	5,915,750	(478,100)	-7.5%
Capital Outlay	-	25,719	-	970,000	1,187,500	217,500	22.4%
Total	\$ 5,957,296	\$ 5,963,883	\$ 6,083,197	\$ 8,088,750	\$ 7,833,950	\$ (254,800)	-3.2%
FTE's	7.54	7.15	7.15	7.15	7.15		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Decrease in Other Services & Charges due to lower expected water purchase costs and depreciation expense.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2015/2016 Achievements

- Distributed nearly 2.0 billion gallons of water to Roseville and Arden Hills utility customers.
- Repaired 40 water main breaks and 6 hydrants and replaced 3 hydrants.
- Replaced or rehabilitated approximately 5000 linear feet of water main.
- Completed a study of the City's Booster Station resulting in recommended improvements and probable costs.
- Flushed, inspected, and maintained 1,750 fire hydrants.
- Completed roll out of the new radio enabled water meters.

Division / Program: **Storm Drainage**
Organizational Responsibility: Public Works Director

Division / Program Description

Storm Drainage division provides for the management of storm water drainage in the City; including flood control, pollution and contamination prevention, street sweeping, and the leaf-pickup program. The Program's activities are accounted for in the Storm Drainage Fund.

2017 Goals and Objectives

- Update the City's Comprehensive Surface Water Management Plan that will help guide the protection and improvement of local water resources.
- Survey 5-10 storm ponds to analyze sediment load and water quality functional performance
- Apply for watershed district, state, and/or other cost share funding for the implementation or expansion of stormwater best management practices.
- Sweep all City streets at minimum bi-annually focusing on environmentally sensitive areas first with vacuum sweeper.
- Restore two storm ponding areas per year removing sediment resulting in improved water quality.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 301,209	\$ 383,273	\$ 392,438	\$ 397,600	\$ 404,700	\$ 7,100	1.8%
Supplies & Materials	66,359	87,932	81,503	83,500	86,500	3,000	3.6%
Other Services & Charges	588,831	568,800	635,059	781,200	747,100	(34,100)	-4.4%
Capital Outlay	(7,203)	178,757	3,795	860,000	1,169,500	309,500	36.0%
Total	\$ 949,196	\$ 1,218,762	\$ 1,112,795	\$ 2,122,300	\$ 2,407,800	\$ 285,500	13.5%
FTE's	4.03	4.20	4.20	4.20	4.20		

2017 Budget Impact Items

- Personnel increases include a 2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Decrease in Other Services & Charges due to lower depreciation charges.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2015/2016 Achievements

- Surveyed 7 storm ponds to analyze sediment load and water quality functional performance.
- Dredged and completed additional maintenance to four storm ponds for better drainage and water quality
- Completed major rehabilitation of the St Croix Stormwater Lift Station.

Division / Program Description

The Solid Waste Recycling Fund's mission is to encourage and promote recycling of household materials on a community-wide basis. The Program's activities are accounted for in the Recycling Fund.

2017 Goals and Objectives

- Continue single sort recycling and continue providing a high level of service to our residents.
- Enhance collaborative opportunities for zero waste events and other special events.
- Work with Eureka Recycling on a Pilot program for parks recycling
- Continue to monitor the market for opportunities to offer organics/compost collection.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 35,597	\$ 26,508	\$ 28,418	\$ 36,800	\$ 36,800	\$ -	0.0%
Supplies & Materials	544	1,972	1,534	2,000	2,000	-	0.0%
Other Services & Charges	513,544	433,011	445,066	453,410	473,410	20,000	4.4%
Capital Outlay	600	-	-	-	-	-	0.0%
Total	\$550,285	\$461,490	\$475,018	\$492,210	\$512,210	\$ 20,000	4.1%
FTE's	0.33	0.35	0.35	0.35	0.35		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Increase in Other Services & Charges is due to higher contractual recycling pickup services.

2015/2016 Achievements

- Entered into a five-year agreement with Eureka Recycling with one of the lowest per unit services prices in Ramsey County
- Assisted the Rotary Club and Parks and Recreation Department in composting and recycling 96% of all waste generated at the Taste of Rosefest. This is a 5% increase from 2015.
- Expanded City recycling services into selected City parks with a Pilot Program that will be used to further roll out into all City Parks, and also collect additional data on what volume of materials are disposed of.

Division / Program: **Pathway & Parking Lot Maintenance**
Organizational Responsibility: Public Works Director

Division / Program Description

During the past 22 years, the City has installed 10 miles of pathways through its parks and an additional 37 miles as part of the street system. The City Council has implemented a program of methodical and intentional maintenance. This program is intended to bring existing pathways and parking lots up to an acceptable user standard and maintain that standard. The Program's activities are accounted for in the Pathway Maintenance Fund.

2017 Goals and Objectives

- Rehabilitate 1-2 miles pathway annually.
- Reconstruct one City-owned parking lot annually.
- Perform routine pavement maintenance on all City lots and trails.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	99,180	83,471	157,058	20,000	20,000	-	0.0%
Other Services & Charges	17,849	100,697	96,000	170,000	235,000	65,000	38.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$117,029	\$184,168	\$253,058	\$190,000	\$255,000	\$ 65,000	34.2%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Other Services & Charges increase due to higher pathway maintenance costs.

2015/2016 Achievements

- Reconstruction or preventative maintenance on over 1.0 miles of pathway pavement and two City parking lots.

Division / Program: **Recreation Administration**
Organizational Responsibility: Parks and Recreation Director

Division / Program Description

Recreation Administration plans and administers a quality parks and recreation program based on the needs of the community and within the allocated resources. The Program's activities are accounted for in the Recreation Fund.

2017 Goals and Objectives

- Substantially complete implementation of Park and Recreation Renewal Program.
- Implement operational needs as a result of the Renewal Program.
- Work with Parks and Recreation Commission and Community on Golf Course Clubhouse Replacement.
- Support infrastructure sustainability priority.
- Consider process for updating System Master Plan.
- Review department structure while considering succession planning.
- Begin Planning and Development of newly acquired Marion Street and Cleveland Avenue Properties.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$475,646	\$514,875	\$501,635	\$526,300	\$528,100	\$ 1,800	0.3%
Supplies & Materials	6,287	6,722	4,457	8,200	8,425	225	2.7%
Other Services & Charges	48,911	65,805	63,786	82,015	75,315	(6,700)	-8.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$530,843	\$587,402	\$569,877	\$616,515	\$611,840	\$ (4,675)	-0.8%
FTE's	4.89	4.90	4.90	4.90	4.90		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.

2015/2016 Achievements

- Completed numerous major Parks & Recreation Renewal Program projects.
- Acquired more than \$300,000 in grants and contributions to further projects.
- Maintained compliance of National Accreditation Standards (155 of 155 standards in 10 major categories).
- Received the Government Excellence Award presented by the St. Paul Chamber of Commerce honoring leading organizations that exemplify and demonstrate innovation, excellence and success in local government.
- Worked with Golf Course Clubhouse Replacement Resident Advisory Team as guided by the Parks and Recreation Commission and City Council with a final report delivered in September of 2016.

Division / Program: **Recreation Fee Activities**
Organizational Responsibility: Parks and Recreation Director

Division / Program Description

Recreation Fee Activities provide quality opportunities in adult classes, youth recreational classes, youth sports, gymnastics, senior citizen programs, arts, volunteer opportunities, and other activities in a way that meets the needs of city residents while being self-supporting in terms of direct costs. The Program's activities are accounted for in the Recreation Fund.

2017 Goals and Objectives

- Pursue non-traditional revenue sources, i.e., sponsorships and partnerships.
- Evaluate appropriate level of program offerings; service, safe facilities and program areas, etc.
- Respond to implementation of Park and Recreation Renewal Program, i.e. scheduling adjustments, changing and increased interest in opportunities, cost effectiveness.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 588,327	\$ 636,046	\$ 662,506	\$ 757,105	\$ 763,355	\$ 6,250	0.8%
Supplies & Materials	70,523	63,327	78,211	84,790	87,905	3,115	3.7%
Other Services & Charges	283,939	294,544	382,084	421,245	474,790	53,545	12.7%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 942,789	\$ 993,917	\$ 1,122,802	\$ 1,263,140	\$ 1,326,050	\$ 62,910	5.0%
FTE's	4.36	4.36	4.35	4.85	4.85		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Increase in Supplies & Other Services & Charges reflects higher costs associated with increased program participation levels. The costs are offset by higher fees.

2015/2016 Achievements

- Processed more than 5,000 online registrations.
- Provided mentoring and professional experience to three interns.
- Partnered with Rosetown Playhouse to host a multi-cultural production at Tamarack Park.
- Successfully opened the six rebuilt park buildings.
- Successfully modified schedules to maintain recreation program while numerous Renewal Projects were under construction.
- Continued relationship with the City of Lauderdale to extend recreation experiences to neighbors near Lauderdale Community Park.

Division / Program: Recreation Non-Fee Activities
Organizational Responsibility: Parks and Recreation Director

Division / Program Description

Recreation Non- Fee Activities provides quality recreational leisure time opportunities in the area of musical entertainment, community band programs, special needs programs, summer youth programs, teen activities, and special events in a manner that encourages broad participation through a combination of partial fees, donations, and public funding. The Program's activities are accounted for in the Recreation Fund.

2017 Goals and Objectives

- Continue to provide volunteer opportunities to the community and support volunteer involvement.
- Pursue non-traditional revenue sources, i.e. sponsorships, partnerships, etc.
- Respond to implementation of the Park and Recreation Renewal Program.
- Plan and implement a youth outreach program for SE Roseville area as a pilot program to expand to other areas of Roseville as desired.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 29,252	\$ 22,996	\$ 32,597	\$ 46,655	\$ 65,355	\$ 18,700	40.1%
Supplies & Materials	13,454	30,955	12,703	29,275	31,225	1,950	6.7%
Other Services & Charges	54,868	56,999	60,253	68,870	70,940	2,070	3.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 97,574	\$110,949	\$105,553	\$144,800	\$167,520	\$ 22,720	15.7%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Increase in Personnel Services is due to higher temporary wages associated with youth outreach programs.
- Increase in Supplies & Other Services & Charges reflects higher costs associated with increased program participation levels.

2015/2016 Achievements

- Hosted 12 Discover Your Parks events in 2015. Over 1,000 Roseville residents enjoyed fresh air, fun and fitness at a park near home.
- Responded to community requests to include cultural related events in Summer Entertainment Series.
- Responded to community requests by creating consistent outdoor rink hours.
- Received \$5,000 Metropolitan Regional Arts Council Community Arts Grant to help support annual summer entertainment series.
- Supported special events including July 4, Rosefest, Taste of Rosefest.
- Successfully modified schedules to maintain recreation program while numerous Renewal Projects were under construction.

Division / Program Description

To provide environmental education, recreational opportunities, and reflection for people of all ages and abilities. The Program's activities are accounted for in the Recreation Fund.

2017 Goals and Objectives

- Complete facility and display remodeling as a result of funding by FORParks, FORHANC and the Park Renewal Program.
- Evaluate current HANC operations to effectively manage budget allocation and respond to community interests.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 9,163	\$ 13,174	\$ 23,573	\$ 16,400	\$ 18,400	\$ 2,000	12.2%
Supplies & Materials	4,784	8,905	9,627	9,000	9,500	500	5.6%
Other Services & Charges	23,987	29,526	27,576	31,985	33,485	1,500	4.7%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 37,934	\$ 51,606	\$ 60,777	\$ 57,385	\$ 61,385	\$ 4,000	7.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Not applicable.

2015/2016 Achievements

- Managed more than 20 Nature Center front desk volunteers providing access to the center and valuable community connections.
- Hosted successful Wild Rice Festival with FORHANC with more than 1,000 participants.
- Hosted Earth Day event with FORHANC with more than 1,000 participants.

Division / Program: **Recreation Roseville Skating Center**
Organizational Responsibility: Parks and Recreation Director

Division / Program Description

To provide; multi-purpose indoor/outdoor skating opportunities, recreational classes, senior citizen programs, and miscellaneous other activities, in a way that meets the needs of the city and state residents. The Program's activities are accounted for in the Recreation Fund.

2017 Goals and Objectives

- Successfully host the Women's World Bandy Competition.
- Capitalize marketing efforts to increase ice usage and rentals through camps, clinics and additional adult leagues.
- Investigate energy management system.
- Be involved in the campus solar program.
- Complete Renewal Program projects.
- Plan for infrastructure needs.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personal Services	\$ 625,751	\$ 666,543	\$ 669,175	\$ 711,000	\$ 711,200	\$ 200	0.0%
Supplies & Materials	62,288	64,044	67,364	82,000	70,800	(11,200)	-13.7%
Other Services & Charges	335,476	337,959	347,427	350,040	350,940	900	0.3%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,023,516	\$ 1,068,545	\$ 1,083,967	\$ 1,143,040	\$ 1,132,940	\$ (10,100)	-0.9%
FTE's	5.75	5.75	5.75	5.75	5.75		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Supplies and materials decreased to more accurately reflect projected expenditures.

2015/2016 Achievements

- Expand use of camera technology for event broadcasts and facility promotion.
- City-run concession operations.
- Hosted six Major Events:
 - American Cup II Speedskating Championships
 - US Junior National Speedskating Championships
 - John Rose Open
 - University of MN and St. Cloud State Womens NCCA Hockey Game
 - Girls Pond hockey tournament
 - MN Wild outdoor practice, MN Wild viewing party & MN Wild Summer Bash

Division / Program: Recreation Activity Center
Organizational Responsibility: Parks & Recreation Director

Division / Program Description

This division leases limited storage space and a dance studio at Fairview Community Center, provides temporary staff for evening and weekend open hours at City Hall Campus and includes payment to Roseville School District to satisfy contractual arrangement for maintenance and upkeep at Brimhall, Central Park Community Gymnasiums and the Gymnastic Center

2017 Goals and Objectives

- To retain the storage and dance studio space for 2016 and beyond.
- To continue to cooperate and coordinate with the Roseville School District per agreement in the provision of Central Park and Brimhall Community Gymnasiums and the Roseville Gymnastic Center.
- To provide safe and adequate supervision at the City Hall Campus to open up facilities for community use as much as possible.
- To improve capital improvement planning with the Roseville School District.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 11,800	\$ 12,154	\$ 8,159	\$ 11,700	\$ 11,400	\$ (300)	-2.6%
Supplies & Materials	-	-	115	500	500	-	0.0%
Other Services & Charges	85,163	91,543	91,409	103,150	107,250	4,100	4.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 96,963	\$103,697	\$ 99,683	\$115,350	\$119,150	\$ 3,800	3.3%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Increase in Other Services & Charges reflects higher costs associated with facility rental.

