



2018 Budget and Capital Improvement Plan

2018 Budget
2018-2037 Capital Improvement Plan
Adopted December 11, 2017

Prepared by the Department of Finance

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Letter of Transmittal

December 11, 2017

To the Mayor and City Council,

Enclosed is the 2018 City Budget as prepared by City Staff, in accordance with City Council direction. The 2018 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 2018, 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:

2018 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 2018, the City recognized continuing strengthening of its tax base with overall market values up 8% during the past year and 26% over the past five 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 2018 with steady property tax and non-tax revenues and moderate overall spending increases. The City's asset replacement programs will receive additional funding in 2018 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 2018 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 2018 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 2018 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.

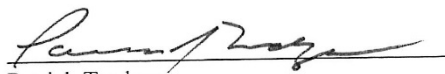
Section 3 – Strategic Financial Plans presents information regarding the City's Debt Management Plan, 20-year Capital Improvement Plan (CIP), and a 10-Year Financial Plan which play an integral part in the City's long-term financial planning as well as subsequent year's budgets.

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,

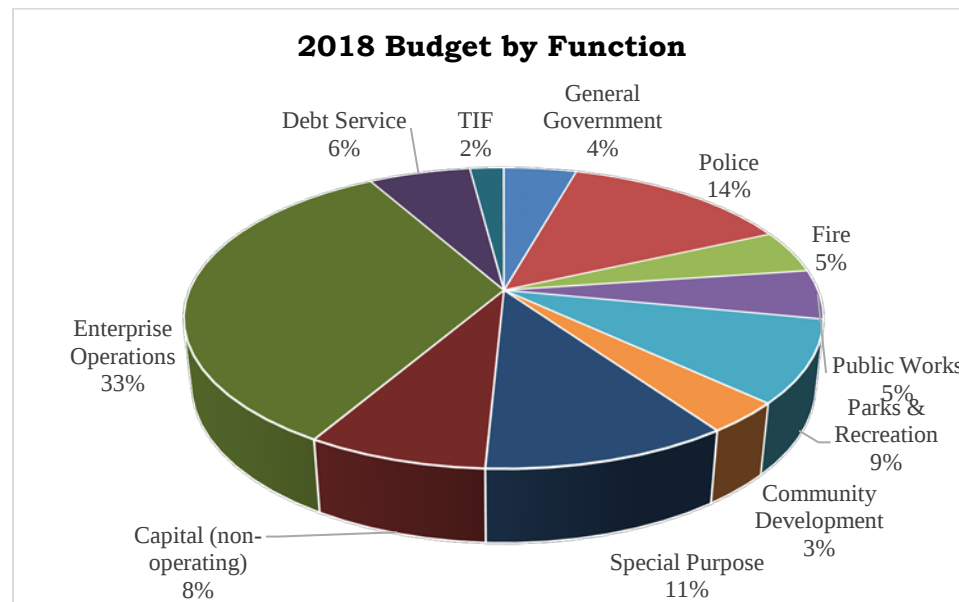

Patrick Trudgeon
City Manager


Christopher K. Miller
Finance Director

2018 Budget Summary

The 2018 Budget is \$54,239,230, an increase of \$2,275,495 or 4.4%. The combined budget for the *tax-supported funds* is \$30,443,715, an increase of \$1,173,375 or 4.0%.

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



Program or Function	2017	2018	\$ Increase (Decrease)	% Increase (Decrease)
General Government	\$ 2,286,445	\$ 2,371,825	\$ 85,380	3.7%
Police	7,214,025	7,494,920	280,895	3.9%
Fire	2,273,295	2,503,405	230,110	10.1%
Public Works	2,845,285	2,864,695	19,410	0.7%
Parks & Recreation	4,668,165	4,781,025	112,860	2.4%
Community Development	1,660,260	1,820,580	160,320	9.7%
Special Purpose	4,937,575	5,701,690	764,115	15.5%
Capital (non-operating)	4,383,525	4,168,425	(215,100)	-4.9%
Enterprise Operations	16,928,160	18,087,215	1,159,055	6.8%
Debt Service	3,330,000	3,330,000	-	0.0%
TIF	1,435,000	1,101,000	(334,000)	-23.3%
Trust/Other Operations	2,000	14,450	12,450	622.5%
Total	\$ 51,963,735	\$ 54,239,230	\$ 2,275,495	4.4%

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 2.25% 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 2.25-2.75% cost-of-living adjustment for employees. The increase is also attributable to the addition of three full-time firefighter positions and one part-time police cadet position.

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 2.25-2.75% cost-of-living adjustment for employees. These costs are somewhat offset by lower facility energy-related 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 2.25-2.75% 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 2.25% 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 increase reflecting the inclusion of three additional IT employees funded by 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.

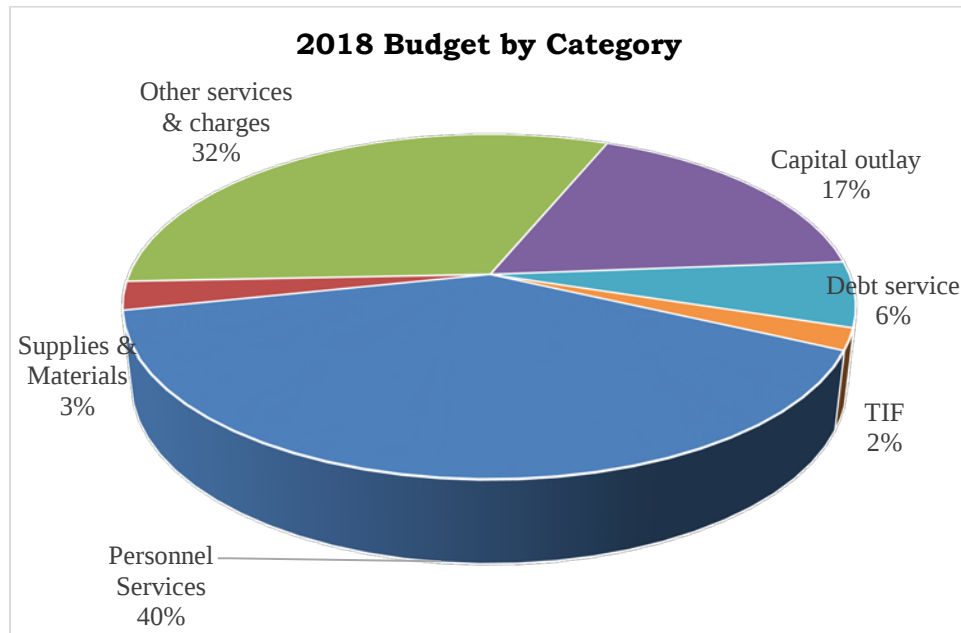
Enterprise Operations includes water, sanitary sewer, storm drainage, solid waste recycling, and the municipal golf course. Overall expenditures are expected to increase due to higher scheduled capital replacements.

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 2018 due to an expiring TIF obligation.

Trust & Other Operations includes funds set aside to maintain a City-owned cemetery. An increase is expected in 2018 to accommodate the City's safety and loss control efforts.

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



<u>Expense Category</u>	<u>2017</u>	<u>2018</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Personnel Services	20,340,020	21,545,435	\$ 1,205,415	5.9%
Supplies & Materials	1,417,235	1,453,735	36,500	2.6%
Other services & charges	16,867,785	17,284,495	416,710	2.5%
Capital outlay	8,573,695	9,524,565	950,870	11.1%
Debt service	3,330,000	3,330,000	-	0.0%
TIF	1,435,000	1,101,000	(334,000)	-23.3%
Total	\$ 51,963,735	\$ 54,239,230	\$ 2,275,495	4.4%

Personal Services includes the wage, benefit, and insurance costs of employees. For 2018, personnel costs will rise due to a 2.25-2.75% 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.

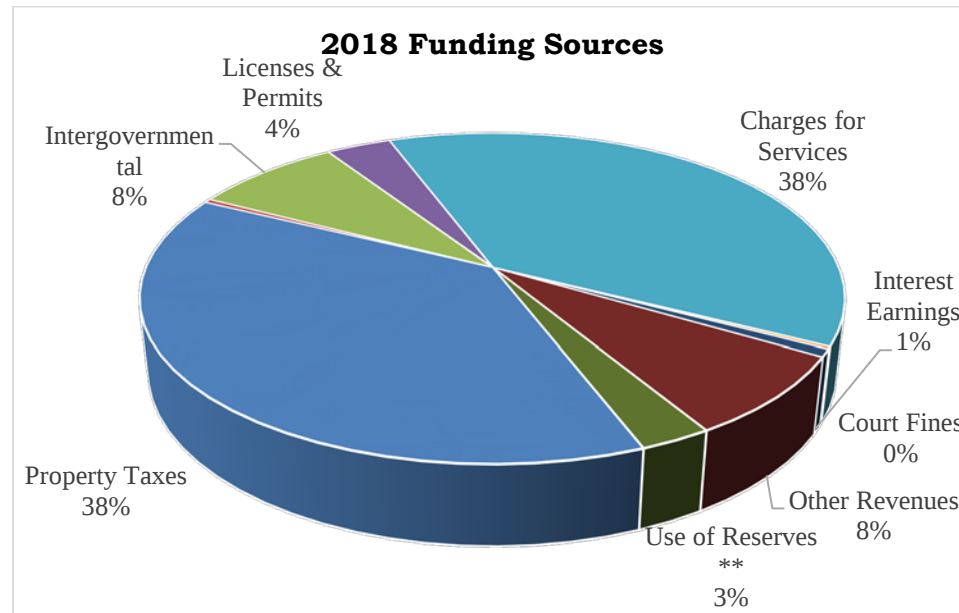
Capital Outlay includes scheduled replacement purchases of vehicles and equipment (non-operating budgets), as well as general infrastructure improvements. An increase is expected due to higher scheduled capital replacements.

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 2018 due to an expiring TIF obligation.

Budget Funding Sources

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



			\$ Increase	% Increase
<u>Funding Source</u>	<u>2017</u>	<u>2018</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Property Taxes	\$ 19,513,060	\$ 20,680,505	\$ 1,167,445	6.0%
Special Assessments	151,225	206,000	54,775	36.2%
Intergovernmental	3,315,800	4,394,230	1,078,430	32.5%
Licenses & Permits	1,796,500	1,914,500	118,000	6.6%
Charges for Services	19,409,780	20,707,540	1,297,760	6.7%
Court Fines	168,000	134,000	(34,000)	-20.2%
Interest Earnings	302,900	403,105	100,205	33.1%
Other Revenues	4,531,700	4,274,140	(257,560)	-5.7%
Use of Reserves **	2,774,770	1,525,210	(1,249,560)	-45.0%
Total	\$ 51,963,735	\$ 54,239,230	\$ 2,275,495	4.4%

** 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 (\$1,100,000), police, fire, and street maintenance aid (\$1,000,000) and monies received under joint powers agreements (\$2,276,000). The increase is largely attributable to added payments and reimbursements received from other agencies which receive information technology support from the City of Roseville.

Licenses & Permits include business licenses (\$338,000) and building-related permits (\$1,466,000).

Charges for Services include wireless antenna lease revenues (\$430,000), recreation program fees (\$2,146,000), user charges for; water (\$7,740,000), sanitary sewer (\$5,323,000), storm drainage (\$1,830,000), solid waste recycling fees (\$432,000), and greens fees for the municipal golf course (\$323,000). The increase is attributable to fee increases for most city-provided services as well as increased customer activity.

Court Fines include fines paid for traffic violations and criminal offenses occurring within the City limits. A reduction is planned in 2018 to reflect lower levels of criminal and civil case-load processing.

Interest Earnings include investment earnings on cash reserves. An increase is expected in 2018 due to improved earnings opportunities within 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.

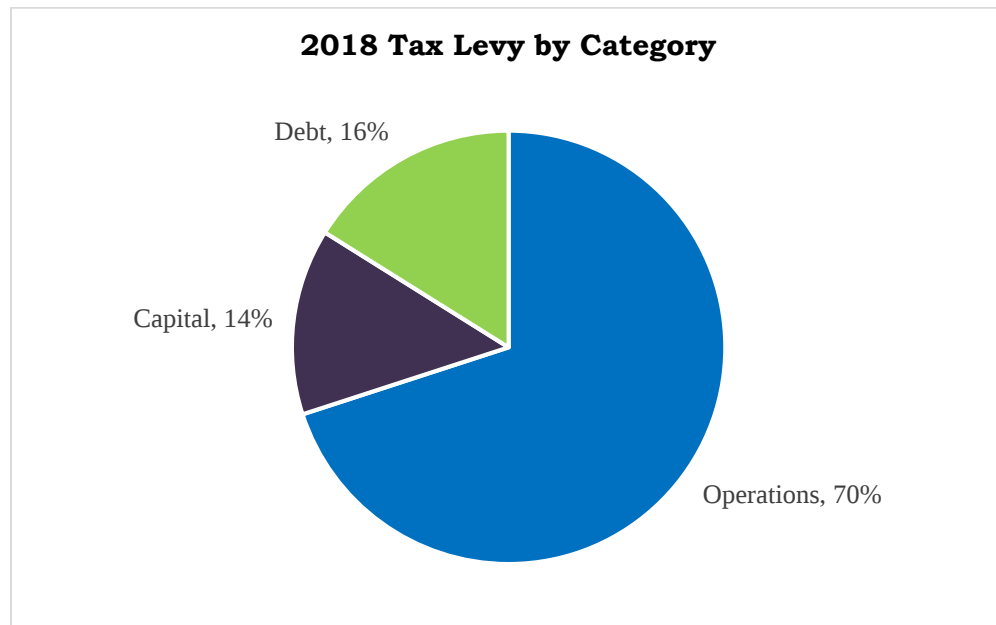
Use of Reserves denotes the amount of reserves that is projected to be used to finance one-time capital replacements and other uses. A decrease of planned uses of reserves is expected in 2018.

Tax Levy, Tax Capacity, and Tax Impact

The tax levy for 2018 is \$20,680,505; an increase of \$1,167,445 or 6.0%. 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 \$236,900 that experiences a 4.3% change in valuation would see a property tax increase of \$22 or 2.4% in their local property taxes.

The following graph and table summarizes the 2018 tax levy.



<u>Fund / Program</u>	<u>2017</u>	<u>2018</u>	<u>\$ Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>
General Fund Programs	\$11,044,390	\$11,546,235	\$ 501,845	4.5%
Parks & Recreation - Programs	1,288,915	1,349,255	60,340	4.7%
Parks & Recreation - Maintenance	1,248,755	1,275,015	26,260	2.1%
Pathways & Parking Lots Maintenance	245,000	245,000	-	0.0%
Boulevard Landscaping	60,000	60,000	-	0.0%
General Vehicle & Equipment Replacements	1,399,000	1,393,000	(6,000)	-0.4%
General Facility Replacement	212,000	421,000	209,000	98.6%
Park Improvement Program	200,000	410,000	210,000	105.0%
Pavement Management Program	470,000	630,000	160,000	0.0%
Street Lighting Replacement	15,000	21,000	6,000	40.0%
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%
	\$19,513,060	\$20,680,505	\$1,167,445	6.0%

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 2017 and 2018 (estimated) is 40.131% and 39.404% respectively.

To determine an individual property's tax, the local tax rate is applied to the property's net tax capacity. For example, a \$236,900 home has a tax capacity of 2,369 (236,900 multiplied by 1% which represents the Statewide tax formula for homestead property). This tax capacity figure is then multiplied by the local tax rate.

$$2,369 \times .39404 = \$933$$

In 2018 a \$236,900 home will pay an estimated \$933 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 2018 tax levy and budget, estimates provided by Ramsey County, and assuming a 4.3% increase in property valuation.

