

# 2019 Budget and Capital Improvement Plan

2019 Budget 2019-2038 Capital Improvement Plan Adopted December 3, 2018

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#### **Letter of Transmittal**

December 3, 2018

To the Mayor and City Council,

Enclosed is the 2019 City Budget as prepared by City Staff and in accordance with City Council direction. The 2019 Budget culminates nearly a year's 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 2019, the primary goal of the budget was to provide residents and businesses with the necessary and desired services in the most effective 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 2019, the City recognized continued strengthening of its tax base with overall market values up 5.6% during the past year and 31% 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 2019 with steady property tax and non-tax revenues and moderate overall spending increases. The City's asset replacement programs will receive additional funding in 2019 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 2019 and beyond.

Despite the City's strong 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.

Finally, the 2019 Budget reflects the adopted budget and financial policies that help guide budgeting and spending decisions. These policies were affirmed in 2017 and can be found in *Appendix A*. This document summarizes the 2019 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.

We sincerely hope that residents and other 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 commitments embedded in this budget.

Respectfully submitted,

Patrick Trudgeon City Manager

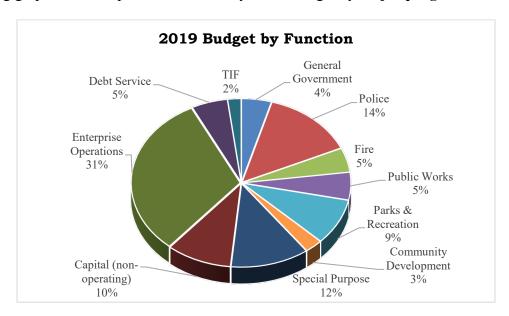
Christopher K. Miller

Finance Director

#### **2019 Budget Summary**

The 2019 Budget is \$55,507,140, an increase of \$1,267,910 or 2.3%. The combined budget for the *tax-supported funds* is \$31,010,720, an increase of \$567,005 or 1.9%.

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



			\$	Increase	% Increase
Program or Function	<u>2018</u>	<u>2019</u>	<u>(</u> [	Decrease)	(Decrease)
General Government	\$ 2,371,825	\$ 2,463,910	\$	92,085	3.9%
Police	7,494,920	7,670,875		175,955	2.3%
Fire	2,503,405	2,604,410		101,005	4.0%
Public Works	2,864,695	2,966,425		101,730	3.6%
Parks & Recreation	4,781,025	4,943,535		162,510	3.4%
Community Development	1,460,430	1,489,600		29,170	2.0%
Special Purpose	6,061,840	6,472,580		410,740	6.8%
Capital (non-operating)	4,168,425	5,385,330		1,216,905	29.2%
Enterprise Operations	18,087,215	17,420,025		(667,190)	-3.7%
Debt Service	3,330,000	2,975,000		(355,000)	-10.7%
TIF	1,101,000	1,101,000		-	0.0%
Trust Operations	14,450	14,450		-	0.0%
Total	\$ 54,239,230	\$ 55,507,140	\$	1,267,910	2.3%

**General Government** includes activities related to City Council and advisory commissions, elections, legal, general administration, finance, and central services. General government expenditures are expected to increase due to added personnel costs including a 3.0% cost-of-living adjustment for employees and a 5.0% employer healthcare contribution.

**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 3.0% cost-of-living adjustment for employees and a 5.0% employer healthcare contribution.

**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 3.0% cost-of-living adjustment for employees and a 5.0% employer healthcare contribution. 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 3.0% cost-of-living adjustment for employees and a 5.0% employer healthcare contribution. It also includes higher costs associated with 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 3.0% cost-of-living adjustment for employees and a 5.0% employer healthcare contribution.

**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 higher personnel costs and additional costs associated with IT support for fee-paying partnering governmental agencies.

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.

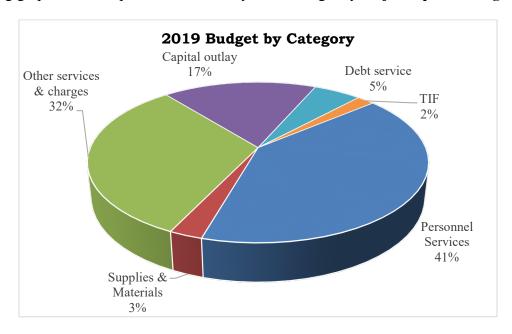
**Enterprise Operations** includes water, sanitary sewer, storm drainage, solid waste recycling, and the municipal golf course. Overall expenditures are expected to decrease due to lower scheduled capital replacements.

**Debt Service** includes the principal and interest paid on bonds used to finance infrastructure and facility improvement projects. The decrease is related to the defeasance of a bond used to finance facility improvements.