2015/2016 Achievements

- Provision of storage space for Parks and Recreation and affiliated groups and studio space for the Roseville School of Dance.
- Provision of two community gymnasiums and one gymnastic center in cooperation with the Roseville School District per agreement.
- Provided community gathering spaces for affiliated groups to offer community programs.
- Assisted with the gymnasium floor refurbishment at Brimhall School.

Division / Program: Recreation Park Maintenance
Organizational Responsibility: Parks & Recreation Director

Department Description

To develop and maintain public park areas and facilities at a level that provides for safe, quality recreational experiences for all users and participants. This division includes contract maintenance and Forestry. The Program's activities are accounted for in the Park Maintenance Fund.

2017 Goals and Objectives

- Ensure safe conditions as a top priority for users and employees.
- Substantial completion of Park and Recreation Renewal Program.
- Review and analyze maintenance program while considering recent improvements.
- Monitor local Emerald Ash Borer issues, continue community awareness, and make additional recommendations for managing.
- Support infrastructure sustainability goal of the city.
- Foster Community Natural Resource Program.
- Begin planning and development of newly acquired Marion Street & 2132 Cleveland Avenue sites.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 693,705	\$ 756,447	\$ 769,788	\$ 868,200	\$ 898,600	\$ 30,400	3.5%
Supplies & Materials	109,302	122,794	109,276	119,100	117,500	(1,600)	-1.3%
Other Services & Charges	217,075	220,294	196,749	227,180	233,180	6,000	2.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,020,082	\$ 1,099,535	\$ 1,075,814	\$ 1,214,480	\$ 1,249,280	\$ 34,800	2.9%
FTE's	7.25	9.00	9.50	9.50	9.50		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other Services & Charges decrease due to re-categorizing park building maintenance costs to Fee Programs.

2015/2016 Achievements

- Expanded sites for new trash collection and removal system.
- 90% of parks are adopted out as part of the City Adopt-A-Park Program.
- Monitored Renewal Program projects.
- Natural Resource program enhancements and community involvement program.

Division / Program: Park Improvement Program
Organizational Responsibility: Parks & Recreation Director

Department Description

The Park Improvement Program (PIP) provides for the preservation of parks, open space, and related recreational areas. The purpose of this fund is to renew and reconstruct existing park facilities. The Program's activities are accounted for in the Park Improvement Fund.

2017 Goals and Objectives

- Further refine CIP and PIP as related to the Renewal Program.
- Integrate life cycle information into the Asset Management Program.
- Focus on safety and aesthetics as a high priority.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	-	-	-	-	-	-	0.0%
Capital Outlay	37,203	256,281	26,079	351,000	200,000	(151,000)	-43.0%
Total	\$ 37,203	\$256,281	\$ 26,079	\$351,000	\$200,000	\$ (151,000)	-43.0%
FTE's	-	-	-	-	-		

2017 Budget Impact Items

- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure and equipment which can fluctuate from year to year.

2015/2016 Achievements

- Analysis of CIP/PIP historical information and projections for future needs.

Division / Program Description

The golf course clubhouse provides a quality golf experience for Roseville citizens by offering superior turf and a pleasing clubhouse designed for beginners, senior citizens, youth, and those desiring a minimal time commitment. Plans for a physical upgrade to the clubhouse are being explored. The Program's activities are accounted for in the Golf Course Fund.

2017 Goals and Objectives

- Offer reasonable fees to golfers, league members and tournaments to maintain levels of play.
- Increase Social Media networking programs: Facebook, Twitter and E-mail usage to our current golfers and expanding to potential golfers.
- Explore new opportunities to attract league members.
- Work with all stakeholders to replace Cedarholm Golf Course clubhouse.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$111,455	\$176,775	\$158,015	\$174,600	\$169,500	\$ (5,100)	-2.9%
Supplies & Materials	19,173	26,817	26,053	21,500	22,000	500	2.3%
Other Services & Charges	34,450	41,442	40,268	39,500	43,900	4,400	11.1%
Capital Outlay	50	-	-	-	-	-	0.0%
Total	\$165,128	\$245,034	\$224,337	\$235,600	\$235,400	\$ (200)	-0.1%
FTE's	1.25	1.25	1.25	1.25	1.25		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.

2015/2016 Achievements

- Reviewed and updated staff manuals to include food handling, alcohol service and general operations.
- Enhanced club house interior and staff customer service.
- Improved concession operations and offerings.
- Worked with Golf Course Clubhouse Replacement Advisory Team as guided by the Parks & Recreation Commission and City Council with a final report delivered in September, 2016.

Division / Program: **Golf Course Maintenance**
Organizational Responsibility: Parks & Recreation Director

Division / Program Description

Golf course maintenance provides Roseville citizens with a golf recreational facility that is maintained with quality and managed with excellent customer service. Maintenance and playability will be very important to keeping this course competitive in the coming years. Plans for a physical upgrade to the maintenance facility are being explored. The Program's activities are accounted for in the Golf Course Fund.

2017 Goals & Objectives

- Continue to explore new, cost effective ways and procedures to maintain golf course and clubhouse.
- Explore Capital Improvement Program implementation.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$120,120	\$ 65,841	\$ 62,420	\$ 72,600	\$ 74,100	\$ 1,500	2.1%
Supplies & Materials	21,572	17,682	19,167	23,900	23,300	(600)	-2.5%
Other Services & Charges	48,891	35,370	36,398	37,050	37,850	800	2.2%
Capital Outlay	-	-	-	-	22,000	22,000	0.0%
Total	\$190,583	\$118,893	\$117,985	\$133,550	\$157,250	\$ 23,700	17.7%
FTE's	0.50	0.50	0.50	0.50	0.50		

2017 Budget Impact Items

- Personnel increases include a 2.0-2.75% cost-of-living increase for City Staff and wage-step increases for eligible employees.

2015/2016 Achievements

- Planted 30 new trees following the landscape master plan. Including replacement of numerous storm damaged trees.
- Treated all Ash trees for Emerald Ash Borer.

Division / Program Description

The Planning Division's mission is to develop effective recommendations on comprehensive land use planning and zoning programs in a manner consistent with City policies. City Planning works closely with all departments, Planning Commission, Variance Board, EDA and Council in preparation and design of development projects as well as providing guidance to property owners. City Planning provides well-planned development and anticipates continued process refinement to keep up with current and increasing project demands. The Program's activities are accounted for in the Community Development Fund.

2017 Goals and Objectives

- Complete the bulk of the Comprehensive Plan Update in partnership with the Planning Commission and City Council.
- Continue to enforce land use violations, particularly in business/industrial areas and Twin Lakes.
- Complete Subdivision Ordinance.
- Assist in joint planning efforts, as needed, for Rice/Larpenteur revitalization project.
- Update Shoreland, and Zoning Ordinances as time/budget allow.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$268,086	\$271,110	\$367,923	\$395,425	\$406,425	\$ 11,000	2.8%
Supplies & Materials	612	316	914	3,150	7,000	3,850	122.2%
Other Services & Charges	30,393	47,071	51,410	74,650	286,375	211,725	283.6%
Capital Outlay	4,573	-	-	3,000	1,700	(1,300)	-43.3%
Total	\$303,663	\$318,497	\$420,247	\$476,225	\$701,500	\$ 225,275	47.3%
FTE's	3.69	4.20	4.20	5.20	3.10		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.
- Other Services & Charges increase is due to higher costs for the required Comprehensive Plan update.

2015/2016 Achievements

- City Council approval of Planned Unit Development ordinance and Tree Preservation Ordinance.
- City Council approval of Greater Notification policy and Tree Replacement Fund Policy.
- Completion of text amendments, to High Density Residential (HDR) and Low Density Residential (LDR) dimensional standards.
- Staff review and approval of large-scale Rosedale expansion projects.
- Reviewed proposals, received presentations, and sought community input for selection of a Comprehensive Plan consultant.

Division / Program Description

The Code Enforcement Program ensures public safety and health standards related to building construction and land use are maintained for the general welfare of the community. This provides a safer community for all citizens through proper construction methods and provides for enhanced neighborhood livability and property values. In 2017, the City expects to maintain a high level of public-encouraged redevelopment and construction in both the residential and commercial sectors. The Program's activities are accounted for in the Community Development Fund.

2017 Goals and Objectives

- Continue to improve existing procedures to increase efficiency and effectiveness.
- Implement a new permitting software to provide greater access and transparency in the permitting process for numerous city departments and the general public.
- Provide greater opportunity for internal training to increase depth of knowledge in regards to Building Codes.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$424,892	\$496,890	\$503,188	\$415,700	\$428,300	\$ 12,600	3.0%
Supplies & Materials	12,176	8,727	10,583	12,615	15,875	3,260	25.8%
Other Services & Charges	133,498	141,196	158,492	179,230	180,600	1,370	0.8%
Capital Outlay	22,976	19,850	4,673	2,600	74,000	71,400	2746.2%
Total	\$593,542	\$666,662	\$676,935	\$610,145	\$698,775	\$ 88,630	14.5%
FTE's	5.95	5.95	4.35	4.35	4.35		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees.
- Capital Outlay provides for the scheduled replacement of vehicles, and equipment which can fluctuate from year to year.

2015/2016 Achievements

- In 2016, the Department issued approximately 4,700 permits (previous five year average was 4,100) bringing in over \$1,690,000 in permit revenue.
- In 2016, valuation of construction was over \$146 million, including creation of eight new housing units, nine new commercial/industrial buildings, approximately 250 commercial remodels, and, over 1,500 alteration permits for residential properties.
- Code Enforcement staff regularly met with residents, architects and contractors to review proposed building projects.
- Staff interaction with residents assisted in understanding construction methods and complying with both city and state codes. For the homeowner this helped lower construction costs, avoid expensive do-overs, and, result in safer, healthy and more durable homes. For Architects and contractors the expanded use of pre-application meetings developed a good working relationship and understanding of City requirements at the beginning of projects.

Division / Program Description

The Nuisance Code Enforcement Program provides for the general welfare of the community by ensuring citizens can have public nuisance issues addressed and eliminated, and, ensuring that various public safety and health standards are maintained. This provides a healthier and safer community for all citizens and provides for enhanced neighborhood livability and property values. The Program's activities are accounted for in the General Fund.

2017 Goals and Objectives

- Greater public awareness and compliance with city codes and ordinances through education, cooperation and enforcement.
- Minimize the negative effects of public nuisance violations upon surrounding homes and neighborhoods.
- Enhanced property values and livability of neighborhoods.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$143,908	\$148,576	\$150,480	\$111,000	\$109,200	\$ (1,800)	-1.6%
Supplies & Materials	16	85	-	2,090	2,135	45	2.2%
Other Services & Charges	-	-	-	3,750	3,880	130	3.5%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$143,924	\$148,661	\$150,480	\$116,840	\$115,215	\$ (1,625)	-1.4%
FTE's	2.00	2.00	2.00	1.10	1.10		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees.

2015/2016 Achievements

- Addressed over 300 public nuisance concerns brought to the City by residents with 80% of cases resolved within 20 days.
- With education efforts, enforcement efforts and the introduction of the Neighborhood Enhancement Program, the numbers of nuisance complaints received from residents has been going down over the last few years.
- Staff continues to receive, and promptly address, concerns that require immediate response in neighborhoods, such as, unguarded pools, dangerous building conditions and abandoned refrigerators.

Division / Program Description

The Rental Licensing Program ensures that multifamily residential properties with five or more units are safe, sanitary and well maintained for the benefit of Roseville residents and the community as a whole. The Program's activities are accounted for in the Community Development Fund.

2017 Goals and Objectives

- Continue the rental license program and coordinate it with the Neighborhood Enhancement Program so that both programs can be operated by one fulltime staff person (in conjunction with supervisory and administrative staff).
- Enforce nationally recognized standards that will ensure a safe and healthy living environment, and, will maintain property condition (both interior and exterior) in a state of good repair.
- Work cooperatively with owners of licensed facilities and not be unnecessarily punitive (thereby alienating them).

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ 979	\$118,800	\$117,300	\$ (1,500)	-1.3%
Supplies & Materials	-	-	-	1,085	1,120	35	3.2%
Other Services & Charges	-	-	-	4,100	4,245	145	3.5%
Capital Outlay	-	-	-	2,050	2,590	540	26.3%
Total	\$ -	\$ -	\$ 979	\$126,035	\$125,255	\$ (780)	-0.6%
FTE's	-	-	-	1.25	1.25		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees.

2015/2016 Achievements

- The Rental License Program to operate efficiently and effectively.
- Property owners have been educated on the process and virtually all are cooperating.
- Property owners were invited to an annual update of the Program with very good participation and attendance.
- 35 buildings were inspected in 2016, 17 received 3 year licenses, 11 two year licenses, 3 one year licenses and 4 received 6 month licenses.

Division / Program Description

The Neighborhood Enhancement Program raises community awareness regarding the value of keeping homes and business properties in good repair in-order to maintain quality neighborhoods, maintain profitable business areas, and, protect property values. This provides a safer community for all residents, and provides for enhanced neighborhood livability and property values. The Program's activities are accounted for in the EDA Fund.