Estimated Tax Impact - Residential with 4.3% valuation increase				
			\$ Increase	% Increase
<u>Value of Home</u>	<u>2017</u>	<u>2018</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
187,740	722	740	17	2.41%
208,600	803	822	19	2.41%
236,900	912	933	21.91	2.40%
255,535	983	1,007	24	2.41%
276,395	1,063	1,089	26	2.41%

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

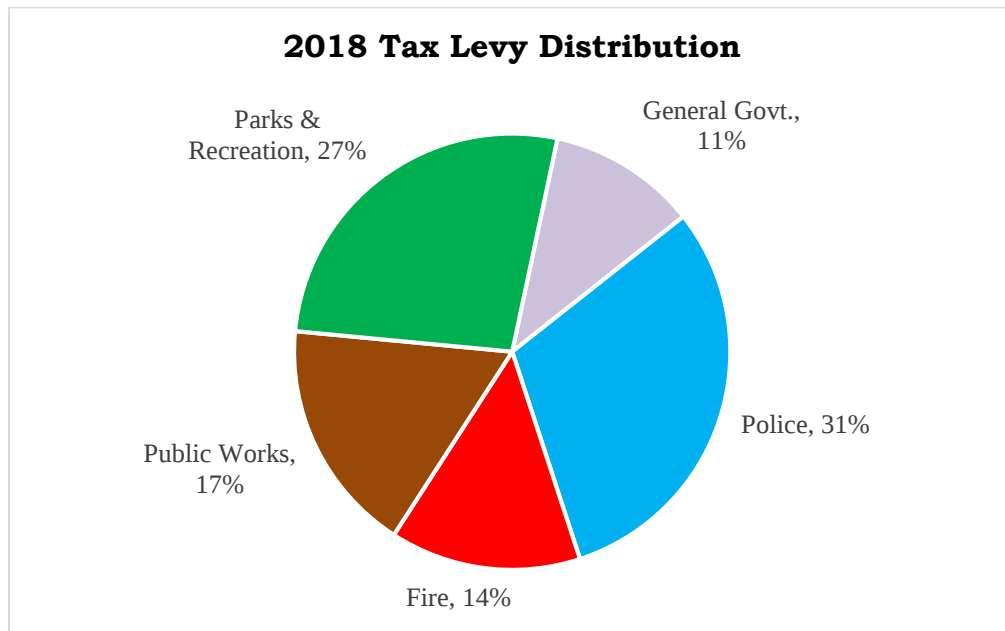
As shown above, a median-valued home of \$236,900 would see an increase of \$22 or 2.4%, holding all other factors constant.

The following table summarizes the estimated tax impact on **commercial** property, based on the 2018 tax levy and budget, estimates provided by Ramsey County, and assuming no increase in property valuation.

Estimated Tax Impact - Commercial				
			\$ Increase	% Increase
<u>Value of Property</u>	<u>2017</u>	<u>2018</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
500,000	3,712	3,645	(67)	-1.81%
750,000	5,719	5,615	(104)	-1.81%
1,000,000	7,725	7,585	(140)	-1.81%
2,000,000	15,751	15,466	(285)	-1.81%
3,000,000	23,778	23,347	(431)	-1.81%

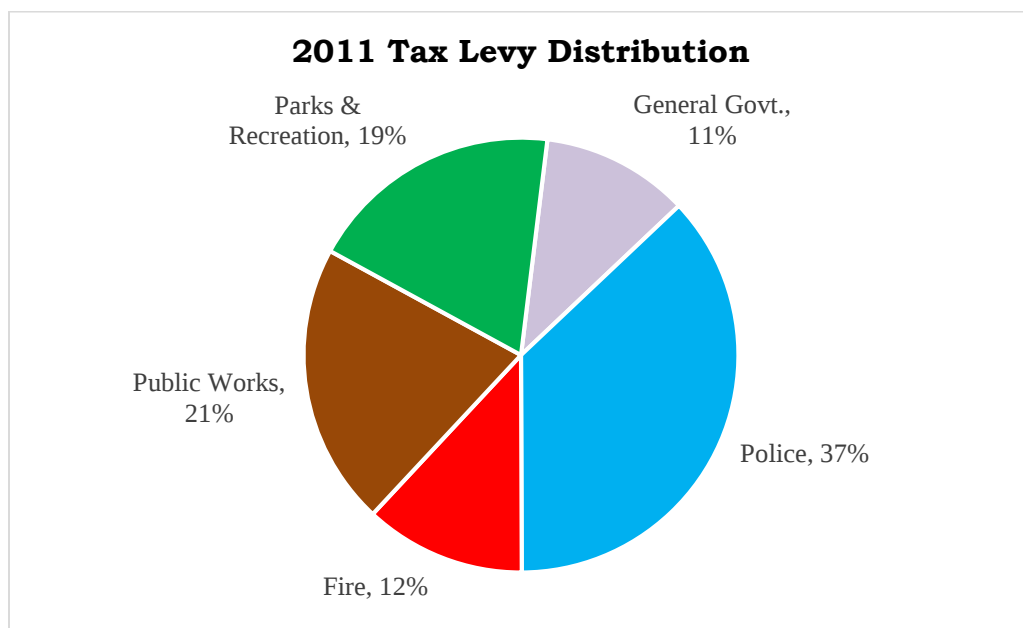
Tax Levy Benchmarks

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.

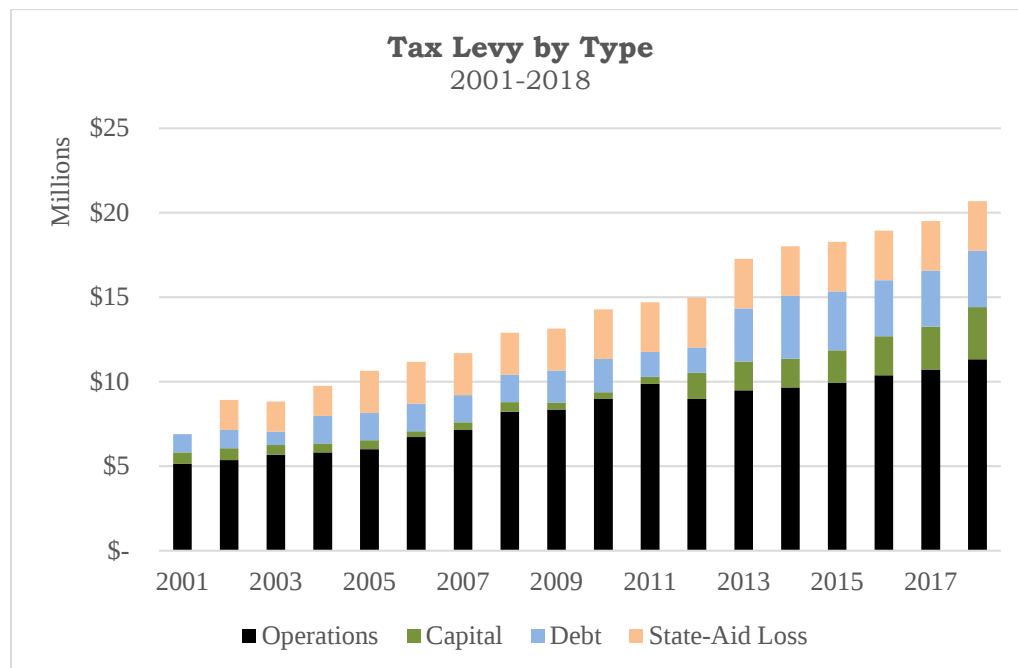


As depicted in the chart, police-related programs and services receive the highest level of tax levy support at 31% followed by Parks & Recreation at 27%. This distribution includes each function's proportionate share of debt service used to finance related improvements.

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 2011.



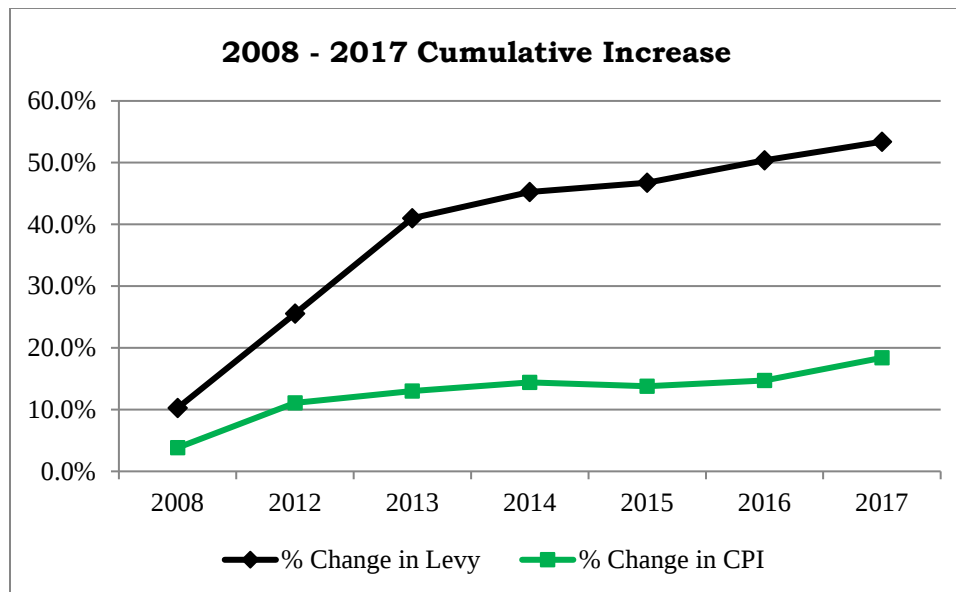
We can also depict the year-by-year changes in the overall tax levy to not only gauge taxpayer impact over time, but to also demonstrate what's driving property tax changes. The following chart depicts the tax levy by type since 2001.



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 \$2.2 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 \$5.8 million.

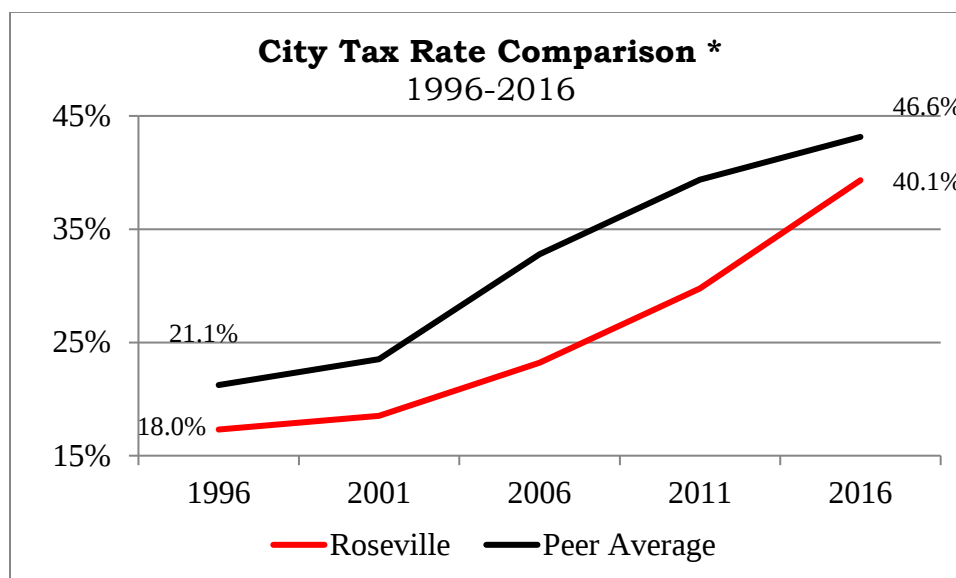
Another comparison we can make is to compare changes in the tax levy over time to a standard benchmark – the local inflation rate as measured by the Consumer Price Index (CPI). The CPI represents the change in prices over time for a typical household's purchases such as housing, food, clothing, utilities,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

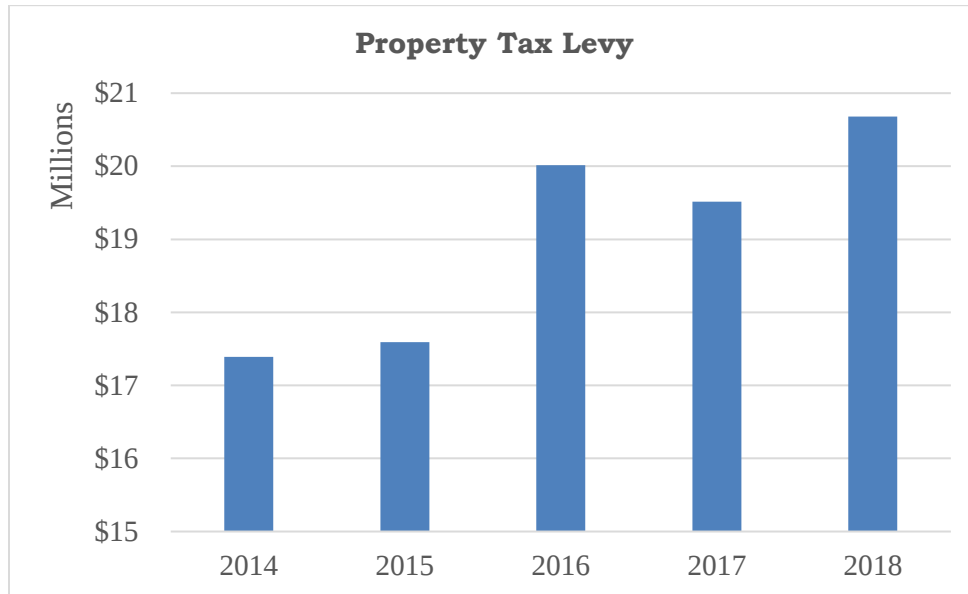
The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for all governmental funds.

	2014	2015	2016	2017	2018
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$17,392,732	\$17,592,865	\$ 20,013,158	\$ 19,513,060	\$ 20,680,505
Tax Increments	2,043,476	1,928,239	1,677,742	1,385,000	995,000
Special Assessments	213,528	170,841	302,100	151,225	206,000
Intergovernmental	1,523,496	3,515,434	3,381,245	3,230,800	4,306,730
Licenses & Permits	1,513,956	1,754,773	2,414,103	1,796,500	1,914,500
Charges for Services	4,742,687	5,188,227	5,888,046	4,768,670	5,398,240
Fines & Forfeits	204,799	135,766	107,229	168,000	134,000
Interest Earnings	1,943,123	661,420	(132,317)	269,900	372,105
Other Revenue	1,476,745	1,724,459	1,711,342	1,007,150	1,047,935
Total Sources	31,054,542	32,672,024	35,362,648	32,290,305	35,055,015
Funding Uses					
General Government	2,188,814	2,392,912	6,822,109	2,286,445	2,813,825
Public Safety	8,704,561	9,021,451	10,085,783	9,487,320	9,556,325
Public Works	2,397,213	2,488,414	2,499,271	2,845,235	2,864,695
Parks & Recreation	4,069,483	4,616,641	4,380,124	4,668,165	4,781,025
Community Development	1,249,625	1,300,285	1,422,063	1,660,260	1,820,580
Special Purpose	3,145,902	3,359,442	3,014,830	4,937,575	5,701,690
Capital Outlay	14,098,442	10,551,732	9,821,852	4,383,525	4,168,425
Debt Service	7,344,686	3,472,417	3,508,823	3,330,000	3,330,000
TIF-Related	678,641	474,676	165,491	1,435,000	1,101,000
Trust/Other Operations	4,500	-	-	2,000	14,450
Total Uses	43,881,867	37,677,970	41,720,346	35,035,525	36,152,015
Other Sources (Uses)					
Transfers in (out)	782,000	782,000	805,000	1,048,000	1,097,000
Bond Proceeds (net)	-	3,246,065	-	-	-
Sale of capital assets	26,811	531,052	172,722	-	-
Other	-	-	-	-	-
Total Other Sources (Uses)	808,811	4,559,117	977,722	1,048,000	1,097,000
Excess of Funding Sources Over (Under) Funding Uses	(12,018,514)	(446,829)	(5,379,976)	(1,697,220)	-
Fund Balance - Jan 1st	57,277,709	45,259,195	44,812,366	43,982,955	42,285,735
Prior Period Adjustment			4,550,565		
Fund Balance - Dec 31st	\$45,259,195	\$44,812,366	\$ 43,982,955	\$ 42,285,735	\$ 42,285,735

Discussion Items

From 2014-2018, overall funding sources for the City's governmental fund operations have remained fairly stable with a few exceptions.