**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. No change is expected in 2019.

**Trust & Other Operations** includes funds set aside to maintain a City-owned cemetery as well as the City's safety and loss control efforts.

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



			\$	Increase	% Increase
Expense Category	<u>2018</u>	<u>2019</u>	<u>(</u>	Decrease)	(Decrease)
Personnel Services	21,545,435	22,522,265	\$	976,830	4.5%
Supplies & Materials	1,453,735	1,491,945		38,210	2.6%
Other services & charges	17,461,655	17,800,825		339,170	1.9%
Capital outlay	9,347,405	9,616,105		268,700	2.9%
Debt service	3,330,000	2,975,000		(355,000)	-10.7%
TIF	1,101,000	1,101,000		-	0.0%
Total	\$ 54,239,230	\$ 55,507,140	\$	1,267,910	2.3%

**Personal Services** includes the wage, benefit, and insurance costs of employees. For 2019, personnel costs will rise due to a 3.0% cost-of-living adjustment for employees and a 5.0% employer healthcare contribution. It also includes 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. An increase is expected due to inflationary-type impacts including rising fuel costs.

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.

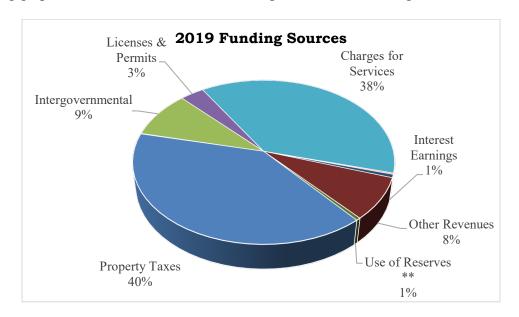
Capital Outlay includes scheduled replacement purchases of vehicles and equipment (non-operating budgets), as well as general infrastructure improvements. A decrease is expected due to lower scheduled capital replacements.

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

**TIF Pay-as-you-Go** refers to tax increment paid to developers as specified in Tax Increment Financing (TIF) agreements between the City and various developers. No change is expected in 2019.

#### **Budget Funding Sources**

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



				\$	Increase	% Increase
Funding Source		<u>2018</u>	<u>2019</u>	(	Decrease)	(Decrease)
Property Taxes	9	\$ 20,680,505	\$ 22,025,310	\$	1,344,805	6.5%
Special Assessments		206,000	55,000		(151,000)	-73.3%
Intergovernmental		4,394,230	5,107,635		713,405	16.2%
Licenses & Permits		1,914,500	1,860,235		(54,265)	-2.8%
Charges for Services		20,707,540	21,089,065		381,525	1.8%
Court Fines		134,000	134,000		-	0.0%
Interest Earnings		403,105	355,950		(47,155)	-11.7%
Other Revenues		4,274,140	4,606,090		331,950	7.8%
Use of Reserves **		1,525,210	273,855		(1,251,355)	-82.0%
Tot	al	\$ 54,239,230	\$ 55,507,140	\$	1,267,910	2.3%

<sup>\*\*</sup> 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 (\$1,295,000), police, fire, and street maintenance aid (\$1,000,000) and monies received under joint powers agreements (\$2,630,000). 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 (\$343,000) and building-related permits (\$1,390,000). A small decrease is expected in 2019 due to lower permit fees.

Charges for Services include wireless antenna lease revenues (\$459,000), recreation program fees (\$2,203,000), user charges for; water (\$7,334,000), sanitary sewer (\$5,899,000), storm drainage (\$1,933,000), solid waste recycling fees (\$449,000), and greens fees for the municipal golf course (\$333,000). The increase is attributable to fee increases for most city-provided services as well as increased customer transactions.

**Court Fines** include fines paid for traffic violations and criminal offenses occurring within the City limits. No change is expected for 2019.

**Interest Earnings** include investment earnings on cash reserves. A decrease is expected in 2019 due to lower investment holdings within the City's investment portfolio.

**Other Revenues** include tax increment (\$1,101,000), lawful gambling taxes (\$107,000), cable franchise fees (\$470,000), and inter-fund transfers.

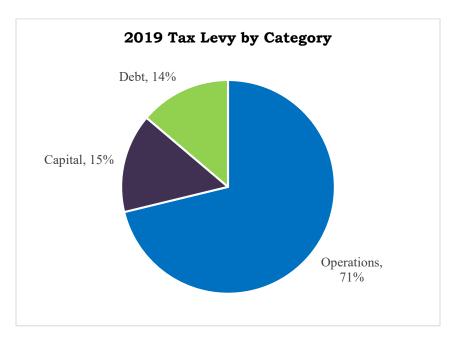
Use of Reserves denotes the amount of reserves that is projected to be used to finance one-time capital replacements and other uses. A decrease of planned uses of reserves is expected in 2019.