2017 Goals and Objectives

- To raise awareness of the importance of keeping homes and properties in good repair which maintains quality neighborhoods and protect property values.
- To encourage residents and business owners to address building/property maintenance and nuisance issues when they are small. This approach will result in simpler, less expensive repairs.
- To visit and inspect approximately one-third of all residential, business and public properties in the City for maintenance and/or public nuisance violations.
- All visits and inspections are completed from the public right of way.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ 388	\$ 47,500	\$ 45,200	\$ (2,300)	-4.8%
Supplies & Materials	-	-	-	925	950	25	2.7%
Other Services & Charges	-	-	-	3,500	3,645	145	4.1%
Capital Outlay	-	-	-	2,050	2,080	30	1.5%
Total	\$ -	\$ -	\$ 388	\$ 53,975	\$ 51,875	\$ (2,100)	-3.9%
FTE's	-	-	-	0.50	0.50		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees.

2015/2016 Achievements

- Provided education to residents and business owners about the processes of the program and explained the benefits the program intends to provide.
- Most residents, business owners and property managers have been cooperative and have expressed support for the program.
- Inspected 3,400 residential and business properties in 2016 with about 8% of those properties having one or more violations observed (with most corrected quickly).
- The 2016 Program was operated utilizing college interns, which allowed all other divisional programs to operate more efficiently during a very busy year.

Division / Program Description

The GIS division coordinates the intra-departmental geographic data base system. The division is responsible for improving city mapping and data management, linking GIS to permits, creating web versions of maps, and using GIS technology for long range planning. The division collaborates with other governmental units to maximize the accuracy of GIS data and to improve overall efficiency. The Program's activities are accounted for in the Community Development Fund.

2017 Goals and Objectives

- Complete implementation of Accela permitting system and provide ongoing administration and user support.
- Integrate LocationOne tool for highlighting potential redevelopment sites into City website.

Financial Summary

	2013	2014	2015	2016	2017	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$105,834	\$117,245	\$100,208	\$ 72,200	\$ 75,900	\$ 3,700	5.1%
Supplies & Materials	-	-	-	100	-	(100)	-100.0%
Other Services & Charges	4,162	4,197	4,277	6,025	6,055	30	0.5%
Capital Outlay	406	-	-	1,800	900	(900)	-50.0%
Total	\$110,402	\$121,442	\$104,484	\$ 80,125	\$ 82,855	\$ 2,730	3.4%
FTE's	0.83	1.00	1.00	0.80	0.80		

2017 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees.

2015/2016 Achievements

- Served as Treasurer of the Ramsey County GIS Users Group.
- Assisted in development of Business Database.
- Created interactive map to help Building Division track sewer access charge credits.
- Began implementation of new Accela permitting/licensing system.
- Provided mapping support for City initiatives in Southeast Roseville.
- Continued monthly publication of interactive City Development Activity map.

Debt Management Plan

The City's Debt Policy was affirmed by formal Council action in 2015, and is included in Appendix A. A major highlight of this policy includes confining the city's borrowing to capital improvements which have a life that is greater than or equal to the length of debt service.

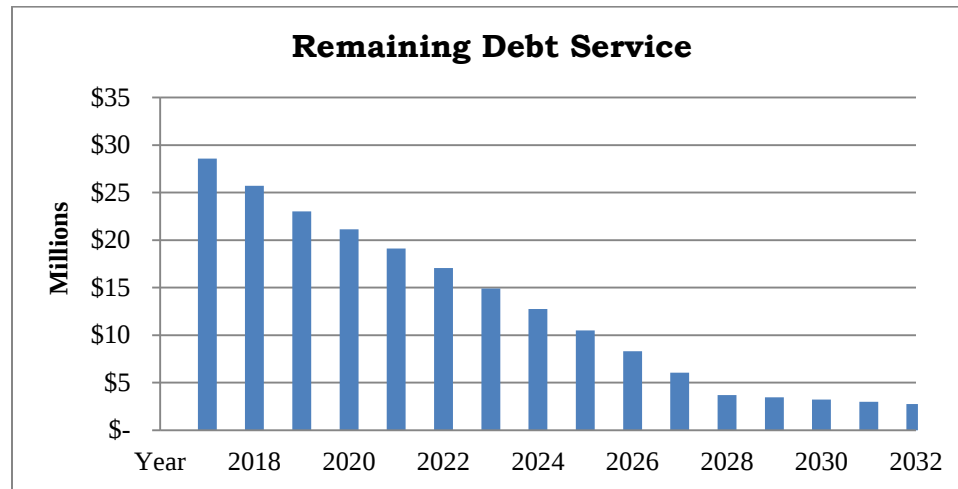
The City currently has three types of debt; 1) general obligation facility debt, 2) general obligation tax increment financing debt, and 3) general obligation taxable housing debt. Facility debt accounts for the debt service on city campus facilities, as well as a park renewal program. Tax increment financing debt provides for redevelopment in the City's Twin Lakes Redevelopment Area, and the housing debt accounts for debt issued to finance a public/private partnership with a local townhome association's improvements. The city will have six general obligation debt issues outstanding at the beginning of 2017. They are depicted below.

	Principal	Net Interest	Date of Final	Eligible
<u>Description</u>	<u>Outstanding</u>	<u>Rate</u>	<u>Maturity</u>	<u>Call Date</u>
Series 27 City Hall, PW Bldg.	\$ 2,420,000	3.72%	3/1/2019	3/1/2013
Series 28 Skating Center	640,000	3.31%	3/1/2018	3/1/2016
Series 29 Housing Bonds	770,000	5.06%	3/1/2025	3/1/2020
Series 31 Fire Station/Park Impr.	8,195,000	2.45%	3/1/2028	3/1/2023
Series 32 Park Improvement	13,500,000	2.11%	3/1/2028	3/1/2023
Series 33 Twin Lakes TIF	3,060,000	2.47%	3/1/2032	3/1/2027
Total	\$ 28,585,000			

The following table depicts the City's combined debt service payments by year.

<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2017	2,760,000	789,201	3,549,201
2018	2,880,000	729,547	3,609,547
2019	2,675,000	666,071	3,341,071
2020	1,900,000	603,881	2,503,881
2021	2,020,000	540,786	2,560,786
2022	2,050,000	472,987	2,522,987
2023	2,135,000	400,873	2,535,873
2024	2,175,000	330,162	2,505,162
2025	2,245,000	262,251	2,507,251
2026	2,190,000	194,475	2,384,475
2027	2,270,000	128,641	2,398,641
2028	2,335,000	61,278	2,396,278
2029	230,000	23,888	253,888
2030	235,000	17,781	252,781
2031	240,000	10,950	250,950
2032	245,000	3,675	248,675
	\$ 28,585,000	\$ 5,236,448	\$ 33,821,448

The following graph depicts the remaining balance of the City’s outstanding debt by year.



Legal Debt Limit

Minnesota State Statutes Section 475.51 generally limits net debt to no more than three percent of the estimated market value of the taxable property within the municipality. Under State Law a number of categories of debt are excluded from the net debt calculation, one of which (private housing bonds) is a factor in the City’s calculation. The City’s debt limit is calculated as follows:

Estimated Market Value	\$ 4,111,315,900
Debt Limit (3% of total estimated market value)	123,339,477
Total Outstanding Debt	28,585,000
Less Amount Exempted from Limit	(770,000)
Total Net Debt Applicable To Limit	27,815,000
% of Allowable Limit	23%

As shown in the table, the City is only at 23% of its allowable debt limit. At this time the City does not have any plans to issue new debt.

General Obligation Pledge

The City’s general obligation pledge is associated with all outstanding bond issues. However, both the private activity housing bonds and the TIF Bonds are expected to be repaid with project-related revenues and will not require a separate tax levy.

Debt Retirement Strategy

The City maintains a relatively rapid debt retirement schedule to provide for a strong bond rating (currently Aaa Moody’s and AAA S&P) and for future debt capacity. The city’s debt on a per capita basis at the end of 2016 will be \$809.

Capital Improvement Plan – Executive Summary

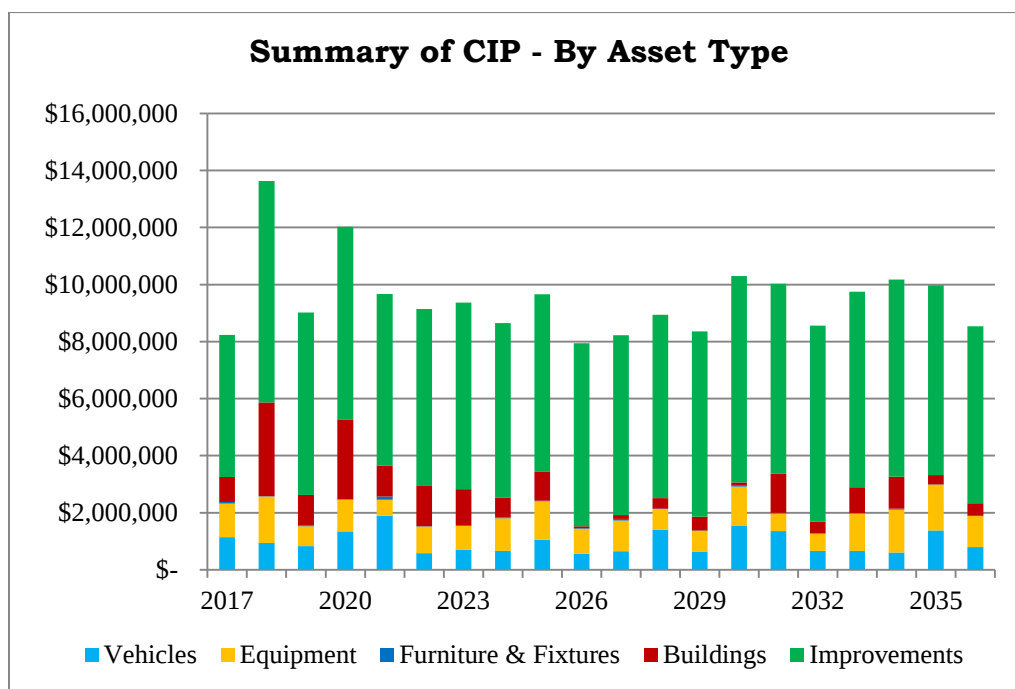
Enclosed is an executive summary of the 2017-2036 Capital Improvement Plan (CIP) as prepared in accordance with the goals and aspirations identified by the City Council, and applicable requirements set forth under federal and state mandates. The CIP also incorporates the valued contributions made by the City’s advisory commissions, and other citizen groups.

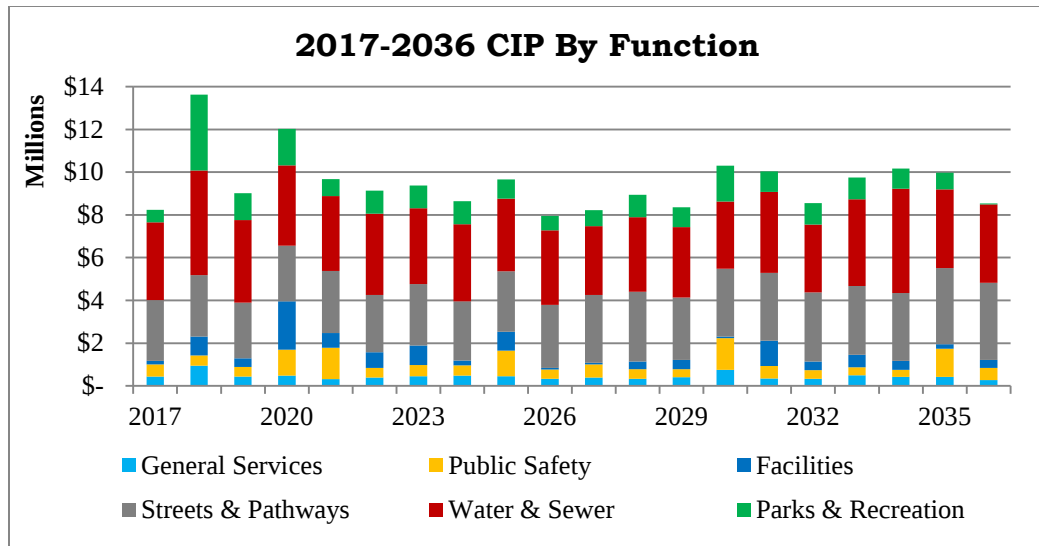
With the exception of the upcoming fiscal year, the CIP should not be construed as a request for funding; rather it is designed to serve as a planning tool that can be used to make informed financial decisions. Only after further discussion and Council approval will capital items be considered funded. However, the inclusion of these items into the CIP signals general support for meeting established service levels.

Over the next 20 years, the City expects to spend approximately \$190 million to replace existing vehicles, equipment, and infrastructure which will allow the City to maintain or enhance its programs and services. This assumes that the City will have available funding and that all existing assets will be replaced at the end of their useful lives. It is recognized that some assets may not be replaced.

The largest asset type is the City’s system infrastructure which represents 68% of the total. The largest asset by City function is water and sewer which represents 39% of the total amount, followed by streets and pathways at 32%, and park system assets at 11%.