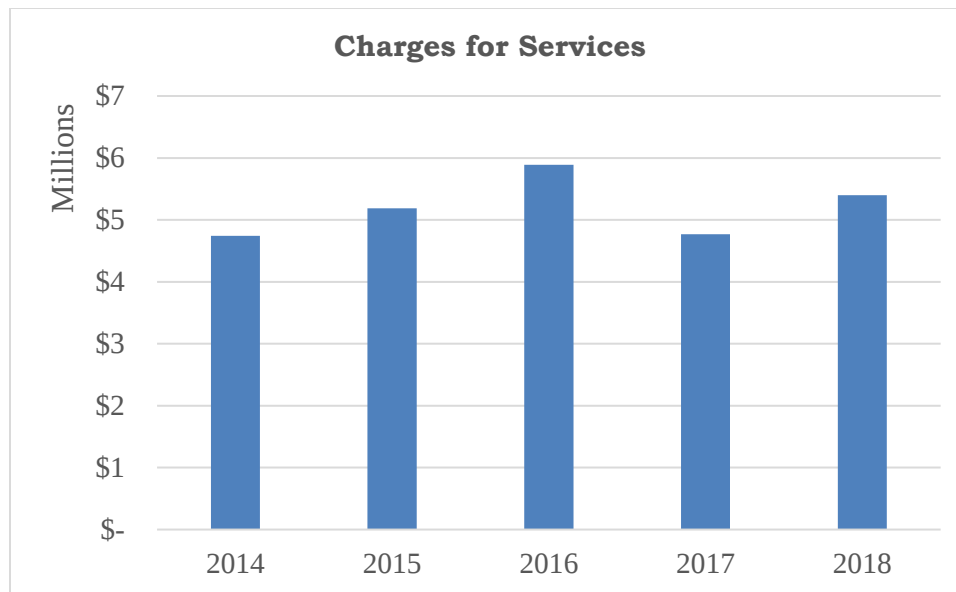
Since 2014, the City has become more reliant on the property tax to fund current operations. This has resulted in large part due to the added costs associated with the City's asset replacement programs. The City's reliance on the property tax also resulted from the decline in interest earnings and other non-tax revenue sources during this period. The chart below depicts the property tax levy for the past 5 years.



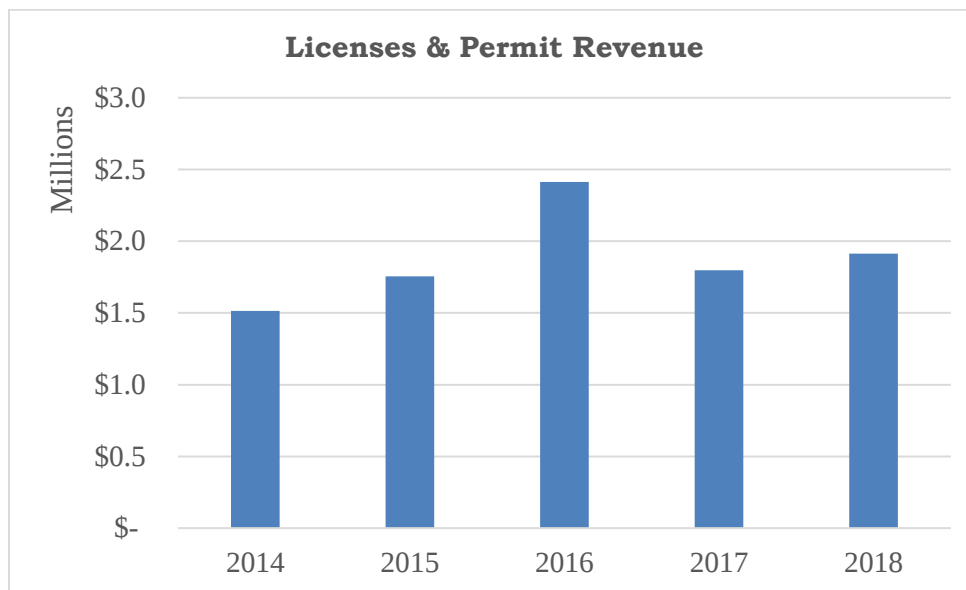
Over the next five years, it is expected that the City's tax levy will need to increase at levels that are somewhat above inflation. This will be necessary to offset expected increases in personnel-related costs and to continue strengthening the City's asset replacement funding mechanisms.

The City has realized a stabilization of its investment earnings excluding fluctuations in year-end market values, albeit at lower levels than a decade 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 2018 and beyond. This is depicted in the chart below.



From a governmental funds expenditure standpoint, the City continues its emphasis on its core functions of public safety, public works, and parks & recreation. During the last five years, a substantial investment was made in capital assets and technology. It is expected that these core 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. Both the License Center and 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 45 area municipalities and other governmental agencies. The City expects these IT partnerships to continue for the foreseeable future.

The City's debt service payments have leveled off as newer 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 continue declining 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.

	2014	2015	2016	2017	2018
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Net Sales of Merchandise	\$ 11,714	\$ 23,505	\$ 10,680	\$ -	\$ -
User Charges	13,177,289	13,476,106	13,927,985	14,641,110	15,309,300
Other Revenue	80,788	75,732	61,392	110,500	132,000
Total Sources	13,269,791	13,575,343	14,000,057	14,751,610	15,441,300
Funding Uses					
Personal Services	1,618,229	1,650,863	1,755,058	1,820,700	1,832,230
Supplies & Maintenance	330,636	242,999	339,086	272,400	341,050
Other Services & Charges	8,492,812	8,271,694	8,694,639	9,972,560	10,993,935
Depreciation	876,396	964,668	1,154,037	1,051,000	4,920,000
Total Uses	11,318,073	11,130,224	11,942,820	13,116,660	18,087,215
Other Sources (Uses)					
Interest Earnings	298,049	50,328	(9,449)	33,000	31,000
Sale of Assets	9,536	145,442	7,635	-	-
Grants / Other	90,419	191,251	90,533	-	-
Transfer In (out)	(331,033)	(782,000)	(527,945)	-	-
Total Other Sources (Uses)	66,971	(394,979)	(439,226)	33,000	31,000
Excess of Funding Sources					
Over (Under) Funding Uses	2,018,689	2,050,140	1,618,011	1,667,950	(2,614,915)
Net Assets - Jan 1st	27,759,679	29,778,368	30,859,340	32,322,701	33,990,651
Prior Period Adjustment	-	(969,168)	(154,650)	-	-
Net Assets - Dec 31st	\$29,778,368	\$30,859,340	\$ 32,322,701	\$ 33,990,651	\$ 31,375,736

Discussion Items

Proprietary funds receive most of their funding from user fees. Funding sources for the City's Proprietary operations have remained strong and are expected to continue for the next five years. Utility rate increases enacted in 2014-2018 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 few 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.

	2014	2015	2016	2017	2018
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$10,173,073	\$10,236,716	\$ 11,918,681	\$ 11,044,390	\$ 11,546,235
Intergovernmental	991,970	1,031,110	1,213,476	961,000	1,080,000
Licenses & Permits	416,659	396,247	484,004	323,000	338,000
Charges for Services	221,728	212,120	535,975	193,000	328,000
Fines & Forfeits	204,799	135,479	107,229	168,000	134,000
Interest Earnings	338,364	74,431	(38,581)	30,000	30,000
Other Revenue	96,735	83,548	74,599	40,000	30,000
Total Sources	12,443,328	12,169,651	14,295,383	12,759,390	13,486,235
Funding Uses					
General Government	2,193,314	2,323,882	2,560,587	2,286,445	2,371,825
Police	6,701,924	6,863,443	7,080,726	7,214,025	7,494,920
Fire	1,661,020	1,826,476	1,927,282	2,064,295	2,282,405
Fire Relief	341,617	220,012	221,324	209,000	221,000
Public Works	2,397,213	2,211,904	2,238,271	2,845,235	2,864,695
Total Uses	13,295,088	13,445,717	14,028,190	14,619,000	15,234,845
		-			
Other Sources (Uses)					
Transfer In (Out)	926,471	962,148	934,000	1,048,000	1,067,000
Other	-	-	3,351	-	-
Total Other Sources (Uses)	926,471	962,148	937,351	1,048,000	1,067,000
Excess of Funding Sources					
Over (Under) Funding Uses	74,711	(313,918)	1,204,544	(811,610)	(681,610)
Fund Balance - Jan 1st	6,207,893	6,282,604	5,968,686	7,173,230	6,361,620
Fund Balance - Dec 31st	\$ 6,282,604	\$ 5,968,686	\$ 7,173,230	\$ 6,361,620	\$ 5,680,010

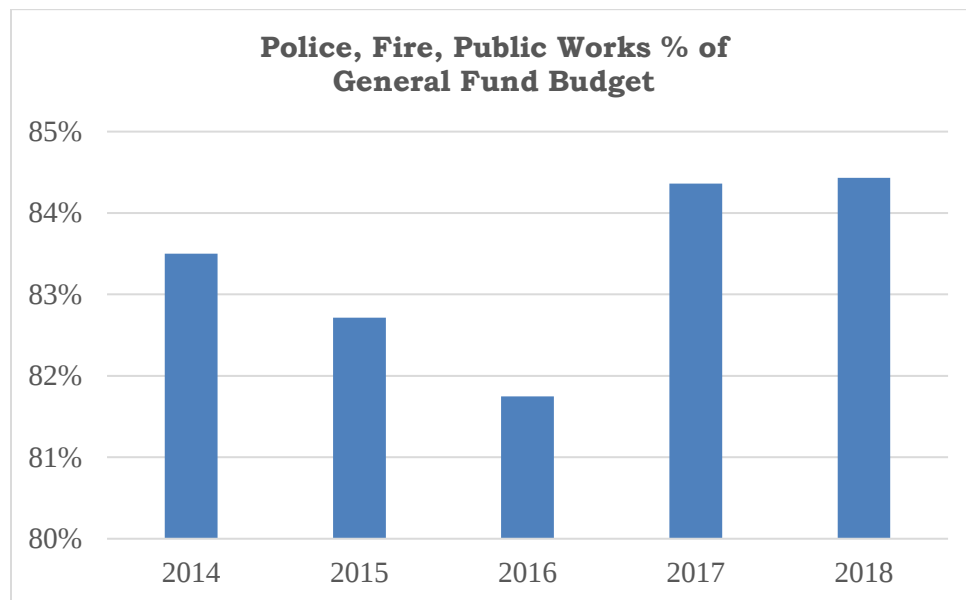
Discussion Items

During the period 2014-2018, 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 3% per year. In 2018, the increase was primarily designated for added personnel-related costs as well as contractual maintenance and professional services. A small increase was also instituted to reduce the General Fund's reliance on cash reserves.

Beyond 2018, 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 2014-2018, 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 general administrative costs, which have experienced more moderated increases since 2014.

In 2018, the General Fund balance is expected to decrease by \$681,000 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.

	2014	2015	2016	2017	2018
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$ 1,978,856	\$ 2,136,995	\$ 2,438,555	\$ 2,537,670	\$ 2,624,270
Charges for Services	1,771,633	1,908,640	2,033,709	2,119,970	2,146,230
Rentals	59,625	52,796	59,250	-	-
Donations	119,900	166,416	100,317	-	-
Interest Earnings	52,769	17,535	(3,727)	10,300	10,525
Other Revenue	74,550	54,002	43,422	225	-
Total Sources	4,057,333	4,336,384	4,671,526	4,668,165	4,781,025
Funding Uses					
Personnel	2,608,189	2,664,519	2,815,370	2,996,410	3,083,070
Supplies & Materials	305,730	297,316	282,377	325,855	317,940
Other Services & Charges	1,120,742	1,179,001	1,220,905	1,345,900	1,380,015
Capital Outlay	34,822	9,698	-	-	-
Total Uses	4,069,483	4,150,534	4,318,652	4,668,165	4,781,025
Other Sources (Uses)					
Transfer In (Out)	-	-	-	-	-
Other	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	(12,150)	185,850	352,874	-	-
Fund Balance - Jan 1st	1,111,161	1,099,011	1,284,861	1,637,735	1,637,735
Fund Balance - Dec 31st	\$ 1,099,011	\$ 1,284,861	\$ 1,637,735	\$ 1,637,735	\$ 1,637,735

Discussion Items

From 2014-2018, 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 5% per year keeping pace with inflation and activity levels.

During this same period, operating expenses increased at approximately 4% 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.

	2014	2015	2016	2017	2018
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Licenses & Permits	\$ 1,097,097	\$ 1,358,426	\$ 1,929,899	\$ 1,373,500	\$ 1,466,500
Charges for Services	243,679	258,412	255,597	297,300	600,150
Interest Earnings	45,987	16,452	(3,852)	15,000	11,250
Other Revenue	21,239	15,021	22,365	-	23,140
Total Sources	1,408,002	1,648,311	2,204,009	1,685,800	2,101,040
Funding Uses					
Personnel	1,045,079	1,075,295	1,134,724	1,073,125	1,241,825
Supplies & Materials	9,154	11,613	7,224	24,945	26,210
Other Services & Charges	174,550	205,135	278,086	480,920	423,425
Capital Outlay	20,843	8,242	2,028	81,270	129,660
Total Uses	1,249,626	1,300,285	1,422,062	1,660,260	1,821,120
Other Sources (Uses)					
Transfer In (Out)	(40,000)	(40,000)	(45,000)	-	-
Other	-	-	775	-	-
Total Other Sources (Uses)	(40,000)	(40,000)	(44,225)	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	118,376	308,026	737,722	25,540	279,920
Fund Balance - Jan 1st	595,148	713,524	1,021,550	1,759,272	1,784,812
Fund Balance - Dec 31st	\$ 713,524	\$ 1,021,550	\$ 1,759,272	\$ 1,784,812	\$ 2,064,732

Discussion Items

During the period 2014-2018, the Community Development Fund realized increasing overall activity which was indicative of strong 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, 2018

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

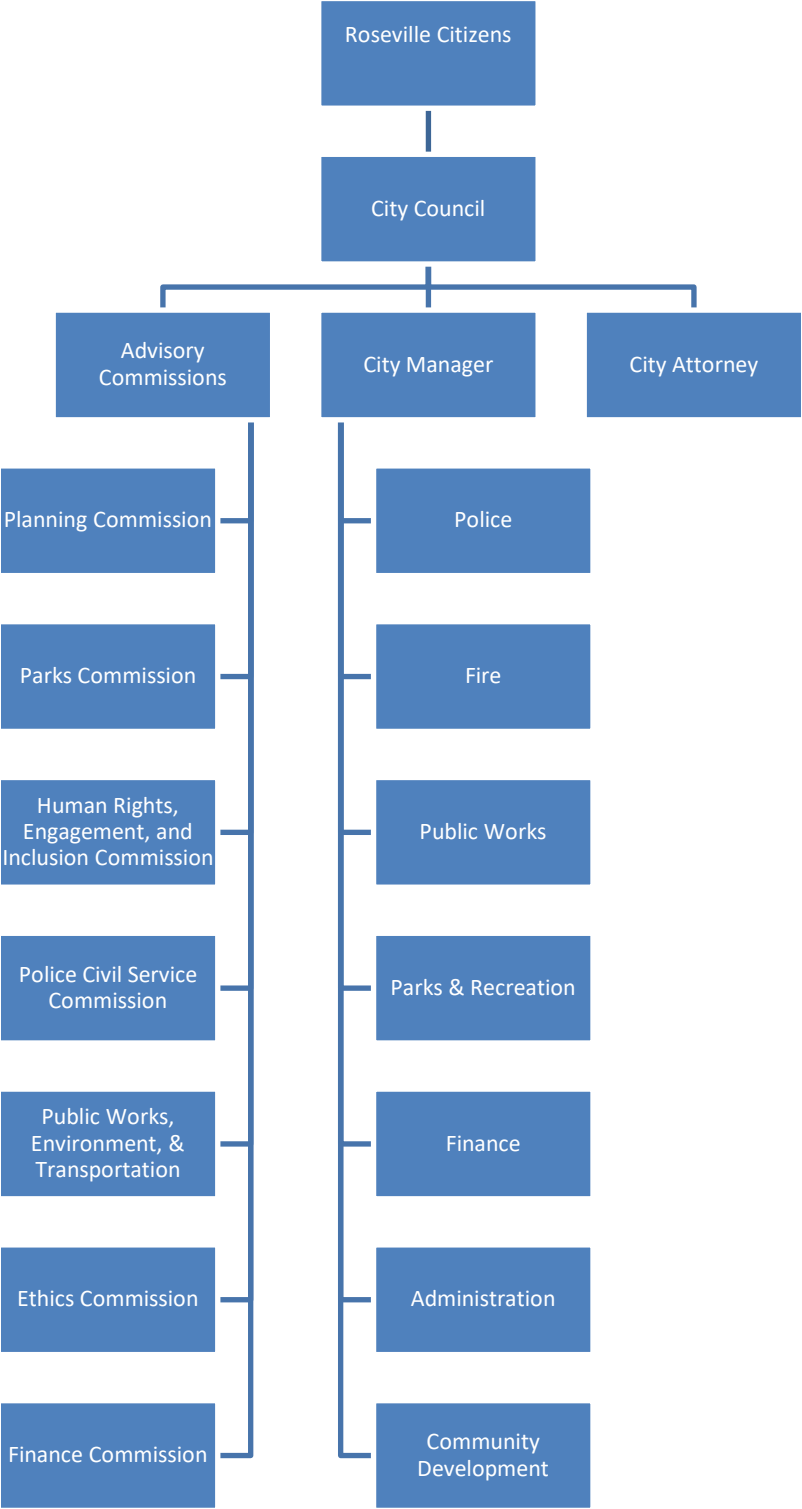
* expires on the first official business day in January

Appointed Officials

City Manager	Patrick Trudgeon
Assistant City Manager	Rebecca Olson
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 City 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.

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:

2018 Budget Calendar

Review County Assessed Market Value Data	May 15, 2017
Receive 2018-2037 Capital Improvement Plan	May 15, 2017
Receive City Council Budgetary Goals	July 17, 2017
Receive City Manager Recommended Budget	August 28, 2017
Receive Budget Recommendations from the Finance Commission.....	September 18, 2017
Adopt the 2018 Preliminary Budget & Tax Levy.....	September 25, 2017
Review Proposed Utility Rates	November 13, 2017
Final Budget Hearing.....	December 4, 2017
Adopt the 2018 Water & Sewer Rates.....	December 11, 2017
Adopt the 2018 Final Budget & Tax Levy	December 11, 2017

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

<u>Division</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Administration	4.70	4.70	4.70	5.00	5.00
Elections	0.05	0.05	0.05	0.05	0.05
Communications	2.25	2.25	2.25	2.45	2.45
Total Administration	7.00	7.00	7.00	7.50	7.50
Finance	5.90	5.90	5.90	5.55	5.55
Lawful Gambling	0.10	0.10	0.10	0.10	0.10
Information Technology	13.00	14.00	17.00	17.00	20.00
License Center	14.75	14.75	16.75	16.75	16.75
Total Finance	33.75	34.75	39.75	39.40	42.40
Police Administration	9.00	9.00	9.00	9.50	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	3.00	3.00	3.50
Total Police	57.00	57.00	58.00	58.50	59.00
Fire Administration	2.00	2.00	3.00	3.00	3.00
Fire Prevention	2.00	1.00	1.00	-	-
Fire Operations	2.00	8.00	8.00	12.00	15.00
Total Fire	6.00	11.00	12.00	15.00	18.00
PW Administration	7.25	7.25	7.25	7.25	7.25
Street Maintenance	7.10	7.10	7.10	7.10	7.10
Central Garage	2.00	2.00	2.00	2.00	2.00
Engineering Services	1.00	1.00	2.00	2.00	2.00
Sanitary Sewer	4.70	4.70	4.70	5.05	5.05
Water	7.15	7.15	7.15	7.15	7.15
Storm Drainage	4.20	4.20	4.20	4.20	4.20
Recycling	0.35	0.35	0.35	0.35	0.35
Total Public Works	33.75	33.75	34.75	35.10	35.10
Recreation Administration	4.90	4.90	4.90	4.90	5.15
Recreation Programs	4.35	4.35	4.85	4.85	4.85
Skating Center	5.75	5.75	5.75	5.75	5.75
Park Maintenance	9.00	9.50	9.50	9.50	9.50
Golf Course	1.75	1.75	1.75	1.75	1.75
Total Parks & Recreation	25.75	26.25	26.75	26.75	27.00
Planning	4.25	5.25	3.60	3.10	4.05
Housing & Economic Development	0.25	0.25	1.90	1.90	1.50
GIS	1.00	1.00	0.80	0.80	0.30
Rental Licensing	-	-	1.25	1.25	1.25
Neighborhood Enhancement	-	-	0.50	0.50	0.45
Code Enforcement	7.00	7.00	5.45	5.45	4.35
Total Community Development	12.50	13.50	13.50	13.00	11.90
Total Citywide	175.75	183.25	191.75	195.25	200.90

** 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, 2017

A handwritten signature in black ink, reading "Jeffrey R. Emswiler".

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.

2018 Goals and Objectives

- Economic Development Strategic Initiatives
 - Foster Twin Lakes Redevelopment
 - Facilitate City-Wide Economic Development
 - Implement Southeast Roseville Revitalization Goals
- Inclusive Community and Governance
 - Continue Southeast Roseville Working Group Activities with Stakeholders
 - Continue Imagine Roseville Efforts and follow through with outcomes
 - Review and Consider Inclusive City Policies and Procedures through participation in Government Alliance on Race and Equity Program
- Capital Improvements
 - Increase Pedestrian Connectivity
 - Ensure Sustainable Capital Improvement Funding
 - Provide Timely and Transparent Capital Improvement Budget Information
- Infrastructure Sustainability
 - Categorize Infrastructure Condition
 - Ensure Capital Improvement Funding

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 40,044	\$ 46,247	\$ 48,589	\$ 46,800	\$ 47,490	\$ 690	1.5%
Supplies & Materials	-	115	57	-	-	-	0.0%
Other Services & Charges	143,768	153,532	164,875	164,975	187,700	22,725	13.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 183,812	\$ 199,893	\$ 213,521	\$ 211,775	\$ 235,190	\$ 23,415	11.1%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- 'Other Services & Charges' increase is primarily due to the addition of training dollars for the Government Alliance on Race and Equity Program.

2016/2017 Achievements

- Adopted the 2017-18 Policy Priority Planning document.

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.

2018 Goals and Objectives

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

Financial Summary

	2014	2015	2016		2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>		<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-		-	-	-	0.0%
Other Services & Charges	341,617	220,012	221,324		209,000	221,000	12,000	5.7%
Capital Outlay	-	-	-		-	-	-	0.0%
Total	\$341,617	\$220,012	\$221,324		\$209,000	\$221,000	\$ 12,000	5.7%
FTE's	-	-	-		-	-		

2018 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.

2016/2017 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.

2018 Goals and Objectives

- Revisit Policy Priority Planning document approved by City Council.
- Review HRIS software system for effectiveness and efficiency.
- Negotiate contracts with LELS, Teamsters and Local 49 bargaining units.
- Develop handbook and background check policy for volunteers.
- Continue to be visible in the community and responsive to citizens.
- Review and develop organization-wide on-boarding process for new employees.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$468,368	\$534,087	\$492,452	\$603,700	\$633,130	\$ 29,430	4.9%
Supplies & Materials	857	1,069	1,289	1,500	1,500	-	0.0%
Other Services & Charges	72,775	84,721	120,231	120,830	127,900	7,070	5.9%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$542,000	\$619,877	\$613,973	\$726,030	\$762,530	\$ 36,500	5.0%
FTE's	4.70	4.70	4.70	5.00	5.00		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- 'Other Services & Charges' increase due to higher software maintenance costs.

2016/2017 Achievements

- Implemented Policy Priority Planning document.
- Implemented Benovate on-line wellness program.
- Entered into 3-year contract with International Association of Fire Fighters.
- Instituted background checks for commissioners serving on commissions that have youth members.

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.

2018 Goals and Objectives

- Coordinate elections function with Ramsey County for 2018 election.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 5,264	\$ 5,264	\$ 5,654	\$ 6,300	\$ 5,550	\$ (750)	-11.9%
Supplies & Materials	84	-	148	50	500	450	900.0%
Other Services & Charges	58,438	68,487	75,215	66,350	66,350	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 63,786	\$ 73,751	\$ 81,017	\$ 72,700	\$ 72,400	\$ (300)	-0.4%
FTE's	0.05	0.05	0.05	0.05	0.05		

2018 Budget Impact Items

- Not applicable.

2016/2017 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.

2018 Goals and Objectives

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

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	332,161	346,269	346,533	348,700	359,160	10,460	3.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$332,161	\$346,269	\$346,533	\$348,700	\$359,160	\$ 10,460	3.0%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- The City's legal costs are reflected in service contracts with area law firms. An contractual increase is expected in 2018.

2016/2017 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.

2018 Goals and Objectives

- Continue evaluating and improving all communication media produced by the City.
- Coordinate 2040 Comprehensive Plan communication efforts with Community Development.
- Install signage in City Council Chambers.
- Consider redesign of city website.
- Undertake community-wide survey.
- Update electronic Carousel signage in City Hall.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$229,178	\$220,992	\$234,895	\$270,700	\$274,570	\$ 3,870	1.4%
Supplies & Materials	1,283	1,706	4,937	2,500	-	(2,500)	-100.0%
Other Services & Charges	222,621	230,721	241,934	239,875	259,000	19,125	8.0%
Capital Outlay	1,052	152,664	-	10,000	10,000	-	0.0%
Total	\$454,134	\$606,084	\$481,766	\$523,075	\$543,570	\$ 20,495	3.9%
FTE's	2.25	2.25	2.25	2.45	2.45		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- 'Other Services & Charges' increase due to added costs associated with the biennial community survey.

2016/2017 Achievements

- Upgraded cameras, video projector, and lighting in City Council Chambers.
- Implemented on-line agenda center for City Council and Commission agendas and packets.
- Created a style guide for the City logo.
- Created electronic newsletters for the City and Economic Development Authority.
- Employed the use of Facebook Live for multiple events.

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$566,029	\$557,495	\$589,419	\$620,615	\$626,475	\$ 5,860	0.9%
Supplies & Materials	3,208	2,824	3,754	3,000	3,000	-	0.0%
Other Services & Charges	58,272	51,480	55,972	62,110	62,250	140	0.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$627,508	\$611,800	\$649,145	\$685,725	\$691,725	\$ 6,000	0.9%
FTE's	5.90	5.90	5.90	5.55	5.55		

2018 Budget Impact Items

- Personal Services increase include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Maintained a AAA bond rating from Moody's and Standard & Poor's.
- Received the Award for Excellence in Financial Reporting for the 37th consecutive year.
- Received the Distinguished Budget Presentation Award for the 18th 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.

2018 Goals and Objectives

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

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	23,465	24,242	25,489	27,100	27,100	-	0.0%
Other Services & Charges	28,584	27,427	30,382	32,500	32,500	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 52,049	\$ 51,669	\$ 55,871	\$ 59,600	\$ 59,600	\$ -	0.0%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Not applicable.

2016/2017 Achievements

- Not applicable.

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.

2018 Goals and Objectives

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

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	61,500	61,500	61,500	61,500	70,000	8,500	13.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 61,500	\$ 61,500	\$ 61,500	\$ 61,500	\$ 70,000	\$ 8,500	13.8%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Increase due to higher property/liability insurance premiums.

2016/2017 Achievements

- General Fund's share of property/liability and workers compensation costs have remained flat for five consecutive years leading up to 2018.

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.

2018 Goals and Objectives

- Upgrade and Improve the Service Desk Software and Process.
- Deploy Enterprise-wide Interactive Security Awareness Training for Metro-INET users.
- Update and renew Information Technology Shared Service Agreements and Task Orders.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 1,100,010	\$ 1,228,497	\$ 1,531,212	\$ 1,767,100	\$ 2,050,880	\$ 283,780	16.1%
Supplies & Materials	25,673	55,026	26,567	36,000	32,500	(3,500)	-9.7%
Other Services & Charges	156,122	205,551	442,167	216,500	591,160	374,660	173.1%
Capital Outlay	198,985	297,334	153,653	250,000	254,880	4,880	2.0%
Total	\$ 1,480,790	\$ 1,786,409	\$ 2,153,600	\$ 2,269,600	\$ 2,929,420	\$ 659,820	29.1%
FTE's	14.00	14.00	17.00	17.00	20.00		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees. It also includes the increased costs associated with three additional staff positions.
- 'Other Services & Charges' increased is due to the inclusion of \$355,000 of charge-backs to partnering agencies. Previously these costs had been excluded because it represent no net costs.

2016/2017 Achievements

- Completed major security improvements including email protection and antivirus software.
- Deployed Jabber Instant Messaging – Enterprise and Mobile Deployment.
- Completed facility security improvement projects for Hugo (card access), Lino Lakes (security cameras), St. Francis (security cameras) and St. Anthony (card access and additional security cameras)
- Extended fiber-optic network to Little Canada City Hall, Falcon Heights City Hall, NSAC Studio, St. Anthony Water Tower, and Emmett D. Williams School.
- IP Telephony upgrades and deployments for Lauderdale, Falcon Heights, Ham Lake and Centennial Lakes Police.
- Added City of Lexington to Metro-INET, bringing the total to 44 Shared IT Service Agreements with other governmental agencies.
- Upgrade facility Wi-Fi for Forest Lake, Roseville, Vadnais Heights, and Mounds View.
- Partnered with League of Minnesota Cities on software subscription volume discount program to extend Adobe Acrobat to 125 users (across the Metro-INET group of cities).

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 1,034,920	\$ 1,066,715	\$ 1,189,040	\$ 1,266,400	\$ 1,301,600	\$ 35,200	2.8%
Supplies & Materials	13,595	13,742	16,781	14,000	16,500	2,500	17.9%
Other Services & Charges	234,137	460,840	555,759	455,950	524,525	68,575	15.0%
Capital Outlay	5,334	7,266	4,504	37,400	41,600	4,200	11.2%
Total	\$ 1,287,987	\$ 1,548,563	\$ 1,766,084	\$ 1,773,750	\$ 1,884,225	\$ 110,475	6.2%
FTE's	14.75	14.75	16.75	16.75	16.75		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees.
- 'Supplies & Materials' costs increasing due to higher customer transaction volumes.
- 'Other Services & Charges' increased due to higher rent (\$48,000) and insurance costs due to additional occupied space.

2016/2017 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 \$377,000 (2016) and \$277,000 (2017) in net annual proceeds to support other City programs and services. The transfer of proceeds are reflected in the 'other services & charges' category.

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.

2018 Goals and Objectives

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

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 3,305	\$ 3,289	\$ 3,360	\$ 4,500	\$ 7,230	\$ 2,730	60.7%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	138,037	132,867	161,901	146,650	100,000	(46,650)	-31.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$141,342	\$136,156	\$165,261	\$151,150	\$107,230	\$ (43,920)	-29.1%
FTE's	0.10	0.10	0.10	0.10	0.10		

2018 Budget Impact Items

- 'Other Services & Charges' declined due to the elimination of reimbursed accounting services provided to area lawful gambling organizations.

2016/2017 Achievements

- Distributed over \$109,000 and \$90,000 from net proceeds to Roseville area organizations in 2016 and 2017 respectively.
- Maintained over \$1,150,000 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.

2018 Goals and Objectives

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

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$875,647	\$886,778	\$ 917,073	\$ 964,935	\$ 991,305	\$ 26,370	2.7%
Supplies & Materials	15,309	17,866	24,486	16,800	18,300	1,500	8.9%
Other Services & Charges	77,727	83,265	81,819	106,100	108,300	2,200	2.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$968,684	\$987,909	\$1,023,378	\$1,087,835	\$1,117,905	\$ 30,070	2.8%
FTE's	9.00	9.00	9.00	9.50	9.50		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Winner of 2017 St. Paul Chamber of Commerce's Leaders in Local Government Award in the category of Communications. Initiatives recognized were the bi-weekly "One Chief's Perspective" newsletter, the television series "Behind the Badge" and the department's leadership role in community engagements initiatives such as the "Imagine Roseville" police and race dialogues.
- Expanded social media outreach: Facebook (2,500+ followers), Twitter (3,600+ followers) and Nextdoor.com (6,100+ followers) presence.
- Completed 2016 customer service survey in an effort to measure satisfaction with policing services. Results show 84% of respondents were very satisfied. A majority surveyed were traffic encounters.
- Participated in multi-agency stabilization/ reinvestment planning efforts in SE Roseville (e.g. playground project, community garden, police substation, community safety center, directed patrols, lighting evaluation, business organization, blight elimination programs, survey of residents and businesses, etc.).
- Obtained federal matching funds to implement a department-wide body-worn camera program.
- Completed full revision of agency's policy and procedure manual (fall of 2016).
- Successful completion of large-scale FBI/BCA compliance audit.