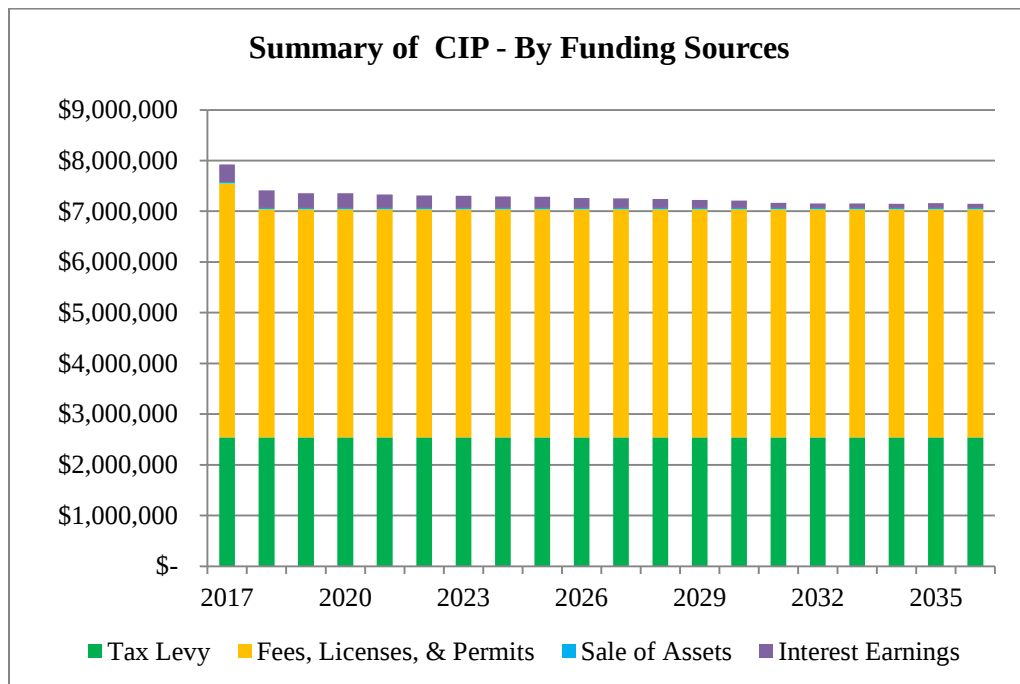
The following charts depict the City’s 20-year capital needs.





Funding for the CIP is expected to come from numerous sources depending on the asset type. The largest single funding source for the CIP is property taxes, which represents 35% of the total amount needed. The property tax burden can be lessened if alternative funding sources are secured.

The following chart depicts the funding sources for the City’s 20-year CIP.



Major CIP Items

The CIP identifies a number of major capital items that are expected to be needed in order to sustain current programs and service levels. Over the next five years, these major items include:

- ❑ \$19 million in water and sewer infrastructure.
- ❑ \$12 million in streets and pathways.
- ❑ \$7 million in parks & recreation-related improvements.
- ❑ \$6 million in vehicles and equipment.
- ❑ \$5 million in general facilities improvements.

Greater detail on these projects can be found in the full version of the Capital Improvement Plan, but a brief overview is presented below.

Five-Year Capital Improvement Plan Overview

As noted above, the largest planned capital investment over the next five years is associated with the City's water and sewer infrastructure, much of which was originally installed in the 1960's and 70's. Some segments of this original infrastructure has already been replaced or undergone re-lining procedures. The remaining improvements are expected to take place over the next 10-15 years.

Another significant investment will take place with the City's streets and pathways as these infrastructure components proceed through their normal resurfacing and replacement cycles. This includes \$6 million for the mill & overlay of neighborhood streets, as well as another \$5 million for the replacement of major thoroughfares including Municipal State-Aid streets.

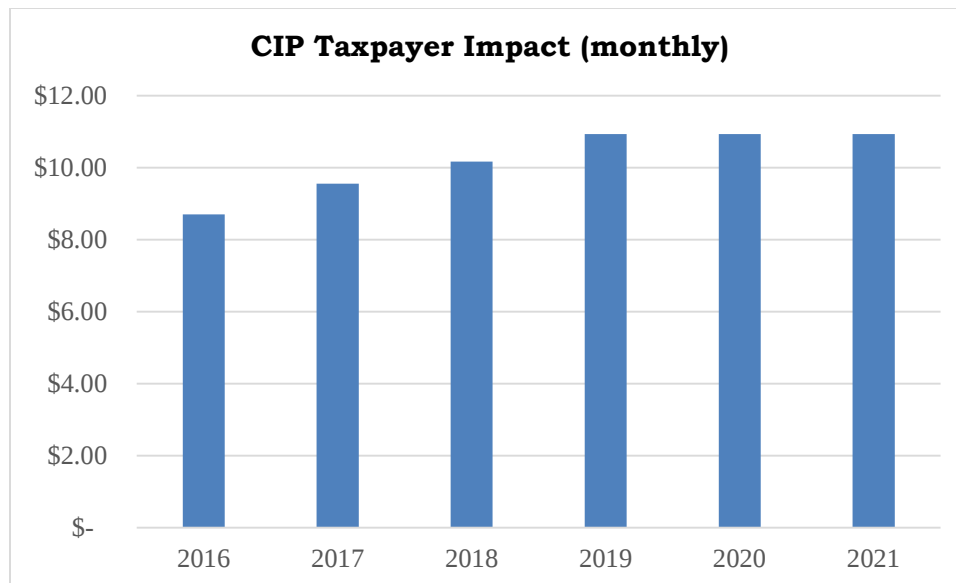
As the City's 2012-2016 Park Renewal Program winds down, the City will turn its attention to the remaining park system assets that were not addressed during the past 5 years. The Skating Center and Golf Course will require nearly \$3 million and \$1.5 million respectively over the next five years to replace various components. In addition, playgrounds and athletic fields & surfaces throughout the City will require \$5 million of new investment to replace aging structures and poor conditions.

The City's general vehicles and equipment replacement needs are expected to total roughly \$9 million over the next five years as part of City's normal asset replacement cycle. Aside from the parks & recreation facilities noted above, the City expects to make approximately \$1 million in repairs or renovations to various components of City Hall, Public Works building, and the Fire Station.

Five-Year Financial Impact

With approximately \$48 million in new capital investments over the next five years, the CIP is expected to have a noticeable impact on property taxpayers, but not necessarily on utility customers. Significant rate increases were enacted during previous years for the City's water, sanitary sewer, and storm sewer functions to fund scheduled improvements on a pay-as-you-go basis. However, for 2017 and beyond inflationary-type rate increases will be necessary.

The impact on property taxpayers however is likely to be greater. This is depicted in the chart below.



The impact depicted in the chart assumes that all property tax-supported capital items will be funded through systematic increases in the annual property tax levy, and that no other alternative funding sources are captured. In addition, it assumes that all existing assets will be replaced with something similar at the end of their useful lives. Based on these assumptions, the typical single-family homeowner will be paying \$10.94 per month in 2021 (holding all other factors constant) compared to the \$8.70 they're currently paying.

Although not specifically addressed in the chart, the tax impacts from the expected \$48 million in new investment is significantly mitigated due to the expiring debt levies that are scheduled to be re-purposed for the CIP over the next 5 years. Had the City *not* been in a position to re-purpose those levies, the impacts would have been much greater.

Financial Plan – Executive Summary

Enclosed is an executive summary of the 2017-2026 Financial Plan as prepared in accordance with the goals and aspirations identified by the City Council. Like the Capital Improvement Plan (CIP), the Financial Plan should not be construed as a request for funding; rather it is designed to serve as a planning tool that can be used to make informed financial decisions.

While the CIP addresses the City's long-term capital needs, the Financial Plan focuses on day-to-day operations. The Financial Plan makes the distinction between *general-purpose* operations and enterprise/special purpose or *business-type* activities. General Purpose operations are typically supported by property taxes and include the following functions:

- ☐ Police
- ☐ Fire
- ☐ Streets
- ☐ Parks & Recreation
- ☐ Information Technology

In contrast, business-type functions are generally supported by fees and permits and include the following functions:

- ☐ Water
- ☐ Sanitary Sewer
- ☐ Storm Sewer
- ☐ Golf Course
- ☐ Recycling
- ☐ Community Development
- ☐ Communications
- ☐ License Center

Each of these separate operational categories is discussed in greater detail below.

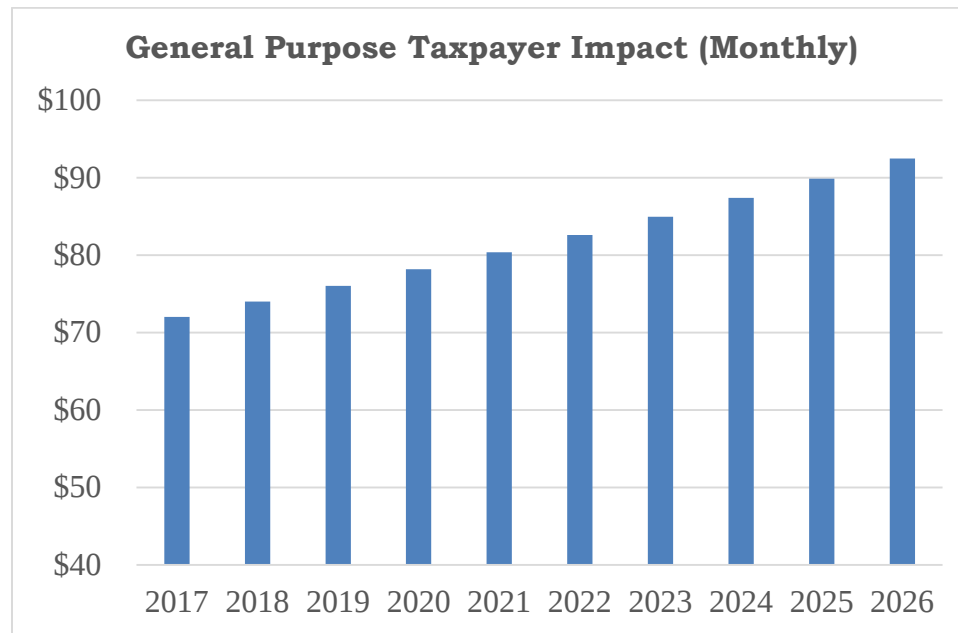
General Purpose Operations

Over the next 10 years, the City's *general purpose* operations are projected to collectively grow 2.7% per year, from \$21.5 million in estimated expenditures in 2017 to \$27.4 million in 2026. This assumes that the City will continue providing the same programs and service levels as it currently does. The projections incorporate increases in personnel, supplies & materials, and other operating costs including technology-related equipment.

These projections also include the following annual assumptions:

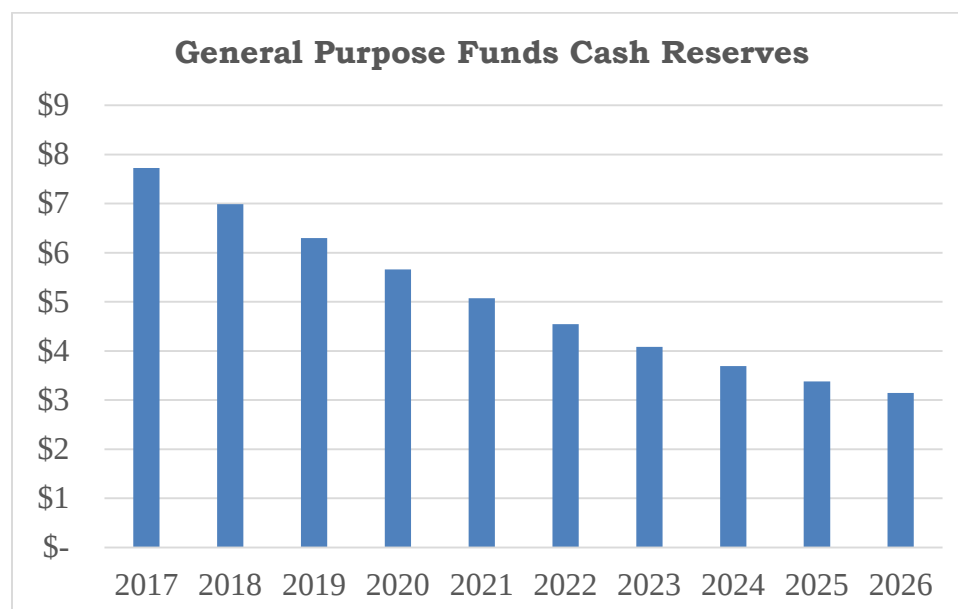
- ☐ 3% increase in personnel costs
- ☐ 2% increase in supplies & other charges, and technology-related equipment
- ☐ 2.75-3.5% growth in property tax revenues
- ☐ 2-3.0% growth in non-tax revenues
- ☐ 2% earnings on investments

As suggested above, there will be an increasing reliance on property taxes to sustain *general purpose* operations due to projected lower growth in non-tax revenues as well as the need to eliminate the reliance on excess cash reserves beyond the next few years. As a result, the impact on taxpayers is projected to increase more rapidly than the inflation rate. The impact on single-family homeowners is depicted in the chart below.



The impacts depicted in the chart assumes that operations will be funded through existing revenue sources and that no other alternative funding sources will be available. And again, it also assumes that the City will continue providing the same programs and service levels as it currently does.

A general decline in cash reserves is expected over the next few years reflecting planned spend-down of excess cash reserves. However, this practice will need to be mitigated in the near-term to ensure that reserve levels stay within targeted ranges. Projected cash reserve levels for the City's *general purpose* operations is depicted below excluding any corrective actions.



Business-Type Operations

As highlighted earlier, the City's *business-type* functions include a number of functions that are provided to all residents and property owners including water and sewer services. However, they also include a number of functions that are somewhat voluntary in nature where residents make a conscious decision whether to utilize those services. These include the City's community development, communications, and license center functions.

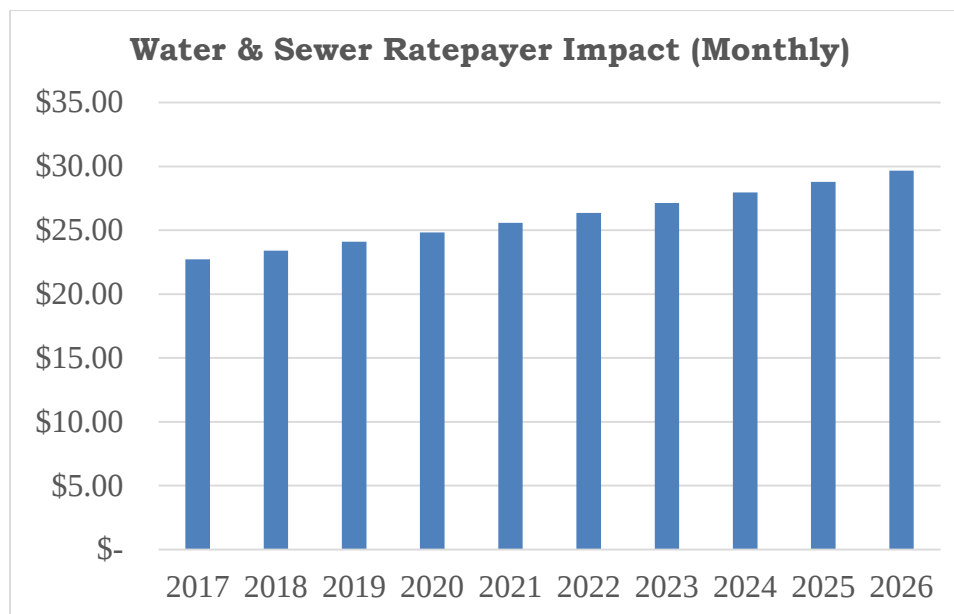
Over the next 10 years, the City's *business-type* operations are projected to collectively grow 2.7% per year, from \$15.9 million in estimated expenditures in 2017 to \$20.2 million in 2026. This assumes that the City will continue providing the same programs and service levels as it currently does. The projections incorporate increases in personnel, supplies & materials, and other operating costs including technology-related equipment.