Division / Program: **Police Patrol Operations**
Organizational Responsibility: Chief of Police

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.

2018 Goals and Objectives

- Complete initiative to provide all sworn personnel with 40-hour *Crisis Intervention Training*.
- Implement department-wide body camera program (personal recording systems).
- Ensure resident and visitor safety during Super Bowl 2018.
- Expand participation in community engagement opportunities.
- Increase utilization of *Adopt a Speed Board* program to address citizen traffic concerns.
- Increase enforcement of Repeat Nuisance properties in partnership with Code Enforcement.
- Continue development of partnerships with major retailers and hotels.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$ 4,007,987	\$ 4,150,814	\$ 4,096,255	\$ 4,075,120	\$ 4,279,110	\$ 203,990	5.0%
Supplies & Materials	206,234	169,498	150,321	227,500	220,000	(7,500)	-3.3%
Other Services & Charges	488,545	560,844	559,213	585,080	565,350	(19,730)	-3.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 4,702,766	\$ 4,881,156	\$ 4,805,789	\$ 4,887,700	\$ 5,064,460	\$ 176,760	3.6%
FTE's	37.00	37.00	37.00	37.00	37.00		

2018 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 is primarily due to lower dispatching costs paid to Ramsey County.

2016/2017 Achievements

- Over half of all sworn personnel trained in intensive 40-hour *Crisis Intervention Training (CIT.)*
- Created full-time police cadet position.
- Tested equipment, sought public input and created a policy on body worn cameras.
- Officer Pitzl honored with 2017 Presidents' Community Partner Award for work in law enforcement mentoring program at Century College.
- With a goal of expanding local youth interest in the field of policing, doubled Police Explorers Program participation from 9 in 2016 to 18 in 2017.
- Developed a comprehensive plan to continue to facilitate safe and peaceful public assemblies.
- Continued grant-funded traffic details (*Safe & Sober, Click It or Ticket, and Operation Nightcap*).
- Increased engagement through events, presentations and programs (e.g. *Imagine Roseville, ID Theft and Scam Prevention, Make a Difference, P.A.L., Coffee with a Cop, lemonade stands, etc.*).
- In 2017, responded to 36,378 incidents (6,019 traffic stops; 3,672 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.

2018 Goals and Objectives

- Partner with the BCA and Ramsey County to investigate internet crimes against children.
- Expand *Neighborhood Watch* social media communications.
- 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 and follow up with individuals experiencing mental health crises.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$521,939	\$532,982	\$810,773	\$ 969,985	\$ 1,003,300	\$ 33,315	3.4%
Supplies & Materials	38,065	29,616	23,988	40,450	41,350	900	2.2%
Other Services & Charges	23,100	15,010	12,973	23,550	24,350	800	3.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$583,104	\$577,608	\$847,734	\$ 1,033,985	\$ 1,069,000	\$ 35,015	3.4%
FTE's	9.00	9.00	9.00	9.00	9.00		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Investigated landmark Ramsey County unintentional drug overdose case. It is the first time an individual has been found guilty of aiding and abetting a drug overdose death.
- Implemented part-time Investigative Aide position; obtained grant funding to increase hours spent on auto theft prevention and crime analysis.
- Expanded crime scene team; grant funding purchased fingerprinting and safety equipment.
- Utilized grant funding to expand financial crimes education, prevention and outreach.
- 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.
- Revamped Citizen Police Academy format and schedule.
- Due to statewide reporting mandates, completed increased MN Adult Abuse Reporting Center (MAARC) reports (291 in 2017 vs 136 in 2015).

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.

2018 Goals and Objectives

- Seek out new animal hospital as previous provider's services have been discontinued.
- Expand Field Training Officer (FTO) program and police officer mentorship opportunities.
- Increase participation in community engagement and outreach.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$132,257	\$144,238	\$159,909	\$181,800	\$220,720	\$ 38,920	21.4%
Supplies & Materials	7,786	9,435	9,506	11,300	11,650	350	3.1%
Other Services & Charges	7,700	10,130	3,221	11,405	11,185	(220)	-1.9%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$147,743	\$163,803	\$172,637	\$204,505	\$243,555	\$ 39,050	19.1%
FTE's	2.00	2.00	3.00	3.00	3.00		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Instated CSO/Community Liaison position to enhance communication efforts with multicultural and minority members of the community.
- CSO Ku Tee recognized with a Student Leadership Award within the Century College Law Enforcement Mentoring Program.
- Successfully transitioned to new animal care services provider Hillcrest Animal Hospital, realizing significant budget savings.
- Trained in animal cruelty investigations, less than pursuits safe driving, the use of non-lethal weapons (e.g. tasers) and report writing.
- 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
- Updated all animal control forms.
- In 2017, responded to 1,084 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.

2018 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 Multi-family licensing inspections program from Community Development to the Fire Department.
- Begin a community education and input discussion on Phase II of the Fire Departments transition process.
- Continue administration of Fire Department lead citywide Safety and Loss Control program, and Emergency Management Programs.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$229,071	\$224,465	\$365,165	\$368,055	\$381,255	\$ 13,200	3.6%
Supplies & Materials	6,926	4,313	4,574	2,900	2,900	-	0.0%
Other Services & Charges	51,649	48,387	46,958	35,500	46,200	10,700	30.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$287,646	\$277,165	\$416,697	\$406,455	\$430,355	\$ 23,900	5.9%
FTE's	2.00	2.00	3.00	3.00	3.00		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- 'Other Services & Charges' increase due to higher utilities costs.

2016/2017 Achievements

- Completed the hiring process of filling two Battalion Chief Positions
- Completed hiring of three additional full-time firefighters.
- Continued the department's high level of community interaction hosting or attending hundreds of community events.

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.

2018 Goals and Objectives

- Continue to position the department for the initial steps toward Advanced Life Support (ALS) first response.
- Continued focus on building solid programs for firefighter health and wellness.
- Begin setting the foundational path for future Phase II programs and operations.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 972,266	\$ 1,142,172	\$ 1,311,970	\$ 1,442,840	\$ 1,643,550	\$ 200,710	13.9%
Supplies & Materials	76,946	118,555	69,594	80,000	74,500	(5,500)	-6.9%
Other Services & Charges	86,717	120,076	89,892	87,000	105,000	18,000	20.7%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,135,928	\$ 1,380,803	\$ 1,471,456	\$ 1,609,840	\$ 1,823,050	\$ 213,210	13.2%
FTE's	2.00	8.00	8.00	12.00	15.00		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees. An additional 3.0 FTE's are being added in 2018.
- 'Other Services & Charges' increase is due to higher contractual maintenance costs in the fire station.

2016/2017 Achievements

- Completed three year contract with firefighter covering the International Association of Firefighters contract.
- Completed technical rescue training for all full-time firefighters.
- 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.

2018 Goals and Objectives

- Implement new off-shift training program for part-time firefighters.
- Continue to look for cooperative training opportunities involving county wide departments.
- Training firefighters on new medications and skills as recommended by our Medical Director.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 412	\$ 936	\$ -	\$ 19,500	\$ -	\$ (19,500)	-100.0%
Supplies & Materials	-	-	27	-	-	-	0.0%
Other Services & Charges	22,110	8,617	16,824	18,700	20,200	1,500	8.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 22,523	\$ 9,553	\$ 16,851	\$ 38,200	\$ 20,200	\$ (18,000)	-47.1%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Training-related personnel costs are now included in Fire Operations division.

2016/2017 Achievements

- Implement new EMS educational program with off-shift training, utilizing Regions Medical Direction.
- Took initial steps toward Advanced Life Saving skills training, and equipment implementation.
- Hosted several count-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.

2018 Goals and Objectives

- Complete emergency siren upgrade program.
- Continue to ensure that all city employees are trained to needed levels for position responsibilities per FEMA requirements.
- Host all city department training session in spring 2018.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	1,000	-	(1,000)	-100.0%
Other Services & Charges	1,160	7,924	3,217	8,800	8,800	-	0.0%
Capital Outlay	18,746	19,031	19,061	-	-	-	0.0%
Total	\$ 19,906	\$ 26,955	\$ 22,278	\$ 9,800	\$ 8,800	\$ (1,000)	-10.2%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Not applicable.

2016/2017 Achievements

- Completed county-wide continuity of operations plan.
- Completed critical staff multi-day emergency management Emergency Operations Center (EOC) operations training.

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.

2018 Goals and Objectives

- Continue to implement the City's Comprehensive Asset Management Program into the daily work flow and Capital Improvement Plan development.
- Meet the challenge of reconstruction and rehabilitation as outlined in the 20-year Capital Improvement Plan.
- Finalize 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.
- Identify a timeline and final project scope for the federally-funded Snelling Ave Third Lane Project.
- Locate a new location for leased storage space and/or determine a plan for a long term solution to seasonal storage needs for the maintenance divisions.
- Identify and possibly finalize installation of an on campus solar installation.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$754,268	\$872,497	\$745,447	\$785,935	\$831,255	\$ 45,320	5.8%
Supplies & Materials	7,883	19,389	11,183	9,100	9,100	-	0.0%
Other Services & Charges	45,521	36,806	32,242	70,550	58,000	(12,550)	-17.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$807,672	\$928,693	\$788,872	\$865,585	\$898,355	\$ 32,770	3.8%
FTE's	7.25	7.25	7.25	7.25	7.25		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees.
- Decrease in 'Other Services & Charges' is due to the removal of funding for the Transportation Plan update which was completed in 2017.

2016/2017 Achievements

- Repaved approximately 7 miles of roadway, lined 7.75 miles of sanitary sewers, replaced 1.1 miles of water main, reconstructed one sanitary sewer lift station and constructed 1.23 miles of new sidewalk.
- In coordination with the Community Development department, successfully implemented the Accela permitting and licensing system for right-of-way and erosion control permits as well as building and plan review permit reviews.
- Processed over 300 right-of-way permits in 2017, a 50% increase over the average number of permits.
- Processed 57 erosion control permits and performed over 800 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.

2018 Goals and Objectives

- Continue to improve pavement maintenance 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 to implement the Comprehensive Asset Management Program for assets within the street division.
- Continue to implement industry leading techniques for snow and ice control by expanding and enhancing alternatives to chloride.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 583,593	\$ 487,292	\$ 564,702	\$ 556,200	\$ 577,610	\$ 21,410	3.8%
Supplies & Materials	276,390	264,102	244,312	295,700	284,300	(11,400)	-3.9%
Other Services & Charges	277,693	306,515	309,664	326,200	335,300	9,100	2.8%
Capital Outlay	(5,000)	-	-	-	-	-	0.0%
Total	\$ 1,132,676	\$ 1,057,909	\$ 1,118,677	\$ 1,178,100	\$ 1,197,210	\$ 19,110	1.6%
FTE's	7.10	7.10	6.10	6.10	6.10		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.
- 'Supplies and Materials' change due to a decrease in the purchase of street maintenance materials.

2016/2017 Achievements

- Managed 20 events for snow and ice.
- Repaired 320 signs.
- Maintained over 200,000 linear feet of pavement markings and 67 marked crosswalks.
- Trimmed 8% of City boulevard trees.
- Processed 20,000 cubic yards of leaves at the City's Leaf Recycling Center which turned into 5,000 cubic yards of compost.

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.

2018 Goals and Objectives

- Replace or upgrade the oldest city-owned street light system components.
- Begin a signal painting program. 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	227,102	191,153	166,542	213,000	183,000	(30,000)	-14.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$227,102	\$191,153	\$166,542	\$213,000	\$183,000	\$(30,000)	-14.1%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- 'Other Services & Charges' decrease due to lower energy costs for city-owned streetlights and stoplights.

2016/2017 Achievements

- Maintained city owned street lights and supervised the maintenance of Xcel street lights.

Division / Program: **General Building Maintenance**
Organizational Responsibility: Public Works Director

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.

2018 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.
- Meet the demand for maintenance on City facilities due to the wear and tear of use by community groups.
- Perform major rehabilitation to the City Hall elevator
- Continue to input assets into the Asset Management Program for Building Maintenance and input actual condition ratings for each asset.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	17,105	18,067	16,746	18,000	18,100	100	0.6%
Other Services & Charges	298,303	318,292	387,075	391,500	385,000	(6,500)	-1.7%
Capital Outlay	13,031	-	-	-	-	-	0.0%
Total	\$328,439	\$336,359	\$403,822	\$409,500	\$403,100	\$ (6,400)	-1.6%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Not applicable.

2016/2017 Achievements

- Completed the 2017 floor covering project in City Hall and the Police Department.
- Completed the Administration transaction window installation.
- Completed window and carpet cleaning throughout all facilities.
- Upgraded the HVAC control system software for City Hall and the Maintenance Facility.

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$166,112	\$151,336	\$164,936	\$175,400	\$178,430	\$ 3,030	1.7%
Supplies & Materials	(45,791)	(1,752)	(6,989)	2,700	3,600	900	33.3%
Other Services & Charges	790	(4,775)	(5,427)	1,000	1,000	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$121,111	\$144,810	\$152,520	\$179,100	\$183,030	\$ 3,930	2.2%
FTE's	2.00	2.00	2.00	2.00	2.00		

2018 Budget Impact Items

- Personnel increases include a 2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Completed approximately 1,100 service/repair work orders.
- 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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 430,291	\$ 434,334	\$ 418,768	\$ 493,100	\$ 477,550	\$ (15,550)	-3.2%
Supplies & Materials	54,883	34,268	49,915	50,400	46,150	(4,250)	-8.4%
Other Services & Charges	3,372,634	3,368,874	3,577,164	3,805,550	3,880,150	74,600	2.0%
Capital Outlay	110,794	(10,505)	14,955	1,432,500	1,625,000	192,500	13.4%
Total	\$ 3,968,603	\$ 3,826,970	\$ 4,060,803	\$ 5,781,550	\$ 6,028,850	\$ 247,300	4.3%
FTE's	4.70	4.70	4.70	5.05	5.05		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.
- Increase in 'Other Services & Charges' primarily due to higher depreciation charges.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2016/2017 Achievements

- Cleaned all lift stations quarterly.
- Completed design and awarded contract for the replacement of the Cleveland Ave lift station.
- Cleaned 241,000 linear feet, or one-third, of the sanitary sewer system and all higher frequency areas.
- Responded to 58 sewer back up calls, all but 8 of which were within the private lines.

Division / Program: Water
Organizational Responsibility: Public Works Director

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 532,112	\$ 575,240	\$ 564,445	\$ 642,500	\$ 651,070	\$ 8,570	1.3%
Supplies & Materials	154,973	95,981	177,085	88,200	162,200	74,000	83.9%
Other Services & Charges	5,251,080	5,411,976	5,564,804	5,915,750	5,837,700	(78,050)	-1.3%
Capital Outlay	25,719	-	-	1,187,500	2,175,000	987,500	83.2%
Total	\$ 5,963,883	\$ 6,083,197	\$ 6,306,333	\$ 7,833,950	\$ 8,825,970	\$ 992,020	12.7%
FTE's	7.15	7.15	7.15	7.15	7.15		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.
- 'Supplies & Materials' increase due to higher expected operating supplies.
- Decrease in 'Other Services & Charges' due to lower expected water purchase costs from the City of St. Paul.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2016/2017 Achievements

- Distributed over 1.6 billion gallons of water to Roseville and Arden Hills utility customers.
- Repaired 35 water main breaks and 14 hydrants, and replaced 3 hydrants.
- Replaced or rehabilitated approximately 1.14 miles and added 300 linear feet of water main.
- Started Phase I of a multi-phase major rehabilitation of the City's Water Booster Station
- Flushed, inspected, and maintained 1,875 fire hydrants.
- Flushed and inspected an additional 264 private hydrants under a newly established program to ensure the proper operation of privately owned hydrants.

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.