These projections also include the following annual assumptions:

- ❑ 2-3% increase in personnel, supplies & other charges
- ❑ Declining use of excess cash reserves
- ❑ 2.75-3.5% growth in fees & permits
- ❑ 2% earnings on investments

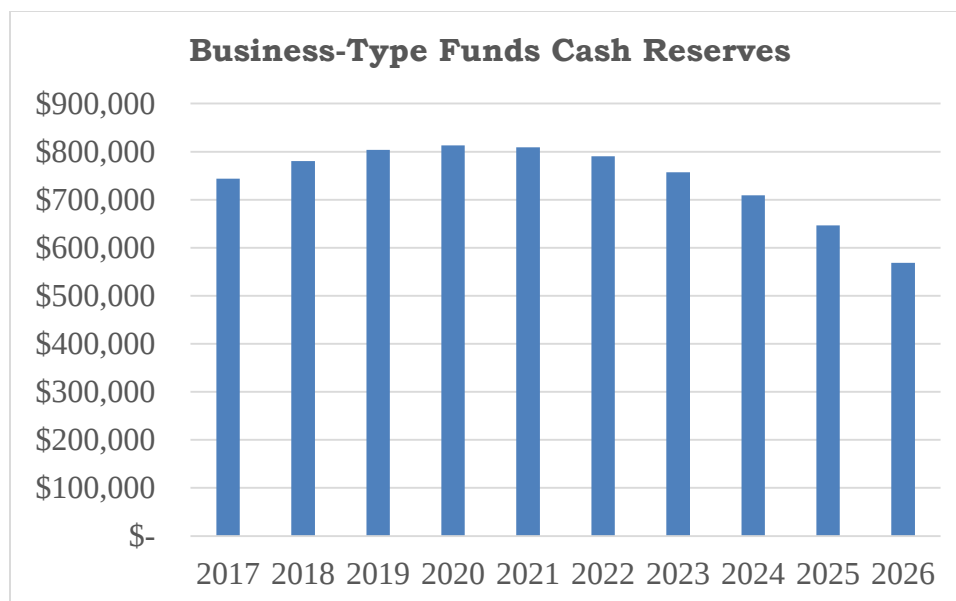
As suggested above, there will be an increasing reliance on fees & permits to sustain *business-type* operations due to projected lower growth in non-fee/permit revenues as well as the need to eliminate the use of excess cash reserves beyond the next few years. Due to the diverse functions captured in the *business-type* operations, the impact on citizens and taxpayers will vary dependent on the fee-based services that are utilized. As a result, only the water & sewer operational impact for single-family homes will be measured.

The water & sewer operational impact on single-family homeowners is depicted in the chart below.



As shown in the chart, a typical single-family home can expect to pay approximately 3% more each year in their water & sewer bills to sustain current operations.

Within the *business-type* operations, a general decline in cash reserves is expected over the next few years reflecting the planned spend-down. However, this practice will need to be mitigated shortly thereafter to ensure that reserve levels stay within targeted ranges. Projected cash reserve levels for the City's *business-type* operations is depicted below.



City of Roseville, Minnesota Mission Statement

To provide ethical, efficient, and responsive local government in support of community aspirations, guided by policies of the City Council, and implemented by professional staff, to ensure that Roseville remains strong, vibrant, and sustainable for current and future generations.

City of Roseville, Minnesota

Fiscal Policies

The following set of fiscal policies provides a framework to guide the City's budget and financial planning. These Budget Policies were reaffirmed in 2015 and include:

- ❖ Operating Budget Policy
- ❖ Debt Policy
- ❖ Revenue Policy
- ❖ Capital Investment Policy
- ❖ Operating Fund Reserve Policy

Each of these policies is explained in greater detail below.

Operating Budget Policy

Purpose

The purpose of the City's Operating Budget Policy is to ensure that the City's annual operating expenditures are based on a stable stream of revenues. The policies are designed to encourage a long-term perspective to avoid pursuing short-term benefits at the expense of future impacts. The intent of this policy is to enable a sustainable level of services, expenditures, property tax levies, and other revenue sources including fee revenue.

Scope

This policy applies most critically to those programs funded through the property tax, as fluctuations in this revenue source can have substantial impacts.

Policy

- ❑ The City will pay for all current expenditures with current revenues. The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses. Specifically, accruing future year's revenues shall be prohibited. Practices to be avoided include postponing expenditures, rolling over short-term debt, and drawing down reserves beyond targeted levels to balance the operating budget.
- ❑ The operating budget will provide for adequate maintenance and periodic replacement of capital equipment.
- ❑ A proportionate share of the administrative and general government costs incurred by the general operating fund of the City shall be borne by all funds as is practicable. Such administrative charges shall be predetermined and budgeted annually
- ❑ New programs or proposals shall be reviewed in detail by City staff and both a policy and fiscal analysis shall be prepared prior to budgetary inclusion, and provided to the City Council for review
- ❑ A request for a program or service expansion or reduction must be supported by an analysis of public policy implications of the change
- ❑ A request for new personnel must be supported by an analysis demonstrating the need for the position based on workload measures, comparative staffing levels, and City and department priorities
- ❑ A request for purchase of new (additional) capital equipment must be supported by an analysis demonstrating that the value of the benefits of the equipment is greater than the cost of the equipment over its expected life
- ❑ As specified under City Code section 103.05 all general purchases and/or contracts in excess of \$5,000 must be separately approved by the Council

In recognition of industry-recommended budgeting practices, the City has established the following budget controls:

- ❑ The City will maintain a budgetary control system to ensure adherence to the budget

- ❑ The Finance Department will prepare regular reports comparing actual expenditures to budgeted amounts as part of the budgetary control system. These reports shall be distributed to the City Council on a periodic basis.
- ❑ Department heads shall be primarily responsible for maintaining expenditures within approved budget guidelines that are consistent with approved financial policies

Implementation

The budget as approved meets the above criteria and as a result, the above policies are considered to be implemented

Debt Policy

Purpose

- ❑ To define the role of debt in the City's total financial strategy so as to avoid using debt in a manner that weakens the City's overall financial condition.
- ❑ To establish limits on the amount of City debt which will allow for manageable debt service costs.
- ❑ To maintain the best possible Moody's and Standard and Poor's credit rating

Policy

- ❑ The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. The City shall not use debt for the purchase of vehicles and other rolling stock
- ❑ When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project
- ❑ The City will try to keep the average maturity of general obligation bonds at or below ten years
- ❑ As published in the Annual Budget document, the City will strive to keep the direct debt per capita and direct debt as a percent of estimated market value at or below the median set out by the credit rating agencies
- ❑ Total general obligation debt shall not exceed two percent of the market value of taxable property as required by State law
- ❑ The City shall not use debt for current operations
- ❑ The City will maintain good communications about its financial condition with credit rating agencies
- ❑ The City will follow a policy of full disclosure on every financial report and bond prospectus
- ❑ Refinancing or bond refunding will only be undertaken when there is significant economic advantage to the City, and when it does not conflict with other fiscal or credit policies
- ❑ The maintenance of the best possible credit rating shall be a major factor in all financial decisions. For the purposes of issuing debt, bond rating categories shall be used as a means of assessing the City's financial condition.

Implementation

The debt management section of this approved Budget and Capital Improvement Program demonstrate compliance toward achieving the city's debt policy.

Revenue Policy

Purpose

- ❑ To provide a diversified and strong set of revenues to ensure a stable revenue system for City programs and services
- ❑ To match revenues with similar uses to ensure adequate funding for the various City services and programs over the long-term

Policy

- ❑ The City will try to maintain a diversified and stable revenue system and to shelter it from short run fluctuations in any one revenue source
- ❑ Absent any outside legal restrictions, all Federal, State, County, or other governmental financial aids, should be formally designated, by resolution, towards a specific program or service. General purpose aids shall only be used for capital or non-recurring expenditures and not for on-going operations.
- ❑ Each year the City will recalculate the full costs of activities supported by user fees, to identify the impact of inflation and other cost changes, and will set those fees as appropriate. Fees will be established and adopted annually on the Fee Schedule.
- ❑ The City will set fees and user charges for each enterprise fund, such as water and sewer, at a level that fully supports the total direct and indirect cost of the activity. Indirect costs include the estimated replacement cost of capital assets and each fund's share of the administrative and general government costs incurred by the general operating fund
- ❑ Absent public policy reasons to the contrary, the City will set fees and user charges for non-enterprise funds, at a level that fully supports the total direct and indirect cost of the activity. Indirect costs include the cost of annual straight life depreciation of capital assets

Implementation

The Budget accurately allocates the revenues and expenditures of City programs and services.

Capital Investment Policy

The purpose of the City's Capital Investment Policy is to ensure future capital improvements, maintenance, and replacements are made when needed, in a manner which is both fiscally and operationally prudent. The goal of this policy is to provide a stable funding mechanism for the City's infrastructure by setting aside specific resources on a periodic basis. This will ease the burden on present and future taxpayers, without significant fluctuations in annual property tax levies.

It is not the intent of the City Council to fund major new facilities, which have not had the original funding established either through tax increment, general taxes, bonding or other such sources. The replacement funds and corresponding fund interest earnings are expected to be only for replacement purposes.

Scope

All departments and City funds are included in the 20-Year Capital Improvement Plan (CIP). The CIP identifies the timing and financing of all capital items.

Policy

- ❑ The City will develop a 20-year Plan for capital investments and update it at least every 2 years.
- ❑ All capital investments shall be made in accordance with an adopted Capital Improvement Plan.
- ❑ The City will coordinate development of the capital improvement budget with development of the operating budget. Future operational costs associated with new capital improvements will be projected and included in operating budget forecasts.
- ❑ The City will provide ongoing preventative maintenance and upkeep on all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The City should periodically review and follow industry-recommended replacement schedules for all City capital assets.
- ❑ The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval.
- ❑ The City will determine the least costly financing and acquisition method for all new projects.
- ❑ For future development or redevelopment proposals that require public infrastructure and/or public financing assistance and/or City support services, a fiscal analysis shall be prepared identifying the project sources and uses. The analysis should also demonstrate the costs and benefits of the project. The cost of this analysis shall be borne by the developer.
- ❑ The City will establish departmental Vehicle and Equipment Replacement Funds. The City will appropriate monies to them annually to provide for timely replacement of vehicles and equipment. The amount will be maintained at an amount equal to the proportion of useful life expired multiplied by estimated replacement cost.

- ❑ The City will establish a Building Capital Maintenance Fund, and will appropriate funds to it annually to provide for timely maintenance of all buildings supported by general governmental funding. Only maintenance which meets the capitalization threshold shall be paid for out of this fund. Maintenance includes major items such as roof repair and HVAC replacement.
- ❑ The City shall establish a Street Infrastructure Replacement Fund to provide for the general replacement of streets and related infrastructure throughout the community. The annual MSA capital allocation, will be included as a part of the source of funds for computing the adequacy of this fund. This fund has been formally categorized by the Council as a permanent fund, whereby the interest proceeds are only used for the stated purpose. The cash reserve amount should remain between \$8-12 million.
- ❑ The City shall establish a Park Capital Maintenance Fund to provide for the general replacement of parks and related infrastructure throughout the community. The funding should equal the proportion of useful life expired multiplied by estimated replacement cost for all park system assets.
- ❑ Within each enterprise fund, the City shall establish a funding mechanism to provide for the general replacement of related infrastructure throughout the community. The funding should equal the proportion of useful life expired multiplied by estimated replacement cost for all enterprise fund system assets.
- ❑ From time to time the City Council shall establish additional replacement funds as the need becomes apparent.
- ❑ The Finance Commission will annually oversee and report to the City Council a review and analysis of planned capital investments and related reserve balances. The purpose of such analysis will be to gauge the health and sustainability of City reserves related to capital investments for the short (1-3 year), medium (4-9 years), and long term (10+ years). It will also take into account related borrowing and repayment costs.

Definitions

Capital assets – Assets which cost \$5,000 or more and have a useful life of two or more years.

Capital Improvement Plan – A comprehensive 20 year outlook itemizing all capital assets and their replacement funding requirements. The plan will take into account useful asset lives and salvage values.

Replacement Cost– In today’s dollars, the cost to replace the asset. If it is expected the retired asset will have a salvage value, the estimated salvage value should be deducted from the expected replacement cost.

Asset Life – The number of years which is the asset is in use, also known as the useful life of a capital asset.

Bonding – The amount of debt incurred to obtain capital assets.

Capital Asset Maintenance – Expenditures which protect the City’s investment in capital assets and provide for ongoing upkeep.

Equipment – A tangible capital asset which does not qualify as a vehicle, building, street, or park asset. Examples are mowers, tools, etc.

MSA Capital Allocation – Municipal State Aid is money the City receives from the State to help pay for maintenance of MSA-designated streets. MSA streets are collector or arterial streets that interconnect to other cities or major thoroughfares.

Enterprise Fund – A separate accounting and financial reporting mechanism for municipal services for which is 100% fee supported. Examples are Water, Sewer, and Golf Course.

General Governmental Fund – A separate accounting and financial reporting mechanism for spending in which a property tax is generally levied. Examples are police, fire, streets, parks and recreation.

Enterprise Fund System Asset – Assets which support enterprise services such as water, sewer, and golf course.

Park System Asset – All assets within city parks excluding buildings. Examples would be trails, equipment, and courts.

Implementation

The City shall use replacement funds to assist in the replacement of equipment, vehicles, and capital building maintenance. New equipment or buildings are to be funded from new dollars, unless they are designated to replace currently owned assets. Funds may be used up to the amount of the replacement funds set aside for that particular asset. Any additional funding shall be from new sources.

Operating Fund Reserve Policy

Purpose

- ❑ To provide a cushion against unexpected revenue and income interruptions
- ❑ To provide working capital by ensuring sufficient cash flow to meet the City's needs throughout the year

Policy

- ❑ The City will maintain a general fund reserve of 35-45% of the general fund's total annual operating budget. This ensures that the City has adequate funds on hand to provide for operations between bi-annual property tax collection periods. Any surplus beyond the required general fund reserve may be transferred to another reserve fund with a funding shortfall
- ❑ The City will strive to create a reserve in the Recreation Fund to equal 25% of the annual recreation budget. This reserve will provide a cash flow cushion and reduce the inter-fund borrowing expense to the Recreation Fund. Because of more frequent cash inflows, a 25% reserve will be adequate to support the daily cash needs of the fund
- ❑ The Community Development Fund is supported solely by building permit fees and charges. Because the economic environment has a major effect on this Fund, a fund balance of 25-50 % of the annual budget is a reasonable target. It is expected that as economic downturns take place, this reserve will provide for a transition period during which the Council will be able to assess and to better match operations with the economic need
- ❑ City enterprise funds shall have operating cash reserves sufficient to provide for monthly cash flow, and for a reasonable level of equipment and infrastructure replacement. Major reconstruction or system upgrades, may need to be funded from enterprise revenue bonds. Annual utility rate reviews will be made in regard to projected operating expenses and capital improvements. The Council will, on an annual basis, establish rates in accordance to operating cost recovery and the projected capital improvements
- ❑ All other operational funds e.g. License Center, Information Technology, etc. are expected to operate with positive reserve balances of 10-25% of the annual operating budget. Each operational fund shall be reviewed on an annual basis to assure the fund balance is in line with the fund's objectives
- ❑ In the event the minimum fund balance drops below prescribed levels, the City shall dedicate new incoming property tax or program revenues (where applicable) in an amount sufficient to bring fund balance levels back into compliance within three fiscal years
- ❑ Unless otherwise directed by the City Council, monies held in individual Funds shall be expended first from restricted fund balances, second from committed fund balances, then from assigned fund balances, before using unassigned fund balance

Implementation

All fund reserves shall be reviewed each year at the time of the annual budget preparation for the purpose of complying with this policy. Budgets shall be prepared on an "All Resources" basis, so that the City Council and Community can readily discern the current and projected management of all reserves.

If aggregate unrestricted reserves in the tax-supported operating funds are outside of targeted goals, the Council is advised to create a plan to get reserves into targeted goal ranges by committing reserve funds, using aggregate excess reserves to reduce the levy, or making appropriate budget or tax levy adjustments.

City of Roseville, Minnesota

Annual Budget Process, Legal and Policy Requirements, and Description of Funds

The City adopts an annual budget for the General and selected Special Revenue funds that are prepared on the modified accrual basis of accounting. The adopted budget indicates the amount that can be expended by each fund based on detailed budget estimates for individual expenditure accounts.

Budget Process (General)

The formal budget process begins in the spring of each year. At that time the budget materials and guidelines are distributed to the various department heads. Informally, aspects of the upcoming budget are discussed throughout the year with the City Council, Staff and residents.

Departmental budgets are submitted to the Finance Department where they are compiled, verified and put into a format for the City Manager's review. The City Manager meets with each department to review submitted budgets. When the final review is completed, a proposed budget document is prepared and submitted to the City Council.

The City Council conducts a series of budget meetings over the next several months, allowing for citizen participation and Staff presentations.

As required by State Statute, the City Council must then take a formal action to approve a proposed budget and tax levy before September 30th. Staff submits the proposed budget to the County Auditor who then compiles all tax data from all levying entities for preparation of a parcel specific mailing to each county property taxpayer by mid-November.

The City schedules a 'Truth-in-Taxation' hearing between the end of November and December 20th, at which time the city's taxpayers are invited to attend and express their opinions regarding the proposed tax levy and budget. The city council approves the final budget and levy for the succeeding year at a subsequent meeting.

Budget Amendments

Periodically, it becomes necessary to modify the adopted budget during the fiscal year. When there is no effect on the total budget, the procedure for modification from one line item within a budget to another line-item is an application by the department head to the City Manager or designee.

Modifications that affect the total budget on a fund basis are only approved by the action of the City Council. The City Council, under Minnesota State Statutes Section 412.731, can modify or amend the budget at any time if funds are available. Budget appropriations are at the fund level.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the Comprehensive Annual Financial Report (CAFR) into three broad fund categories and six generic fund types as follows:

Governmental Funds Subject to Financial Planning and Appropriation

General Fund - the General fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for specified purposes.

Governmental Funds Subject to Financial Planning, but not Subject to Appropriation

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Other Funds Subject to Financial Planning and Appropriation (Proprietary Funds)

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. With these, the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has five Enterprise Funds: Water Utility Fund, Sewer Utility Fund, Storm Drainage Fund, Golf Course Fund, and Solid Waste Recycling.

Internal Service funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. The City has two Internal Service Funds including the Workers' Compensation Self-Insurance Fund which accounts for the City's Workers' compensation claims, and the Risk Management Fund which accounts for all of the City's general insurance costs.

Basis of Accounting

The modified accrual basis of accounting is used by governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue and charges for services. State aids held by the state at year-end on behalf of the government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the

current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for principal and interest on general long-term debt which is recognized when due and accumulated unpaid vacation and compensatory time off which are recognized when paid.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.

Basis of Budgeting

The City adopts an annual budget for the general and special revenue funds that are prepared on the modified accrual basis of accounting. This is consistent with the City's basis of accounting for governmental funds. Proprietary funds are budgeted on an accrual basis which is also consistent with the City's basis of accounting for those fund types.

The adopted budget indicates the amount that can be expended by each fund based on detailed budget estimates for individual expenditure accounts. Management may make budget modifications within the fund level. All budget revisions at the fund level must be authorized by the City Council at the request of the City Manager. The Council, under *Minnesota Statutes*, Section 412.731, can modify or amend the budget if funds are available. All supplemental appropriations are financed either by transfers from the contingency section of the general fund budget or by revenues received in excess of the budgeted amounts. All budget amounts lapse at the end of the year to the extent they have not been expended. The level which expenditures may not legally exceed appropriations is at the fund level.

Long Range Planning - Capital Improvement Program (CIP) Overview

As part of the annual budget and the long range planning process, the city also updates a 20-year Capital Improvement Program (CIP).

The Capital Improvement Program process is on-going throughout the year, as the City Council studies and approves various projects. The document preparation is an affirmation of those approvals as well as a projection of potential projects that may be approved within the 20-year period.

The general guideline for CIP inclusion would be equipment of a capital nature, and construction project cost generally in excess of \$5,000. Items may appear in the CIP that are under the minimum amount, but they are evaluated on the basis of the substance of the expenditure.

Budget Procedures (Specific)

A budget calendar is developed in early February of each year with the departmental budget material going out to departments in March or early April.

Prior to departmental distribution, the Council typically sets overall goals for the City Management team to aid in their budget preparation. Those goals typically consist of:

- ❖ Infrastructure goals
- ❖ City service goals
- ❖ City performance goals
- ❖ City property tax goals

These goals are then to be incorporated to the greatest extent possible within each department's submittal.

In early April the budget materials are distributed to all departments. The budgetary requests are then returned to the Finance Department for compilation and preparation for the City Manager review.

The Finance Department usually meets with each department during the preparation process to work out any details or clarifications. Areas which cannot be resolved or are particularly affected by management policy are set aside for a meeting with the City Manager.

Upon final resolution of the major issues, the City Manager, with the assistance of the Finance Department presents the recommended budget to the City Council. The presentation is intended to provide the Council with the type of information, to assure that Council policy direction is being followed with particular emphasis on the Council's objectives set for the budget year.

Finance Compilation and Preparation Procedures.

The City Finance Director prepares an estimate of revenues including the property tax revenue based on the Council's tax objectives for the budget year.

A review of the budget submittals, include an allocation of capital requests with respect to funding: e.g. items which are replacement in nature and could be funded from the respective replacement funds, or items which are new and would require a property tax levy for a first time purchase. In addition, requests are reviewed in light of departmental goals, City Manager policy directions and the City Council's overall objectives.

The objective is to have a balanced budget to be presented to the City Council and that the budget has been prepared to not negatively affect net reserve operating balances or to create future financial obligations for which the Council is not prepared to meet.

Description of Funds

The City maintains a number of major and minor funds for recording the fiscal transactions and to meet legal accounting requirements. Within each fund, there may be a number of sub-funds, which are used during the fiscal year to assist in monitoring and managing allocations, grants or specific projects. At year-end, all sub-funds are rolled up into the primary fund for reporting purposes.

Below are general descriptions of the fund-types and a brief description of each fund within each type.

Fund Type: General Fund

The **General Fund** provides for accounting of general governmental functions related to the City's statutory obligations. Those functions include; public works, fire services, police services, city council, city administration, finance, insurance and legal. This fund has been designated a major fund for reporting purposes

The major sources of revenue for the general fund consist of property taxes, intergovernmental revenues, fines and forfeits, federal and state grants, investment income and charges for services rendered to citizens and to other city functions.

Expenditures for the general fund operations include; wages, salaries and benefits, supplies, and other charges, which include utilities, professional services, memberships, and other similar uses of funds. Certain capital expenditures are included, if they are made up of items which are new and for which the City has not previously set aside depreciation (replacement funds).

Fund Type: Special Revenue

Special Revenue Funds include funds in which revenues are collected for specific purposes and expenditures for those specific purposes are recorded.

The **Parks & Recreation Fund** accounts for resources and payments related to the parks and recreation functions of the City. This fund has been designated a major fund for reporting purposes

Revenues generally consist of property tax dollars levied specifically for parks and recreation as well as fees and charges collected from users of the city's parks and recreation facilities. Other revenues include; investment income, donations and other miscellaneous revenues sources.

Expenditures recorded include wages, salaries and employee benefits for staff directly providing parks and recreational services, supplies, and other charges. Certain capital expenditures are included, if they are made up of items which are new and for which the City has not previously set aside depreciation (replacement funds).

This fund is composed of the Recreation Fund and the Parks Maintenance Fund.

The **Community Development Fund** accounts for resources and payments related to the building safety inspection and land use functions of the City. This fund has been designated a major fund for reporting purposes

Revenues generally consist of fees and charges collected from users of the city's building inspection and permits as well as fees collected for land use and zoning changes. Other revenues include; investment income, and other miscellaneous revenues sources.

Expenditures recorded include wages, salaries and employee benefits for staff directly providing community development and inspection services, supplies, and other charges. Certain capital expenditures are included, if they are made up of items which are new and for which the City has not previously set aside depreciation (replacement funds).

It is expected that this fund is to be self-supporting.

The ***Communications Fund*** accounts for resources and payments related to the city's communication functions including the periodic newsletters and cable television of city meetings. This fund has been designated a minor fund for reporting purposes

Revenues generally consist of franchise fees collected from the cable television users. Other revenues include; investment income, and other miscellaneous revenues sources.

Expenditures recorded include wages, salaries and employee benefits for staff directly providing communication services, supplies, and other charges. Certain capital expenditures are included, if they are made up of items which are new and for which the City has not previously set aside depreciation (replacement funds).

It is expected that this fund is to be self-supporting.

The ***Information Technology Fund*** accounts for resources and payments related to the information technology functions of the City. This fund has been designated a minor fund for reporting purposes

Revenues generally consist of rents collected from wireless tower leases and intergovernmental revenues collected from other cities for services rendered. Other revenues include an annual allocation from the city's license center, investment income, and other miscellaneous revenues sources.

Expenditures recorded include wages, salaries and employee benefits for staff directly providing information technology services, supplies, and other charges. Certain capital expenditures are included, if they are made up of items which are new and for which the City has not previously set aside depreciation (replacement funds).

The ***License Center Fund*** accounts for resources and payments related to the State License Center of the City. This fund has been designated a minor fund for reporting purposes

Revenues generally consist of fees collected from the State Motor Vehicle licenses and from issuance of licenses from the Department of Natural Resources. Other revenues include investment income and other miscellaneous revenues sources.

Expenditures recorded include wages, salaries and employee benefits for staff directly providing license services, supplies, and other charges. Certain capital expenditures are included, if they are made up of items which are new and for which the City has not previously set aside depreciation (replacement funds).

It is expected that this fund is to be self-supporting including payment of management and resource fees to the City's general fund and to the Information Technology fund.

The ***Lawful Gambling Fund*** accounts for resources and payments related to the enforcement and management of charitable gambling within the City. This fund has been designated a minor fund for reporting purposes

Revenues generally consist of taxes collected from city licensed charitable gambling organizations. Other revenues include; investment income, and other miscellaneous revenues sources. A portion of the Revenues are set aside with the Roseville Community Fund to provide for grants to non-gambling groups within the Community.

Expenditures recorded include wages, salaries and employee benefits for staff directly providing accounting and enforcement services, supplies, and other charges.

It is expected that this fund is to be self-supporting.

Fund Type: Debt Service

Debt Service Funds include funds which revenues are collected for the retirement of city incurred debt and from which interest, principal payments and other related expenses in relation to outstanding debt are paid.

The ***General Obligation Improvement Bonds*** accounts for resources and payments related to the payment of general obligation debt issued for special assessments are collected and property taxes levied. This fund has been designated a major fund for reporting purposes

Revenues generally consist of property taxes collected and special assessments from benefited property. Other revenues include; investment income, and other miscellaneous revenues sources.