2018 Goals and Objectives

- 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 storm water best management practices.
- Complete a sub-watershed analysis of the Fairview Trunk Storm system in order to identify viable project locations for future flood mitigation efforts.
- 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 383,273	\$ 392,438	\$ 338,708	\$ 404,700	\$ 408,620	\$ 3,920	1.0%
Supplies & Materials	87,932	81,503	75,328	86,500	84,400	(2,100)	-2.4%
Other Services & Charges	568,800	635,059	637,562	747,100	692,700	(54,400)	-7.3%
Capital Outlay	178,757	3,795	48,400	1,169,500	1,090,000	(79,500)	-6.8%
Total	\$ 1,218,762	\$ 1,112,795	\$ 1,099,997	\$ 2,407,800	\$ 2,275,720	\$ (132,080)	-5.5%
FTE's	4.20	4.20	4.20	4.20	4.20		

2018 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 the elimination of funding for the Stormwater Plan update which was completed in 2017.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2016/2017 Achievements

- Repaired 186 storm water inlets.
- Awarded project for the rehabilitation of the Walsh Storm Sewer Lift Station located within Midland Hills Golf Course.
- Secured funding for a storm water reuse system at Evergreen Park.
- Implemented a new Storm Water Asset Management Program which helps quantify and prioritize pond maintenance as well as model degradation of the performance of the ponds.

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.

2018 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.
- Investigate and propose a site for drop off organics collection. If approved, work with Ramsey County to install in 2018.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 26,508	\$ 28,418	\$ 29,677	\$ 36,800	\$ 36,640	\$ (160)	-0.4%
Supplies & Materials	1,972	1,534	2,572	2,000	2,000	-	0.0%
Other Services & Charges	433,011	445,066	458,995	473,410	504,610	31,200	6.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$461,490	\$475,018	\$491,244	\$512,210	\$543,250	\$ 31,040	6.1%
FTE's	0.35	0.35	0.35	0.35	0.35		

2018 Budget Impact Items

- Personnel increases include a 2.25% 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.

2016/2017 Achievements

- With cooperation from Eureka and the Parks and Recreation Department conducted a pilot study for more intensive recycling within Central Park.
- Continued increase in composted material at the Taste of Rosefest event thanks to partnership with Roseville Rotary and Eureka Recycling.

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	83,471	157,058	85,898	20,000	100,000	80,000	400.0%
Other Services & Charges	100,697	96,000	106,438	235,000	150,000	(85,000)	-36.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$184,168	\$253,058	\$192,336	\$255,000	\$250,000	\$ (5,000)	-2.0%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Budget adjustments have been made to better reflect actual planned spending moving forward.

2016/2017 Achievements

- Reconstructed the Dale Street Soccer field parking lot resulting in significantly better drainage and better overall traffic flow through the lot.

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.

2018 Goals and Objectives

- Implement operational needs as a result of the Renewal Program.
- Support construction and opening of the Cedarholm Community Building
- Support infrastructure sustainability priority.
- Prepare for 2019 National Accreditation
- Review department structure while considering succession planning.
- Prepare for the 2020 State Bonding Request for Skating Center CIP
- Complete Comprehensive Plan/Parks and Recreation System Plan update
- Follow up on University of MN consulting capstone feasibility reports.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$514,875	\$501,635	\$510,577	\$528,100	\$532,080	\$ 3,980	0.8%
Supplies & Materials	6,722	4,457	4,878	8,425	8,425	-	0.0%
Other Services & Charges	65,805	63,786	60,513	75,315	86,365	11,050	14.7%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$587,402	\$569,877	\$575,968	\$611,840	\$626,870	\$ 15,030	2.5%
FTE's	4.90	4.90	4.90	4.90	5.15		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees.
- 'Other Services & Charges' increase due to the inclusion of Best-Value training for two staff members.

2016/2017 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
- 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.
- Implemented major staff transitions that will continue into 2018/19

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.

2018 Goals and Objectives

- Pursue non-traditional revenue sources, i.e., sponsorships and partnerships.
- Evaluate appropriate level of program offerings; service, safe facilities, program areas, etc.
- Evaluate Summer Entertainment Series and Rosefest.
- Implement Youth Pickleball league.
- Increase Community Building usage by 10%.
- Evaluate and reorganize recreation program area responsibilities.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 636,046	\$ 662,506	\$ 738,533	\$ 763,355	\$ 807,425	\$ 44,070	5.8%
Supplies & Materials	63,327	78,211	79,683	87,905	76,540	(11,365)	-12.9%
Other Services & Charges	294,544	382,084	418,242	474,790	495,320	20,530	4.3%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 993,917	\$ 1,122,802	\$ 1,236,459	\$ 1,326,050	\$ 1,379,285	\$ 53,235	4.0%
FTE's	4.36	4.35	4.85	4.85	4.85		

2018 Budget Impact Items

- Personnel increases include a 2.25% 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 recreation programs. The costs are offset by higher fees.

2016/2017 Achievements

- Processed nearly 5,000 online registrations.
- Provided mentoring and professional experience to three interns.
- Implemented online facility reservation program for community buildings.
- 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.

2018 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.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 22,996	\$ 32,597	\$ 32,498	\$ 65,355	\$ 57,715	\$ (7,640)	-11.7%
Supplies & Materials	30,955	12,703	11,881	31,225	27,375	(3,850)	-12.3%
Other Services & Charges	56,999	60,253	60,771	70,940	71,085	145	0.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$110,949	\$105,553	\$105,150	\$167,520	\$156,175	\$(11,345)	-6.8%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Budget adjustments have been made to more accurately reflect the costs associated with providing non-fee recreation programs.

2016/2017 Achievements

- Hosted 10 Discover Your Parks Programs with average of 150 participants each.
- 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, Parade.
- Implemented Rec Connect outreach program in Southeast Roseville with more than 20 participants each day.

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.

2018 Goals and Objectives

- Develop marketing package for improved promoting of school field trips.
- Evaluate current HANC operations to effectively manage budget allocation and respond to community interests.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 13,174	\$ 23,573	\$ 31,351	\$ 18,400	\$ 23,690	\$ 5,290	28.8%
Supplies & Materials	8,905	9,627	9,361	9,500	9,600	100	1.1%
Other Services & Charges	29,526	27,576	27,914	33,485	34,435	950	2.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 51,606	\$ 60,777	\$ 68,626	\$ 61,385	\$ 67,725	\$ 6,340	10.3%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Budget adjustments have been made to more accurately reflect the costs associated with providing Nature Center programs.

2016/2017 Achievements

- Managed more than 20 Nature Center front desk volunteers providing access to the center and valuable community connections.
- Increased participation numbers in special events by 12%, birthday parties by 100%, pre-school programs by 23%, and day camps by 19%.
- Hosted Wild Rice Festival and Earth Day event with more than 1,000 participants each.

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.

2018 Goals and Objectives

- Increase technology usage in the POS System and others.
- Reevaluate the hosting of major events.
- Capitalize marketing efforts to increase ice usage and rentals through camps, clinics and additional adult leagues.
- Prepare for 2020 State bonding request for Capital Improvements.
- Implement a comprehensive approach to Skating Center Operations.
- Plan for infrastructure needs.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 666,543	\$ 669,175	\$ 665,218	\$ 711,200	\$ 732,780	\$ 21,580	3.0%
Supplies & Materials	64,044	67,364	68,241	70,800	71,000	200	0.3%
Other Services & Charges	337,959	347,427	314,622	350,940	353,840	2,900	0.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,068,545	\$ 1,083,967	\$ 1,048,081	\$ 1,132,940	\$ 1,157,620	\$ 24,680	2.2%
FTE's	5.75	5.75	5.75	5.75	5.75		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Expanded use of camera technology for event broadcasts and facility promotion.
- Coordinated arena viewing rail project with outside funds.
- Increased revenues by 15% in banquet room rentals and concession sales by 20%
- Hosted six Major Events:
 - American Cup Speedskating Championships
 - US Junior National Speedskating Championships
 - John Rose Open National Speedskating Competition
 - Girls and Boys Pond hockey tournament
 - MN Wild viewing party

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

2018 Goals and Objectives

- To retain the storage and dance studio space for 2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 12,154	\$ 8,159	\$ 7,691	\$ 11,400	\$ 11,310	\$ (90)	-0.8%
Supplies & Materials	-	115	55	500	500	-	0.0%
Other Services & Charges	91,543	91,409	88,267	107,250	106,000	(1,250)	-1.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$103,697	\$ 99,683	\$ 96,013	\$119,150	\$117,810	\$ (1,340)	-1.1%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

- Not applicable.

2016/2017 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.

2018 Goals and Objectives

- Ensure safe conditions and proper training as a top priority for users and employees.
- Review and analyze maintenance program while considering recent improvements.
- Monitor local Emerald Ash Borer issues, continue community awareness.
- Support infrastructure sustainability goal of the city.
- Foster Community Natural Resource Program.
- Finalize plans and develop park properties at Marion Street and Cleveland Avenue.
- Successfully oversee construction of the Cedarholm Community Building and cart storage facility
- Evaluate recycling and trash program in parks.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 756,447	\$ 769,788	\$ 829,502	\$ 898,600	\$ 918,070	\$ 19,470	2.2%
Supplies & Materials	122,794	109,276	113,901	117,500	124,500	7,000	6.0%
Other Services & Charges	220,294	196,749	220,602	233,180	232,970	(210)	-0.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,099,535	\$ 1,075,814	\$ 1,164,005	\$ 1,249,280	\$ 1,275,540	\$ 26,260	2.1%
FTE's	9.00	9.50	9.50	9.50	9.50		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.
- 'Supplies & Materials' increase ensures a more accurately reflection of the actual support costs.

2016/2017 Achievements

- Expanded sites for new trash collection/recycling and removal system.
- Reconstructed/refurbished bocce courts, rocket ship and Frank Rog Amphitheater in Central Park, all with outside funds.
- Effectively coordinated community processes for park plans at Marion and Cleveland sites
- Natural Resource program enhancements and community involvement program.
- Developed and implemented a detailed training program for seasonal maintenance staff
- Secured \$354,000 in grant funds for Phase two of Wildlife Habitat Restoration

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	-	-	-	-	-	-	0.0%
Capital Outlay	256,281	26,079	331,659	200,000	300,000	100,000	0.0%
Total	\$ 256,281	\$ 26,079	\$ 331,659	\$ 200,000	\$ 300,000	\$ 100,000	50.0%
FTE's	-	-	-	-	-		

2018 Budget Impact Items

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

2016/2017 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.

2018 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.
- Successfully oversee construction of the Cedarholm Community Building and cart storage facility
- Create successful new operations plan for new Community Building and open it.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$176,775	\$158,015	\$153,634	\$169,500	\$186,980	\$ 17,480	10.3%
Supplies & Materials	26,817	26,053	24,791	22,000	23,600	1,600	7.3%
Other Services & Charges	41,442	40,268	42,353	43,900	43,675	(225)	-0.5%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$245,034	\$224,337	\$220,778	\$235,400	\$254,255	\$ 18,855	8.0%
FTE's	1.25	1.25	1.25	1.25	1.25		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.

2016/2017 Achievements

- Reviewed and updated staff manuals to include food handling, alcohol service and general operations.
- Maintained golf operations into December.
- Successfully oversaw the closing of the former golf course clubhouse in preparation for the new "Cedarholm Community Building".
- 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.

2018 Goals & Objectives

- Enhance and expand user groups
- Successfully oversee construction of the Cedarholm Community Building and cart storage facility.
- Create successful new operations plan for new Community Building and open it.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ 65,841	\$ 62,420	\$ 65,010	\$ 74,100	\$ 71,370	\$ (2,730)	-3.7%
Supplies & Materials	17,682	19,167	22,696	23,300	22,700	(600)	-2.6%
Other Services & Charges	35,370	36,398	36,265	37,850	35,100	(2,750)	-7.3%
Capital Outlay	-	-	-	22,000	30,000	8,000	36.4%
Total	\$118,893	\$117,985	\$123,971	\$157,250	\$159,170	\$ 1,920	1.2%
FTE's	0.50	0.50	0.50	0.50	0.50		

2018 Budget Impact Items

- Personnel increases include a 2.25-2.75% cost-of-living increase for city staff and wage-step increases for eligible employees.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure and equipment which can fluctuate from year to year.

2016/2017 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.
- Maintained golf operations into December.
- Successfully oversaw the closing of the former golf course clubhouse in preparation for the new "Cedarholm Community Building".
- 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 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.

2018 Goals and Objectives

- Complete 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.
- Review existing PUD agreements.
- Complete Zoning Code and Map amendments, including multi-family in Regional Business and additional Office/Business Park district.
- Review Goals identified in the Rice/Larpenteur Visioning Plan that may impact design regulations in the corridor.
- Participate in the GARE Program.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$271,110	\$367,923	\$336,385	\$406,425	\$467,165	\$ 60,740	14.9%
Supplies & Materials	316	914	1,076	7,000	7,000	-	0.0%
Other Services & Charges	47,071	51,410	61,658	286,375	128,500	(157,875)	-55.1%
Capital Outlay	-	-	-	1,700	1,150	(550)	-32.4%
Total	\$318,497	\$420,247	\$399,119	\$701,500	\$603,815	\$ (97,685)	-13.9%
FTE's	4.20	4.20	5.20	3.60	4.05		

2018 Budget Impact Items

- Personnel increases include a 2.25% 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 decrease is due to the elimination of the funding for the required Comprehensive Plan update which was completed in 2017.

2016/2017 Achievements

- City Council approval of the Subdivision Code.
- Bulk of Comprehensive Plan and Engagement Performed in 2017.
- Completion of text amendments, to High Density Residential (HDR) and Low Density Residential (LDR) dimensional standards.
- Former Roseville Armory land use and zoning changes
- Staff review and approval of large-scale Rosedale expansion projects and spin-off development.

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.

2018 Goals and Objectives

- Continue to improve existing procedures to increase efficiency and effectiveness.
- Continue to promote Accela 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$496,890	\$503,188	\$403,009	\$428,300	\$419,980	\$ (8,320)	-1.9%
Supplies & Materials	8,727	10,583	5,994	15,875	15,910	35	0.2%
Other Services & Charges	141,196	158,492	171,744	180,600	232,875	52,275	28.9%
Capital Outlay	19,850	4,673	-	74,000	20,500	(53,500)	-72.3%
Total	\$666,662	\$676,935	\$580,747	\$698,775	\$689,265	\$ (9,510)	-1.4%
FTE's	5.95	4.35	4.35	4.35	4.35		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff, and wage-step increases for eligible employees.
- 'Other Services & Charges' increase due to greater plan review consulting services.
- Capital Outlay provides for the scheduled replacement of vehicles, and equipment which can fluctuate from year to year.

2016/2017 Achievements

- In 2017, the Department issued approximately 3,683 permits (previous five year average was 4,169) bringing in over \$1,449,000 in permit revenue.
- In 2017, valuation of construction was over \$89 million, including creation of 39 new housing units, 5 new commercial/industrial buildings, approximately 149 commercial remodels, and, over 1,177 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: **Nuisance Code Enforcement**
Organizational Responsibility: Community Development Director

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$148,576	\$150,480	\$ 81,109	\$109,200	\$113,820	\$ 4,620	4.2%
Supplies & Materials	85	-	2,090	2,135	2,135	-	0.0%
Other Services & Charges	-	-	3,750	3,880	3,765	(115)	-3.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$148,661	\$150,480	\$ 86,949	\$115,215	\$119,720	\$ 4,505	3.9%
FTE's	2.00	2.00	1.10	1.10	1.10		

2018 Budget Impact Items

- Personnel increases include a 2.25% cost-of-living increase for city staff, and wage-step increases for eligible employees.

2016/2017 Achievements

- Addressed over 291 public nuisance concerns brought to the City by residents with 64% 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: **Rental Licensing**
Organizational Responsibility: Community Development Director

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.

2018 Goals and Objectives

- Assist in the transition of Rental Licensing from Community Development to the Fire Department.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ 979	\$111,712	\$117,300	\$119,350	\$ 2,050	1.7%
Supplies & Materials	-	-	-	1,120	1,350	230	20.5%
Other Services & Charges	-	-	204	4,245	2,825	(1,420)	-33.5%
Capital Outlay	-	-	-	2,590	-	(2,590)	-100.0%
Total	\$ -	\$ 979	\$111,916	\$125,255	\$123,525	\$ (1,730)	-1.4%
FTE's	-	-	1.25	1.25	1.25		

2018 Budget Impact Items

- Personnel increases include a 2.25% 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.