Expenditures recorded include bond interest payments, bond principal payments and other expenses related to debt management.

It is expected that this fund is to be self-supporting from the related tax levies and the special assessments.

Fund Type: Capital Projects

Capital Project Funds include funds which revenues are collected for the construction and replacement of city facilities, equipment and infrastructure.

The ***Vehicle and Equipment Revolving Fund(s)*** accounts for resources and payments related to the replacement of furniture, fixtures and equipment within the city departments. This fund has been designated as part of a major fund (Revolving Improvements) for reporting purposes

Revenues generally consist of property taxes collected from levies specified for vehicles and equipment, investment income, and other miscellaneous revenues sources. Expenditures recorded include certain capital expenditures if they have been purchased previously and have been depreciated. An expenditure would also qualify, if it were replacing a previously depreciated asset.

It is expected that this fund is to be self-supporting from the related revenue sources.

The ***General Building Improvement and Replacement Fund*** accounts for resources and payments related to the replacement and major repair of buildings and structures within the city departments. This fund has been designated as part of a major fund (Revolving Improvements) for reporting purposes

Revenues generally consist of property taxes collected from levies specified for improvements, investment income, and other miscellaneous revenues sources. Expenditures recorded include certain capital repairs and improvements on buildings and structures (general governmental) if they have been purchased

previously and have been depreciated. An expenditure would also qualify, if it were replacing a previously depreciated asset.

It is expected that this fund be kept at an amount approximately equal to the accumulated depreciation recorded for buildings and structures in the general fixed assets.

It is expected that this fund is to be self-supporting from the related revenue sources.

The ***Pathways Maintenance Fund*** accounts for resources and payments related to the pathway maintenance program which began in 2000. This fund has been designated as part of a major fund (Revolving Improvements) for reporting purposes

Revenues generally consist of property taxes collected from levies specified for maintenance. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include certain capital expenditures for existing pathways.

It is expected that this fund is to be self-supporting from the related revenue sources.

The ***Boulevard Streetscape Maintenance Fund*** accounts for resources and payments related to the boulevard maintenance program which began in 2000. This fund has been designated as part of a major fund (Revolving Improvements) for reporting purposes

Revenues generally consist of property taxes collected from levies specified for maintenance. Other revenues include investment income, and other miscellaneous revenues sources. Expenditures recorded include certain maintenance expenditures for maintaining existing boulevard landscapes.

It is expected that this fund is to be self-supporting from the related revenue sources.

The ***Tax Increments Pay-As-You-Go Fund*** accounts for resources and payments related to the tax increment pay-as-you-go districts. This fund has been designated as a major fund for reporting purposes

Revenues generally consist of property taxes collected from levies specified for maintenance. Other revenues include investment income, and other miscellaneous revenues sources.

It is expected that this fund is to be self-supporting from the related revenue sources.

The ***Parks Improvement Program Fund*** accounts for resources and payments related to the Park Improvement Program (PIP). The intent of this fund is not to add new assets but to primarily replace those park assets, which have completed their useful life. This fund has been designated as a minor fund for reporting purposes

Revenues generally consist of a property tax levy specifically for park improvements. Other revenues include, investment income, allocations from the Parks and Recreation Infrastructure Fund and other miscellaneous revenues sources. Expenditures recorded include certain capital expenditures for park improvement replacement in accordance with the City's Park Improvement Program.

It is expected that this fund is to be self-supporting from the related revenue sources.

The ***Special Assessment Construction Fund*** accounts for resources and payments related to the Pavement Management Program (PMP). This fund has been designated as a minor fund for reporting purposes

Revenues generally consist of allocations from the Infrastructure Replacement Fund. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include certain capital expenditures for street improvements in accordance with the City's Paving Management Program.

It is expected that this fund is to be self-supporting from the related revenue sources.

Fund Type: Permanent Funds

Permanent Funds are funds which have been legally established as funds from which only the investment income may be used for which the Fund was established.

The ***Infrastructure Replacement Fund*** accounts for endowment funds set aside for the long-term replacement and maintenance of the City streets. This fund has been designated as a major fund for reporting purposes

Revenues generally consist of investment income. Expenditures are limited to approximately two-thirds of the annual investment income to be allocated to the Special Assessment Construction Fund

It is expected that this fund is to be self-supporting from the related revenue sources.

Fund Type: Internal Service Funds

Internal Service Funds are funds which account for specific service operations of the City which are provided to other departments and divisions of the City.

The ***Worker's Compensation Fund*** accounts for revenues and expenditures related to servicing the City's Worker Compensation needs.

Revenues primarily consist of fees collected from user departments and property tax levies, when needed. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include medical payments and compensation payments to workers who qualify for worker's compensation benefits.

The ***Risk Management Fund*** accounts for revenues and expenditures related to servicing the City's general insurance and risk management needs.

Revenues primarily consist of fees collected from user departments and property tax levies, when needed. Other revenues include investment income, and other miscellaneous revenues sources. Expenditures recorded include payments for liabilities within the City's deductible limit and payments to the City's insurance carrier, League of Minnesota Insurance Trust.

Fund Type: Proprietary Funds

Enterprise Funds are funds which account for specific operations of the City in a manner similar to the private sector. All Enterprise Funds have been designated major funds for reporting purposes.

The ***Sewer Fund*** accounts for revenues and expenditures related to City's sewer distribution system operations.

Revenues primarily consist of sewer fees collected from system users. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include sewer system operating expenditures such as wages, salaries and benefits, supplies, and other charges, which include utilities, professional services, memberships, and other similar uses. Major expenditures also include waste treatment fees to the Metropolitan Council Department of Environmental Services and certain capital expenditures for maintaining the system.

The **Water Fund** accounts for revenues and expenditures related to City's water distribution system operations. Revenues primarily consist of water fees collected from system users. Other revenues include; investment income, and other miscellaneous revenues sources.

Expenditures recorded include sewer system operating expenditures such as wages, salaries and benefits, supplies, and other charges, which include utilities, professional services, memberships, and other similar uses. Major expenditures also include the purchase of wholesale water from the St. Paul Regional Water System Authority and certain capital expenditures for maintaining the system.

The **Golf Fund** accounts for revenues and expenditures related to City's nine-hole golf course.

Revenues primarily consist of greens fees collected from course users. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include golf course operating expenditures such as wages, salaries and benefits, supplies, and other charges, which include utilities, professional services, memberships, and other similar uses and certain capital expenditures for maintaining the course in a reasonable condition.

The **Storm Drainage Fund** accounts for revenues and expenditures related to City's storm drainage distribution system operations.

Revenues primarily consist of storm drainage fees collected from system users. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include storm system operating expenditures such as wages, salaries and benefits, supplies, and other charges, which include utilities, professional services, memberships, and other similar uses and certain capital expenditures for maintaining the system.

The **Recycling Fund** accounts for revenues and expenditures related to the City's recycling operations.

Revenues primarily consist of recycling fees collected from system users and grants from by Ramsey County. Other revenues include; investment income, and other miscellaneous revenues sources. Expenditures recorded include recycling operating expenditures, collection fees paid to the contracted hauler\collector and certain capital expenditures for maintaining the system.

Fund Type: Agency Funds

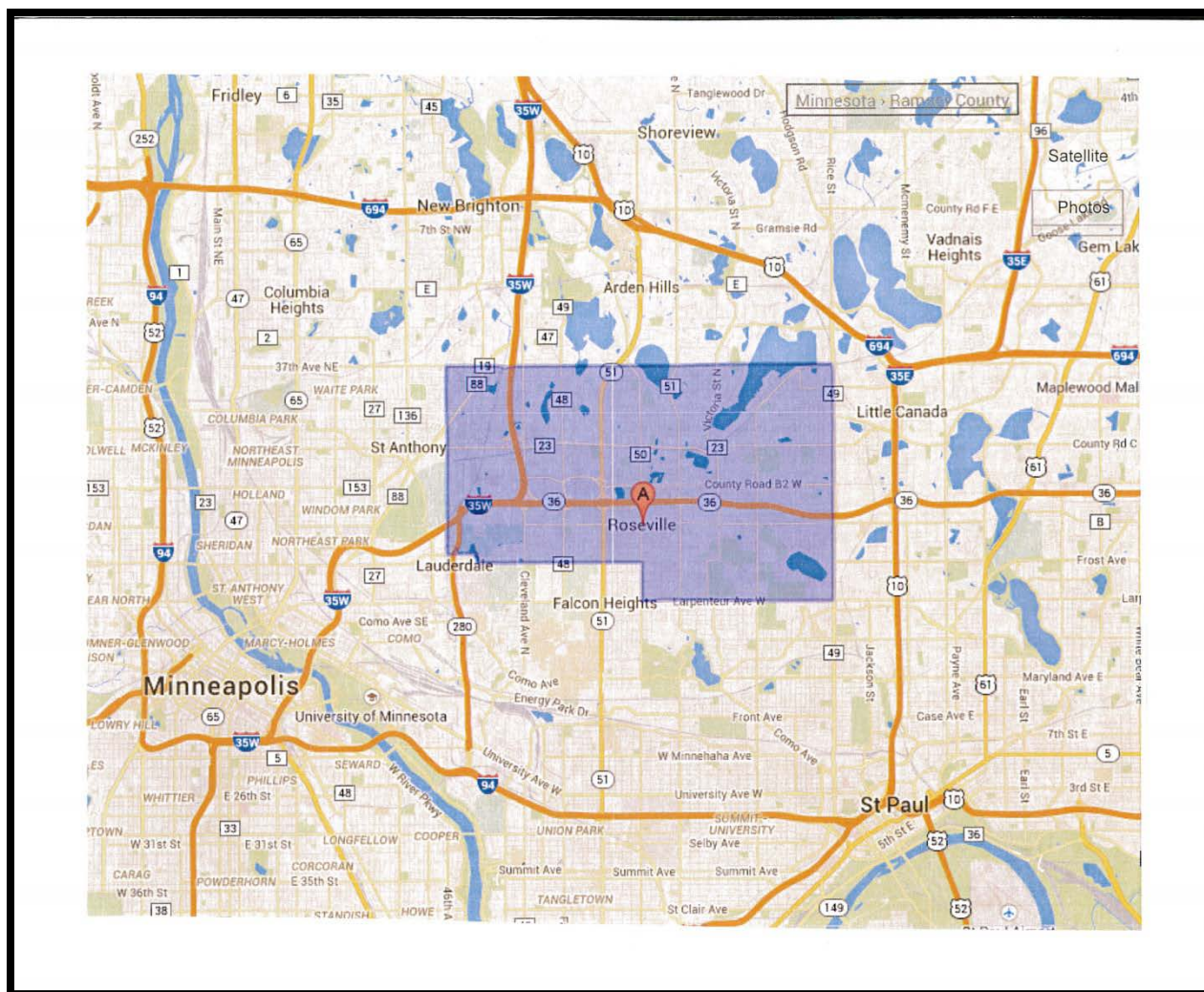
Agency Funds are funds used to report resources held by the City in a purely custodial capacity.

The **Cemetery Fund** accounts for the fiscal activities of a cemetery under the ownership of the Islamic Cemetery Association. Revenues consist of interest earnings on investments. Expenditures include general grounds maintenance.

The **Roseville Visitors Association Fund** accounts for the fiscal activities of a local 501(c)(6) organization that focuses on increasing visitors to Roseville including the promotion of area hotels. Revenues consist of local lodging taxes and interest earnings on investments. Expenditures include general promotional activities including advertising, sponsorships, and travel planning.

Profile of the City of Roseville

The City of Roseville, incorporated in 1948, is a suburban community bordering both Minneapolis and St Paul Minnesota. A map of Roseville's location is shown below.



The City of Roseville stands on land that was once home to the Dakota and Ojibwa Indians. The Dakota believed their land superior because it was located at the juncture of the Minnesota and Mississippi Rivers, which they poetically claimed, was immediately over the center of the earth and beneath the center of heaven.

Many years later in 1940, Ramsey County Surveyors bolstered this claim when they placed a boulder on the spot they determined was exactly one-half the distance between the equator and the North Pole. That spot is on the east side of Cleveland Avenue, just north of Roselawn Avenue in Roseville.

The first non-Indians settled in the Roseville area in 1843, six years before Minnesota became a territory. In 1850 Rose Township was established, named after Isaac Rose, one of the first white settlers, who conducted the area survey. Rose Township included the areas now known as Roseville, Lauderdale, and Falcon Heights, as well as parts of present day St. Paul and Minneapolis.

Farms and nurseries dominated the area until the 1930s when commercial development arrived, attracted by the wide-open space, convenient location, and the railroad. At the same time, people began leaving the inner cities for the more spacious, less congested lifestyle of the suburbs.

By 1948 the township form of government could no longer accommodate the area's rapid growth. Roseville incorporated as a village in May of 1948, followed by Falcon Heights and Lauderdale, which led to Rose Township ceasing to exist.

Roseville's population and commercial development grew dramatically during the 1950's and 1960's. The City then turned its focus from planning to redevelopment and preservation. Today Roseville is a mixed land use community with a strong residential base and vibrant retail. It has become the commercial hub of the northeastern metro area.

This area is considered to be a major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Roseville currently occupies a land area of 13.7 square miles and serves a population of 35,306. Roseville is a completely developed community and is bordered on all sides by other incorporated communities.

The City of Roseville has operated under the council-manager form of government since 1974. Policy-making and legislative authority are vested in a city council consisting of the mayor and four other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the city government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every four years and the mayor and one council member elected in staggered four-year terms. The council and mayor are elected at large.

The City of Roseville provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; water and sewer services and recreational activities and cultural events.

Supplemental demographic and statistical information is shown below.

City of Roseville, Minnesota
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
PPF Rtl Rosedale Shopping Ctr LLC	\$ 1,679,439	1	9.19%	\$ -	-	-
Gateway Washington Inc	434,871	2	2.38%	-	-	-
St Paul Fire And Marine Ins Co	369,845	3	2.02%	-	-	-
Wilcal Crossroads LLC	332,842	4	1.82%	-	-	-
Magellan Pipeline Co LP	327,068	5	1.79%	-	-	-
Rosedale Square LLC	246,587	6	1.35%	-	-	-
Rosedale Commons LP	215,320	7	1.18%	58,265	9	0.52%
Veritas Technologies LLC	212,340	8	1.16%	-	-	-
BRE Timberwolf Property Owner LLC	203,081	9	1.11%	-	-	-
CSM Investors Inc	192,698	10	1.05%	-	-	-
Compass Retail, Inc.				369,555	1	3.31%
Bradley Operating LP	-	-	-	149,628	2	1.34%
M & J Crossroads LP	-	-	-	119,142	3	1.07%
AEW Capital Management LP	-	-	-	77,605	4	0.69%
Unisys Corp.	-	-	-	74,536	5	0.67%
Tanurb Developments, Inc.	-	-	-	71,691	6	0.64%
Williams Bros Pipeline	-	-	-	68,914	7	0.62%
JLT Roseville Corporate Center	-	-	-	60,201	8	0.54%
The May Dept. Stores	-	-	-	57,329	10	0.51%
	\$ 4,214,091		23.06%	\$ 1,106,866		9.91%

Source: Ramsey County

City of Roseville, Minnesota
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
MN Dept. of Transportation	800	1	4.37%	450	10	2.05%
University-Northwestern-St Pl	700	2	3.82%	500	6	2.27%
Metz Baking Co	600	3	3.28%	-	-	-
Minnesota Department-Education	500	4	2.73%	-	-	-
Symantec Corp	500	5	2.73%	-	-	-
MEDTOX Scientific Inc	400	6	2.18%	-	-	-
Old Dutch Foods LTD	400	7	2.18%	-	-	-
Byerly's Inc	377	8	2.06%	-	-	-
Pentair Hypro	375	9	2.05%	-	-	-
Eagle Crest Retirement Community	330	10	1.80%	-	-	-
McGough Construction	-	-	-	800	1	3.64%
Unisys	-	-	-	800	2	3.64%
Presbyterian Homes Housing	-	-	-	560	3	2.55%
Roseville Area Schools	-	-	-	547	4	2.49%
Marshall Fields	-	-	-	531	5	2.41%
Sara Lee Baking Company	-	-	-	500	7	2.27%
Target	-	-	-	500	8	2.27%
Veritas Corporation	-	-	-	500	9	2.27%
Total	4,982		27.20%	4,738		21.54%

Sources: Minnesota Department of Employment and Economic Development
Annual Dunn & Bradstreet Report

City of Roseville, Minnesota
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Personal Income (2)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
2006	33,969	1,315,007,928	38,712	6,396	9,929	3.4%
2007	33,969	1,593,883,946	44,852	6,420	9,705	3.9%
2008	34,099	1,602,820,426	47,005	6,486	9,792	5.7%
2009	34,099	1,632,080,437	47,863	6,400	9,674	7.0%
2010	34,178	1,561,148,506	45,677	6,444	9,849	5.5%
2011	33,660	1,582,289,280	47,008	6,588	9,765	4.5%
2012	33,807	1,644,947,199	48,657	6,804	9,948	4.4%
2013	34,486	1,590,632,264	46,124	7,587	10,236	4.3%
2014	34,476	1,604,133,804	46,529	7,397	10,504	3.2%
2015	35,306	1,660,052,814	47,019	7,507	10,759	3.0%

- (1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2010.
- (2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.
- (3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2009 - 2011 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts.
 District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.
 Information is provided by the Roseville and Moundsview School Districts.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

City of Roseville Community Aspirations: 2015 Results & Accomplishments

Each year, the Mayor of Roseville presents a State of the City Address to highlight various results and accomplishments over the past year. These achievements are summarized in the spirit of the City's Mission Statement and in the context of the City's Community Aspirations, both of which are identified in other sections of this document. The State of the City Address is typically given in February of each year.

As of the date of this publication, the results and accomplishments for the most recent year have not yet been compiled. The results of the previous year grouped by community aspiration category are shown below.

Welcoming, inclusive, and respectful

- ❑ Hosted a Naturalization Ceremony at the Roseville Skating Center.
- ❑ Sponsored a New American Forum in partnership with the Karen Organization, International Institute, and the Roseville Area School District.
- ❑ Held a Civility Training event in partnership with the Institute for Civility in Government.

Safe and law-abiding

- ❑ Partnered with the University of Northwestern-St. Paul to survey interactions with policy to track performance and opportunities to improve.
- ❑ Continued transition to full-time firefighters to provide 24-hour staffing.
- ❑ Nearly 2,800 hours of volunteer work by police reserves, park patrols, and interns.

Economically prosperous, with a stable and broad tax base

- ❑ New permit value increased from \$56.5 million to \$70.2 million in 2015.
- ❑ Expansion at the Rosedale regional mall.
- ❑ New developments at the Twin Lakes Redevelopment Area,
- ❑ Experienced an overall market value increase of 5.1% (15.4% over past four years), coupled with general market appreciation across all property types.

Secure in our diverse and quality housing and neighborhoods

- ❑ Applewood Pointe senior co-op at the old Owasso School property.
- ❑ Cherrywood Pointe assisted living facility along Lexington Avenue.
- ❑ Initiated a new Multi-family rental licensing program to promote rental housing quality standards.
- ❑ Development of an 18-unit multi-family housing project at the Garden Station townhome project.

Environmentally responsible, with well-maintained natural assets

- ❑ Public/private partnership with the St. Paul Port Authority and St. Christopher's Church for solar panel installation.
- ❑ Ongoing study and analysis for a solar panel system for City Hall campus buildings.
- ❑ LED lighting update of all City Hall campus buildings.
- ❑ Continued restoration of natural resources as part of the Park Renewal Program.

Physically and mentally active and healthy

- ❑ Completed a key pathway link along County Road B2.
- ❑ Continued to foster the community-driven Alzheimer's and Dementia Community Action Team.

Well-connected through transportation and technology infrastructure

- ❑ Worked with State Officials to implement a new bus rapid transit service to serve Roseville citizens.
- ❑ Completion of the last leg of Twin Lakes Parkway serving the Twin Lakes Redevelopment Area and surrounding areas.
- ❑ Replacement of the Lexington Avenue Bridge.

Engaged in our community's success as citizens, neighbors, volunteers, leaders, and businesspeople

- ❑ Identified key initiatives to enhance participation and engagement in City activities including the upcoming update of the Comprehensive Plan, and redevelopment of targeted areas in Southwest Roseville.

Glossary of Terms

Assessment – Refers to a financial lien placed by the City against a property to pay for the property's fair share of any street or utility improvement.

Asset – generally refers to property, plant, or equipment that has an extended useful life and therefore can be relied upon to assist in the provision of programs or services beyond the current calendar year.

Accrual – An accounting practice of matching expenses with related revenues. Generally, expenses are reflected when the obligation is incurred, while revenue is reflected when earned, not when payment is received.

Appropriation – an appropriation represents a specific amount of money formally designed for a particular purpose.

Bonds – A method of borrowing (similar to a loan) used by the City to finance the construction or reconstruction of City facilities or infrastructure. See also, 'Debt Service'.

Budget – Refers to the City's planned use available monies for the upcoming fiscal year. The budget is considered 'balanced' when expected revenues are equivalent to planned expenditures.

Capital Improvement Plan - A long-term projection of all planned capital replacements of City facilities, street and utility infrastructure, vehicles and rolling stock, and other improvements.

Charges for Services include administrative charges between funds, wireless antenna lease revenues, recreation program fees, user charges for; water, sanitary sewer, storm drainage, and solid waste recycling fees, and greens fees for the municipal golf course.

Community Development includes planning and economic development, code enforcement, and geographic information systems.

Comprehensive Plan - A defined land use and zoning plan that was developed and placed into Roseville's City ordinances.

Debt Management Plan – A schedule of the City's debt service payments and an overview of the general principles that governs the issuance of City debt.

Debt Service – Refers to the principle and interest paid on bonds used to finance City facility and infrastructure improvement projects.

Depreciation - The systematic allocation of the cost of an asset over its useful life.

Enterprise Operations includes water, sanitary sewer, storm drainage, solid waste recycling, and the municipal golf course operations. They are specifically segregated from other City Funds due to their unique revenue stream and accounting practices.

Financial Plan – refers to the long-term financial picture based on the general direction of the City, 10-Year Capital Improvement Plan, and general budgeting decisions. The Plan also forecasts financial impacts on residents based on projected trends.

Fines & Forfeits include fines paid for traffic violations and criminal offenses occurring within the City limits.

Fiscal Disparities – is a wealth-sharing tool, somewhat unique to Minnesota that represents the portion of Commercial/Industrial property value added since 1974. This captured property value is shared amongst municipalities within the Twin Cities Metropolitan Area.

Fund – a separate account of assets, liabilities, revenues, and expenditures that was created for legal or management purposes, as a mean of segregating specific financial activity from other governmental operations.

Fund Balance – represents the cumulative reserves (surplus monies) that have been realized within the City's general and special-purpose operations and are available for future appropriations.

Full-time Equivalent – or FTE, represents a calculation of total staffing resources using the conversion that each full-time employee who works 40 hours per week, or 2,080 per year, would equal 1.0 FTE. An employee that works only 20 hours per week would equate to 0.50 FTE.

General Fund – the primary fund for the City of Roseville, which includes most State, or County mandated functions that are supported primarily by property taxes.

General Government – refers to those programs and services that are associated with general centralized City functions. They include, but are not limited to; Administration, Legal, Finance, Elections, and City Council expenditures.

Geographic Information Systems (GIS) – refers to the study of relationships between geographic parcels or areas. It is primarily used in the City's Community Development Program.

Governmental Funds – refers to the fund group that is used to account for the City's general operations. These operations are normally supported by taxes and intergovernmental revenues.

Homestead Credit Aid – general purpose State aid designed to give property tax relief to homeowners. The aid is provided to the City after a corresponding deduction is made to a homeowner's property tax bill.

Housing & Redevelopment Authority (HRA) – is a separate legal entity approved by the Council and charged with furthering the various housing programs of the City.

Inflation – A general measure of the change in prices and/or the costs of providing programs and services.

Infrastructure – Refers to City facilities, streets, parks, and utilities that have a useful life of at least ten (10) years.

Interest Earnings include investment earnings on cash reserves.

Inter-fund Charges – Represent administrative support charges that are assessed by internal service functions against other city functions to more accurately represent the true cost of providing City programs and services.

Intergovernmental Revenue – Includes Federal, State, or local monies received from other public entities.

Joint Powers Agreements (JPA) – Agreements entered into by public entities that are mutually beneficial. The JPA typically involves a contractual relationship whereby one entity provides a service to another in exchange for payment.

Lawful Gambling - Charitable gambling done by non-profit organization that is regulated by the State of Minnesota and the City of Roseville. The City of Roseville taxes gross revenues at 3% and gross profits at 10%.

Licenses & Permits include business licenses, building-related permits and fees, and licenses and fees collected at the License Center.

Net Assets - represents the cumulative reserves (surplus monies) that have been realized within the City's business-type operations (proprietary funds) and are available for future appropriations.

Operating Fund – a fund type that typically accounts for the on-going and day-to-day activities of specific programs or services. The General Fund is the primary operating fund of the City.

Other Services and Charges include professional services, contractual maintenance and repair, utilities, memberships, inter-fund charges, and training and conferences. It also includes the costs attributable to the purchase of water from the City of St. Paul and wastewater treatment costs paid to the Met Council.

Park Master Plan – Refers to the City's long-range plan for developing and redeveloping the Park system including facilities, trails, and natural amenities.

Parks and Recreation includes recreation administration and programs, leisure activities, and the Skating Center operation.

Pavement Management Program – Refers to the City's long-range plan for repairing and reconstruction local streets.

Personal Services includes the wage, benefit, and insurance costs of employees.

Personnel Costs – See 'Personal Services'.

Public Safety includes the costs associated with providing police and fire protection.

Public Works includes engineering, street maintenance, street lighting, fleet maintenance, and building maintenance functions.

Property Taxes include taxes levied against taxable property.

Proprietary Funds – refers to the fund group that is used to account for the City's business-type operations. These operations are normally supported by user fees and operate more like a private business would.

Reserves – monies held in interest-bearing accounts that are set aside for some future purpose, but are not necessarily needed in the current fiscal year. Reserves are also referred to as 'fund balance' or 'sinking funds'.

Sinking Funds – See ‘Reserves’.

Special Assessment - A charge made against certain properties to defray all or part of the cost of a specific capital improvement that benefits primarily those properties.

Special Purpose functions include information technology, communications, license center, lawful gambling enforcement, and parks maintenance.

State Aid monies refer to a variety of both general and specific aids provided by the State of Minnesota. It includes funding for police training, fire equipment, street maintenance and repair, and others.

Supplies and Materials include office supplies, motor fuel and vehicle supplies, clothing and protective gear, street repair materials, and salt/sand purchases.

Tax Capacity – a formula used to represent the taxable property value of a parcel(s) within the City and is used to determine the local tax rate.

Tax Levy – See ‘Property Taxes’.

Tax Increment Financing (TIF) - A method of financing by which improvements made in a designated area are paid by the taxes generated from the added taxable value of the improvements.

Trust Operations includes endowment funds used to offset general taxes, and to maintain the City-owned Roseville Lutheran Cemetery. A decrease in available funds will result due to falling interest rates, which in turn generate less interest earnings. The principle endowment of these funds remains intact.

User Fees – Refers to charges paid by end users for the purchase of City services. User fees are typically associated with recreational programs and water and sewer services..

Variance Board – is a Council-appointed Board charged with the task of reviewing requests by Roseville landowners for variances under the City’s Land Use Code(s).

Vehicle Replacement Program – Through departmental depreciation charges, the City establishes a Vehicle Replacement Fund that is used to replace City vehicles at the end of their useful life. For each vehicle class, a replacement schedule is determined based on the vehicle’s use, and expected wear and tear.