2016/2017 Achievements

- The Rental License Program continued 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.
- 91 buildings were inspected in 2017, 74 received 3 year licenses, 6 two year licenses, 5 one year licenses and 6 received 6 month licenses.
- The Rental License Program will be managed by the Fire Department in 2018 and beyond.

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.

2018 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

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personnel Services	\$ -	\$ 388	\$ 50,004	\$ 45,200	\$ -	\$ (45,200)	-100.0%
Supplies & Materials	-	-	34	950	1,450	500	52.6%
Other Services & Charges	-	-	1,544	3,645	5,375	1,730	47.5%
Capital Outlay	-	-	-	2,080	850	(1,230)	-59.1%
Total	\$ -	\$ 388	\$ 51,582	\$ 51,875	\$ 7,675	\$ (44,200)	-85.2%
FTE's	-	-	0.50	0.50	-		

2018 Budget Impact Items

- Personnel costs are now funded out of the Roseville EDA instead of the Community Development Fund.

2016/2017 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 3,328 residential and business properties in 2017 with about 3.19% of residential properties and 2.42% of business properties having one or more violations observed (with most corrected quickly).
- The 2017 Program was operated utilizing a seasonal inspector, which allowed all other divisional programs to operate more efficiently during a very busy year.

Division / Program: **Geographic Information Systems**
Organizational Responsibility: **Community Development Director**

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.

2018 Goals and Objectives

- Provide ongoing administration and user support for the Accela permitting system.
- Administer City participation in Census 2020 Local Update of Census Addresses program.

Financial Summary

	2014	2015	2016	2017	2018	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$ 117,245	\$ 100,208	\$ 72,892	\$ 75,900	\$ 29,450	\$ (46,450)	-61.2%
Supplies & Materials	-	-	-	-	500	500	0.0%
Other Services & Charges	4,197	4,277	4,005	6,055	6,200	145	2.4%
Capital Outlay	-	-	2,028	900	-	(900)	-100.0%
Total	\$ 121,442	\$ 104,484	\$ 78,925	\$ 82,855	\$ 36,150	\$ (46,705)	-56.4%
FTE's	1.00	1.00	0.80	0.80	0.30		

2018 Budget Impact Items

- Personnel increases include a 2.25% 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.

2016/2017 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.

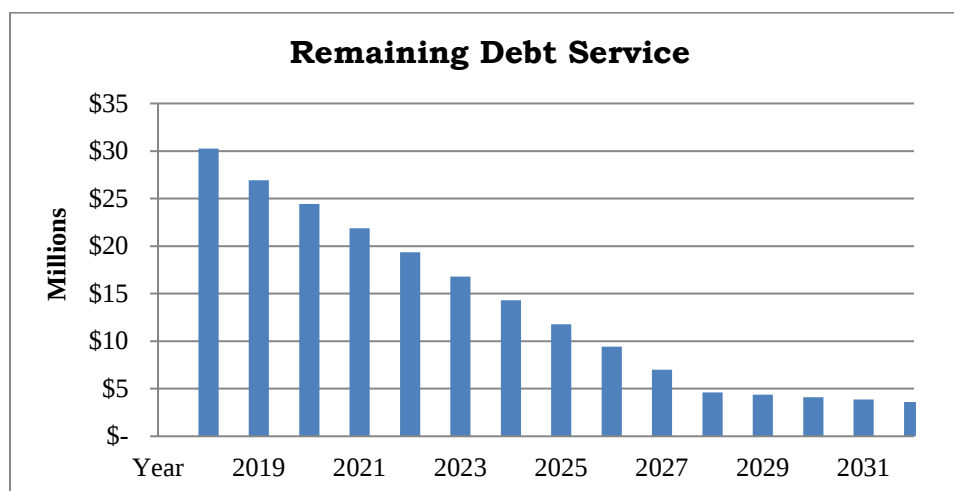
The City currently has three types of debt; 1) general obligation facility debt, 2) general obligation tax increment financing debt, and 3) general obligation taxable housing debt. Facility debt accounts for the debt service on city campus facilities, as well as a park renewal program. Tax increment 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 2018. They are depicted below.

	Principal	Net Interest	Date of Final	Eligible
Description	Outstanding	Rate	Maturity	Call Date
Series 27 City Hall, PW Bldg.	\$ 1,630,000	3.72%	3/1/2019	3/1/2013
Series 28 Skating Center	325,000	3.31%	3/1/2018	3/1/2016
Series 29 Housing Bonds	700,000	5.06%	3/1/2025	3/1/2020
Series 31 Fire Station/Park Impr.	7,575,000	2.45%	3/1/2028	3/1/2023
Series 32 Park Improvement	12,560,000	2.11%	3/1/2028	3/1/2023
Series 33 Twin Lakes TIF	3,035,000	2.47%	3/1/2032	3/1/2027
Total	\$ 25,825,000			

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

Year	Principle	Interest	Total
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
	\$ 25,825,000	\$ 4,447,247	\$ 30,272,247

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	\$ 4,332,971,400
Debt Limit (3% of total estimated market value)	129,989,142
Total Outstanding Debt	25,825,000
Less Amount Exempted from Limit	(700,000)
Total Net Debt Applicable To Limit	25,125,000
% of Allowable Limit	19%

As shown in the table, the City is only at 19% 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 2017 will be \$733.

Capital Improvement Plan – Executive Summary

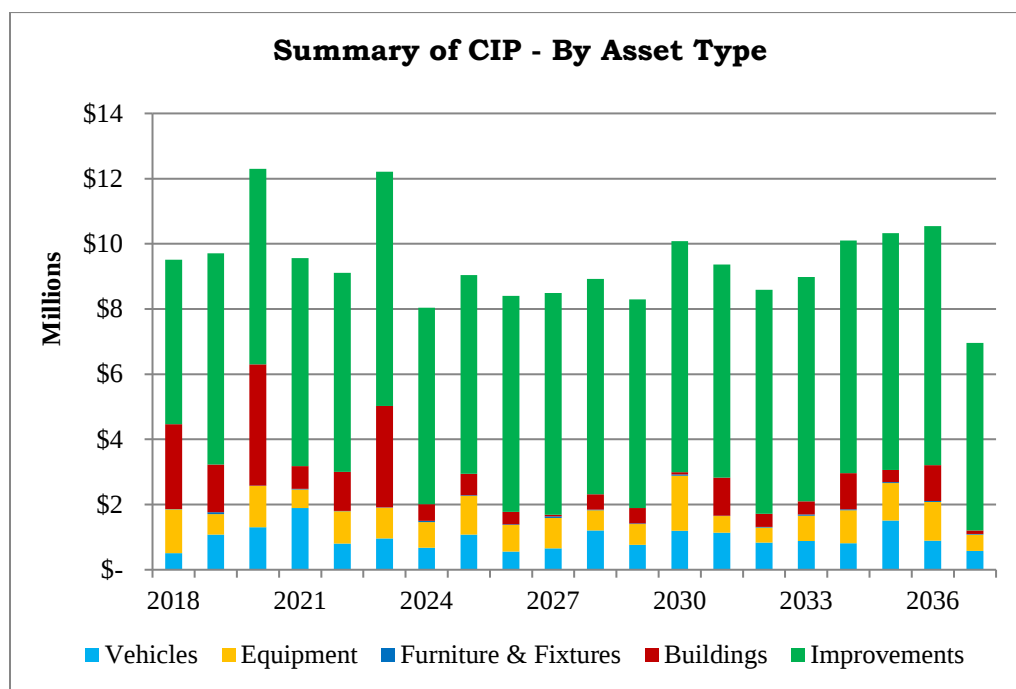
Enclosed is an executive summary of the 2018-2037 Capital Improvement Plan (CIP) as prepared in accordance with the goals and aspirations identified by the City Council, and applicable requirements set forth under federal and state mandates. The CIP also incorporates the valued contributions made by the City’s advisory commissions, and other citizen groups.

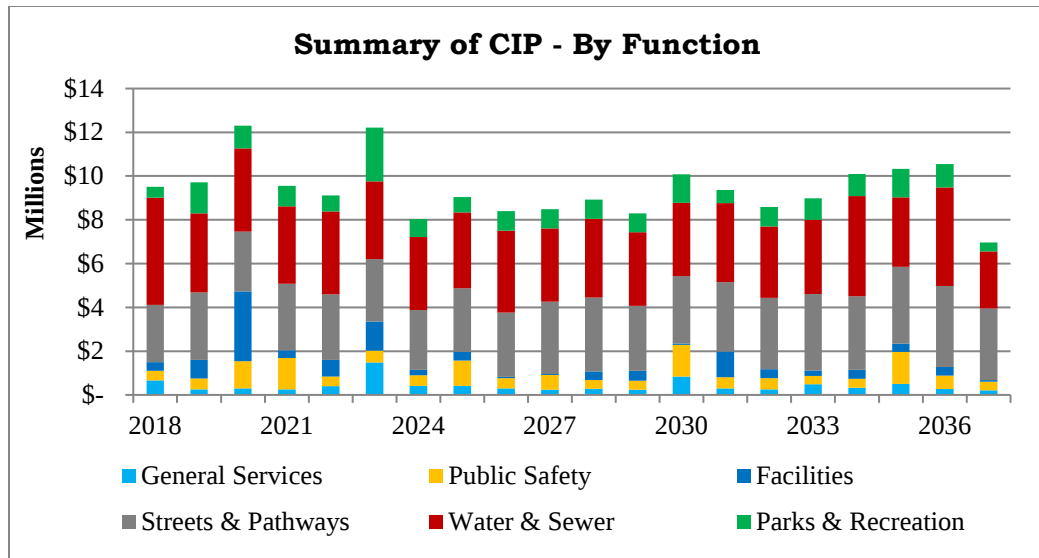
With the exception of the upcoming fiscal year, the CIP should not be construed as a request for funding; rather it is designed to serve as a planning tool that can be used to make informed financial decisions. Only after further discussion and Council approval will capital items be considered funded. 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 \$189 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 69% of the total. The largest asset by City function is water and sewer which represents 38% of the total amount, followed by streets and pathways at 33%, and park system assets at 10%.

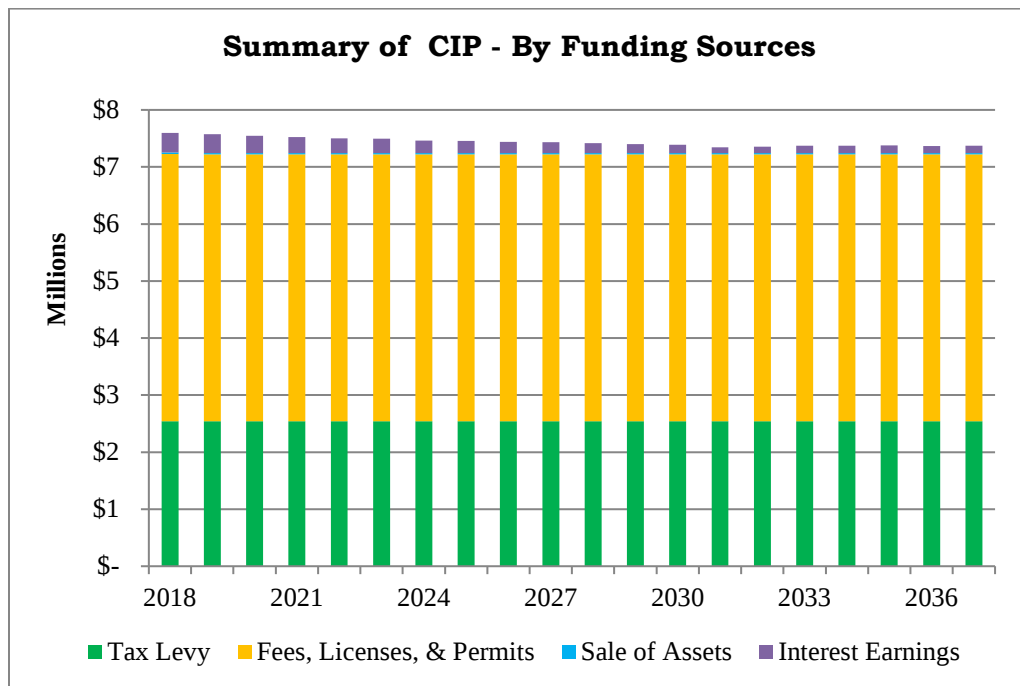
The following charts depict the City’s 20-year capital needs.





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 34% 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:

- \$20 million in water and sewer infrastructure
- \$11 million in streets and pathways
- \$6 million in vehicles and equipment
- \$5 million in general facilities improvements
- \$4 million in parks & recreation-related 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.

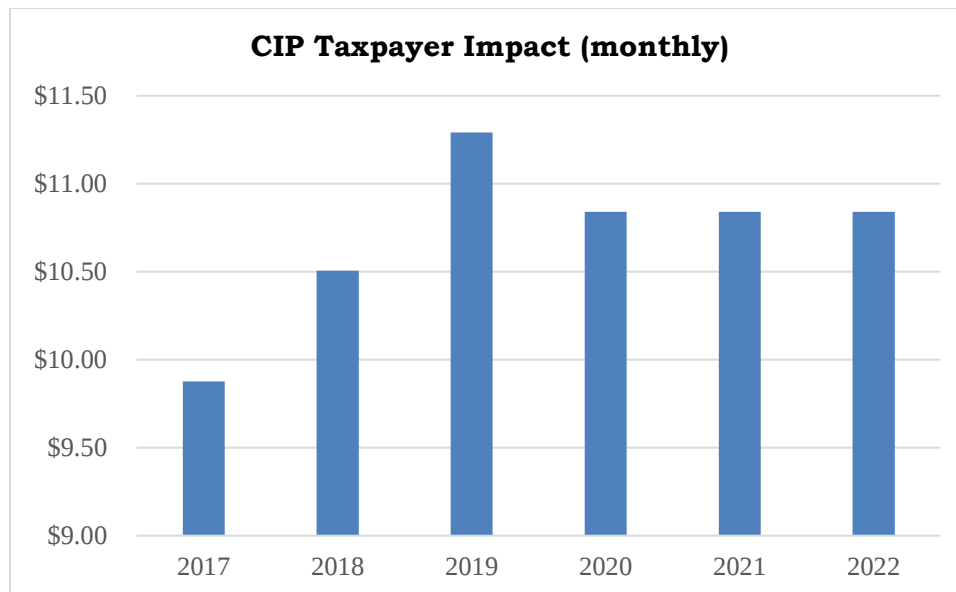
Beginning in 2018, the City will turn its attention to the remaining park system assets that were not addressed during the recent Park Renewal Program. The Skating Center will require nearly \$3.9 million over the next five years to replace various components. In addition, playgrounds and athletic fields & surfaces throughout the City will require \$3.7 million of new investment to replace aging structures and poor conditions.

As noted earlier, the City's general vehicles and equipment replacement needs are expected to total roughly 6 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 \$1.6 million in repairs or renovations to various components of City Hall, Public Works building, and the Fire Station.

Five-Year Financial Impact

With approximately \$50 million in new capital investments over the next five years, the CIP is expected to have an 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 2018 and beyond inflationary-type rate increases will be necessary.

The impact on property taxpayers 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 \$10.84 per month in 2022 (holding all other factors constant) compared to the \$9.88 they're currently paying.

Although not specifically addressed in the chart, the tax impacts from the expected \$50 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 2018-2027 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.

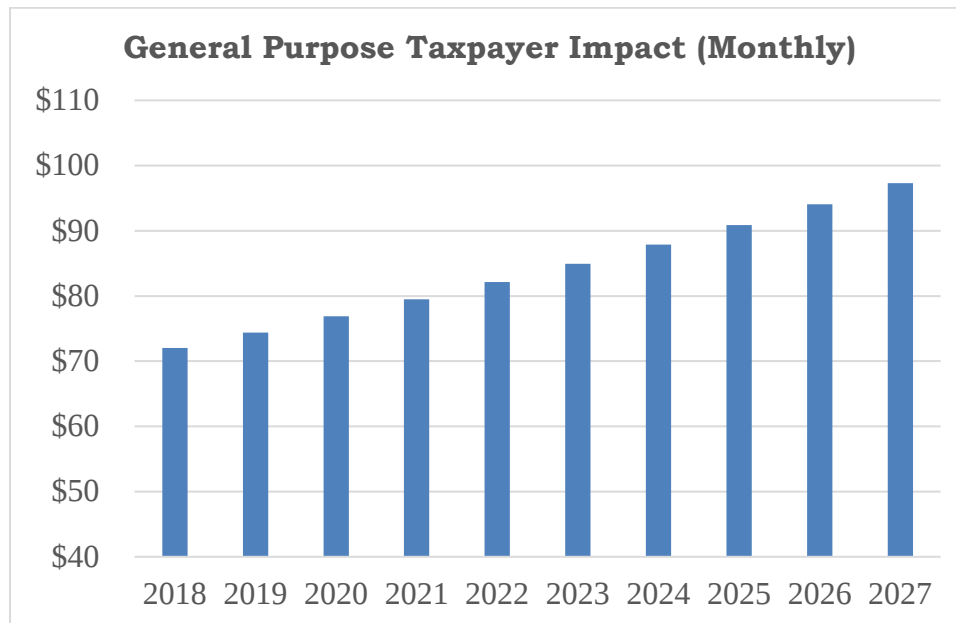
General Purpose Operations

Over the next 10 years, the City's *general purpose* operations are projected to collectively grow 2.7% per year, from \$22.9 million in estimated expenditures in 2018 to \$28.6 million in 2027. 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:

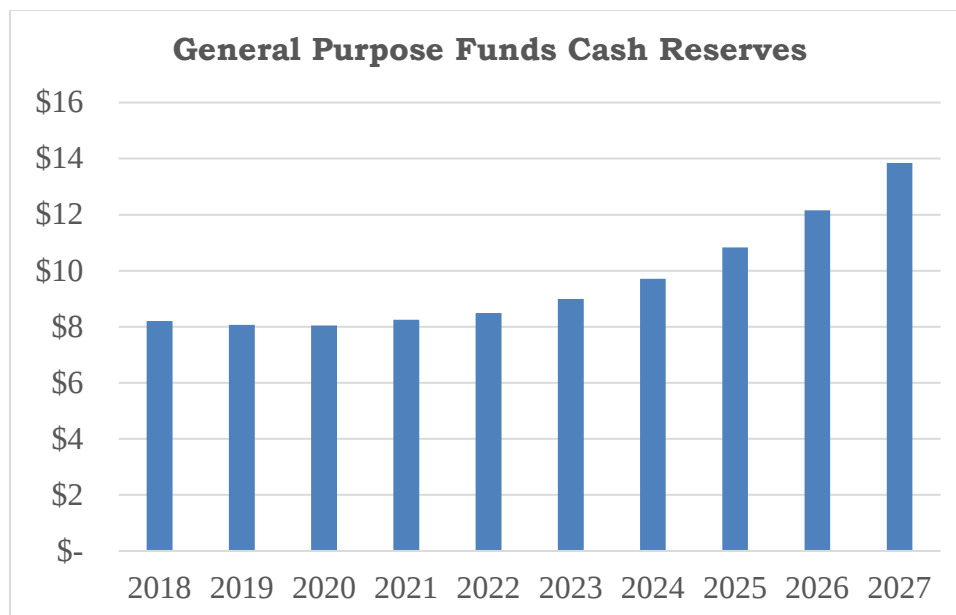
- ❑ 2.5-3.75% increase in personnel costs
- ❑ 2.0% increase in supplies & other charges, and technology-related equipment
- ❑ 3.0% growth in property tax revenues
- ❑ 2-3.0% growth in non-tax revenues
- ❑ 2.0% earnings on investments

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 gradual increase in cash reserves is expected over the next few years reflecting planned tax levy increases to provide for asset replacement and to maintain proper cash reserve levels. Projected cash reserve levels for the City's *general purpose* operations is depicted below.



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.

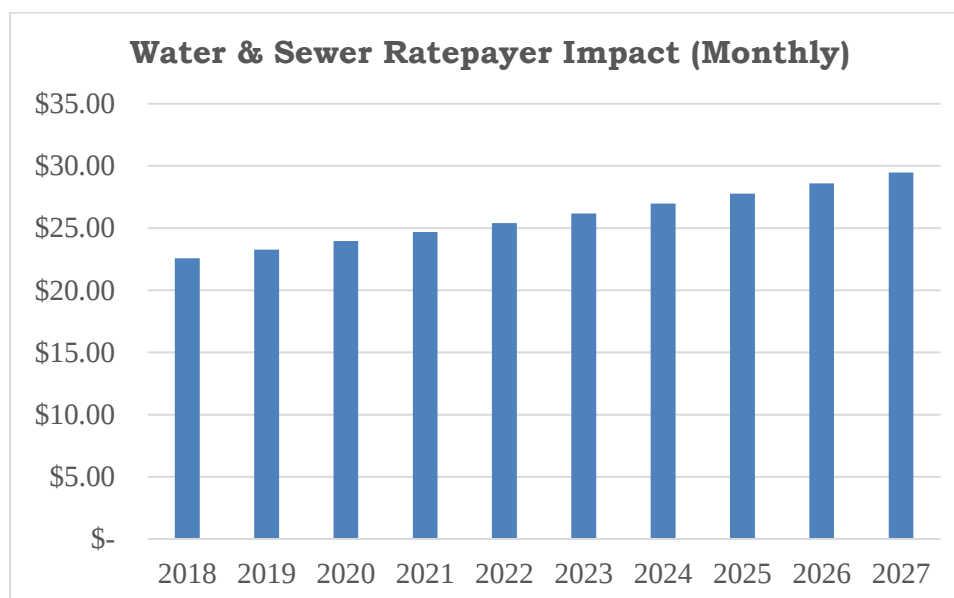
Over the next 10 years, the City's *business-type* operations are projected to collectively grow 2.9% per year, from \$16.1 million in estimated expenditures in 2018 to \$20.3 million in 2027. This assumes that the City will continue providing the same programs and service levels as it currently does. 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
- 2.75-3.5% growth in fees & permits
- 2% earnings on investments

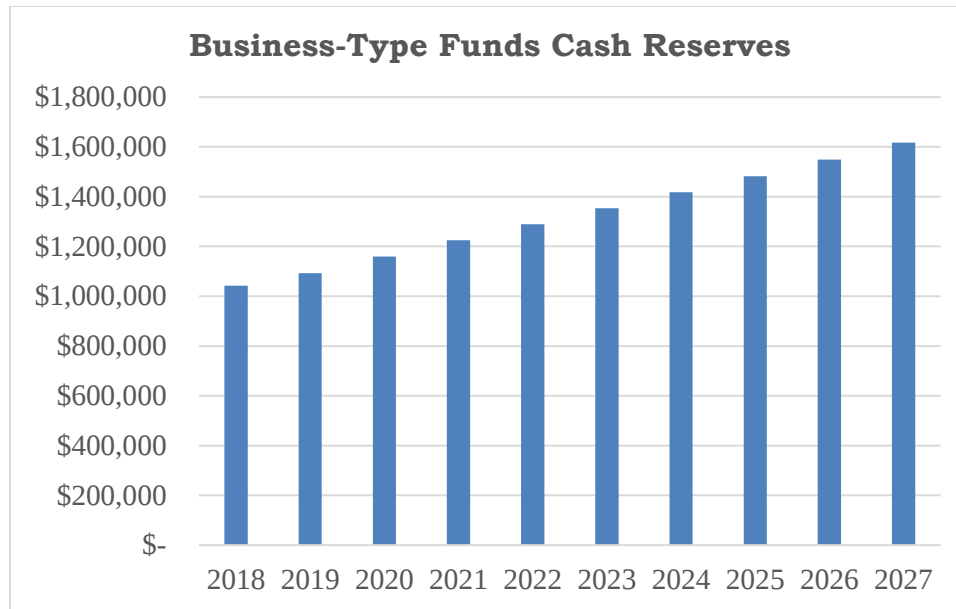
As suggested above, there will be an increasing reliance on fees & permits to sustain *business-type* operations due to projected lower growth in non-fee/permit revenues as well as the need to eliminate the use of excess cash reserves beyond the next few years. Due to the diverse functions captured in 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

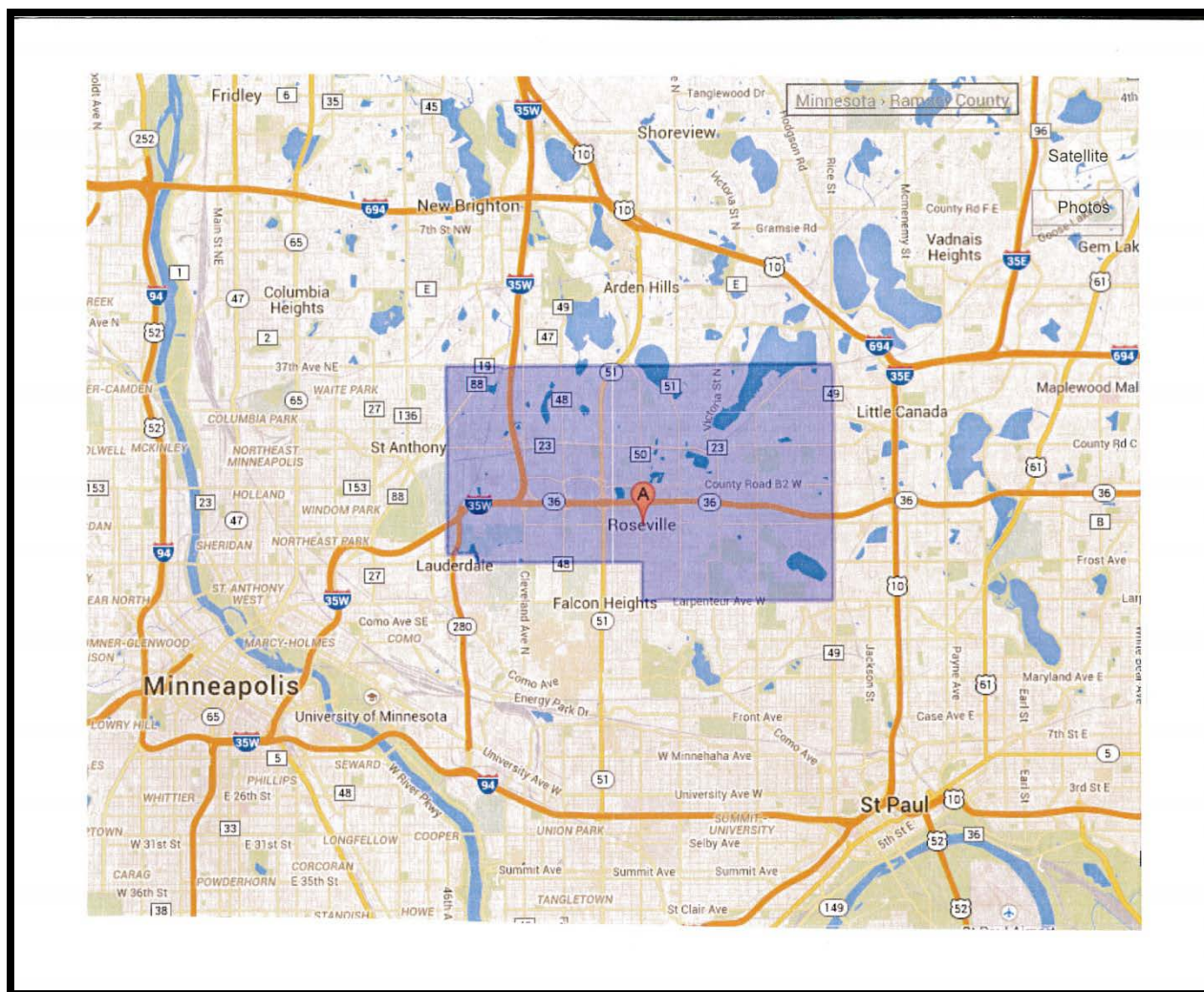
Agency Funds are funds used to report resources held by the City in a purely custodial capacity.

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	2016			2007		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Gateway Washington Inc	\$ 426,418	1	2.25%	\$ 133,594	2	1.14%
Magellan Pipeline Co LP	354,367	2	1.87%			
St Paul Fire And Marine Ins Co	326,507	3	1.72%	-	-	-
Wilcal Crossroads LLC	325,907	4	1.72%	-	-	-
PPF Rtl Rosedale Shopping Ctr LLC	291,196	5	1.54%	-	-	-
Rosedale Square LLC	267,389	6	1.41%	-	-	-
Rosedale Commons LP	214,706	7	1.13%	62,282	9	0.53%
Wal-mart Realty Company 2087	209,199	8	1.10%			
Veritas Technologies LLC	205,011	9	1.08%	-	-	-
BRE Timberwolf Property Owner LLC	195,651	10	1.03%	-	-	-
Compass Retail, Inc.				377,456	1	3.23%
M & J Crossroads LP	-	-	-	127,343	3	1.09%
AEW Capital Management LP	-	-	-	82,950	4	0.71%
Tanurb Developments, Inc.	-	-	-	76,630	5	0.66%
Unisys Corp.	-	-	-	72,418	6	0.62%
Target Corporation				67,662	7	0.58%
Williams Bros Pipeline	-	-	-	66,711	8	0.57%
Palisades Limited PTSP				61,068	10	0.52%
	\$ 2,816,349		14.87%	\$ 1,128,114		9.65%

Source: Ramsey County

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

<u>Employer</u>	<u>2016</u>			<u>2007</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%	1150	1	3.11%
University-Northwestern-St Pl	700	2	3.82%	500	7	1.35%
Metz Baking Co	600	3	3.28%	-	-	-
Minnesota Department-Education	500	4	2.73%	435	9	1.18%
Symantec Corp	500	5	2.73%	600	3	1.62%
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	-	-	-	512	5	1.38%
Unisys	-	-	-	400	10	1.08%
Presbyterian Homes Housing	-	-	-	560	4	1.51%
Roseville Area Schools	-	-	-	950	2	2.57%
Macy's	-	-	-	500	6	1.35%
Target	-	-	-	475	8	1.28%
Total	4,982		27.20%	6,082		16.43%

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)
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%
2016	35,244	1,707,818,508	48,457	7,580	11,145	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: 2016 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 the inaugural Imagine Roseville event which included discussion on police policies and small group breakout sessions.
- Hosted a Naturalization Ceremony at the Roseville Skating Center.
- Recently sponsored a New American Forum in partnership with the Karen Organization, International Institute, and the Roseville Area School District.

Safe and law-abiding

- Increased Police Department training in the areas of mental health awareness and de-escalation techniques.
- Increased fire safety inspections.
- 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 \$70 million to \$146 million in 2016.
- Recent expansion at the Rosedale regional mall.
- New developments in the Twin Lakes Redevelopment Area including Calyxt headquarters and two new hotels.
- 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

- Wheaton Woods development at Dale Street and County Road C.
- Cherrywood Pointe assisted living facility along Lexington Avenue.
- Initiated a new Multi-family rental licensing program to promote rental housing quality standards.

- Recent development of an 18-unit multi-family housing project at the Garden Station townhome project.

Environmentally responsible, with well-maintained natural assets

- Upper Villa Park Storm water Reuse System.
- Recent Public/private partnership with the St. Paul Port Authority and St. Christopher's Church for solar panel installation.
- 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

- Volunteer effort to plan new orchard at the Muriel Sahlin Arboretum.
- Acquired land for two new park developments at 1716 Marion Street and County Road B & Cleveland.
- Continued to foster the community-driven Alzheimer's and Dementia Community Action Team.

Well-connected through transportation and technology infrastructure

- Interstate 35W upgrades at County Road C & Cleveland Avenue.
- Recent addition of 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.

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

- Continued initiatives to enhance participation and engagement in City activities including the ongoing update of the Comprehensive Plan, and redevelopment of targeted areas in Southwest Roseville.
- Nearly 700 individuals contributed 14,000 hours of volunteer time on City efforts & initiatives.

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.