#### Tax Levy, Tax Capacity, and Tax Impact

The tax levy for 2019 is \$21,551,605; an increase of \$871,145 or 4.2%. The increase in property taxes is necessary to offset higher capital replacement and inflationary-type operational costs, as well as reduce the General Fund's reliance on the use of cash reserves.

For 2019, the median-valued single-family home experienced a 7.6% increase in their assessed market value; rising from \$236,900 to \$254,900. This, along with the change in property tax levy, resulted in a monthly tax increase of \$5.03 or 6.7%.

The following graph and table summarizes the 2018 tax levy.



			\$ Increase	% Increase
<u>Fund / Program</u>	<u>2018</u>	<u>2019</u>	(Decrease)	(Decrease)
General Fund Programs	\$11,546,235	\$12,316,605	\$ 770,370	6.7%
Parks & Recreation - Programs	1,349,255	1,375,135	25,880	1.9%
Parks & Recreation - Maintenance	1,275,015	1,349,910	74,895	5.9%
Pathways & Parking Lots Maintenance	245,000	245,000	-	0.0%
Boulevard Landscaping	60,000	60,000	-	0.0%
General Vehicle & Equipment Replacements	1,393,000	1,393,000	-	0.0%
General Facility Replacement	421,000	776,000	355,000	84.3%
Park Improvement Program	410,000	410,000	-	0.0%
Pavement Management Program	630,000	630,000	-	0.0%
Street Lighting Replacement	21,000	21,000	-	0.0%
Debt Service - City Hall, Public Works Buid	765,000	765,000	-	0.0%
Debt Service - Ice Arena	355,000	_	(355,000)	-100.0%
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%
	\$20,680,505	\$21,551,650	\$ 871,145	4.2%

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 2018 and 2019 (estimated) is 38.178% and 37.850% respectively.

To determine an individual property's tax, the local tax rate is applied to the property's net tax capacity. For example, a \$254,900 home has a tax capacity of 2,549 (254,900 multiplied by 1% which represents the Statewide tax formula for homestead property). This tax capacity figure is then multiplied by the local tax rate.

$$2,549 \times .37850 = $965$$

In 2019 a \$254,900 home will pay an estimated \$965 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 2019 tax levy, estimates provided by Ramsey County, and assuming a 7.6% increase in property valuation.

Estimated Tax Impact: Residential w 7.6% Valuation Increase						
			\$ Increase	% Increase		
Value of Home	<u>2018</u>	<u>2019</u>	(Decrease)	(Decrease)		
204,440	725	774	48	6.68%		
225,960	802	855	54	6.68%		
254,900	904	965	60.36	6.67%		
274,380	974	1,039	65	6.68%		
295,900	1,050	1,120	70	6.68%		

<sup>\*</sup> Note: Property valuations are determined by the Ramsey County Assessor's Office

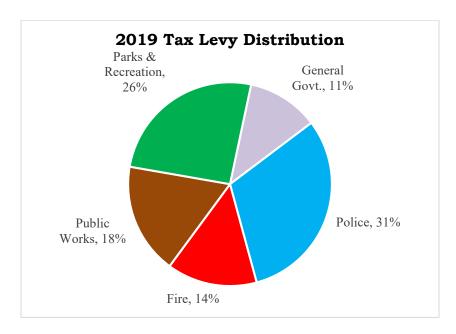
As shown above, a median-valued home of \$254,900 would see an increase of \$60 or 6.7%, holding all other factors constant.

The following table summarizes the estimated tax impact on **commercial** property, based on the 2019 tax levy and budget, estimates provided by Ramsey County, and <u>assuming no increase in property valuation</u>.

Estimated Tax Impact: Commerc				
			\$ Increase	% Increase
Value of Property	<u>2018</u>	<u>2019</u>	(Decrease)	(Decrease)
500,000	3,531	3,501	(30)	-0.86%
750,000	5,440	5,394	(47)	-0.86%
1,000,000	7,349	7,286	(63)	-0.86%
2,000,000	14,985	14,856	(129)	-0.86%
3,000,000	22,620	22,426	(194)	-0.86%

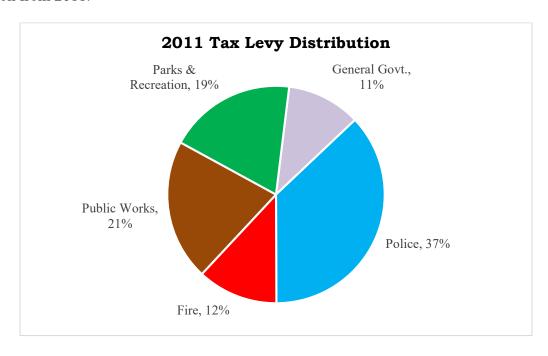
#### **Tax Levy Benchmarks**

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.

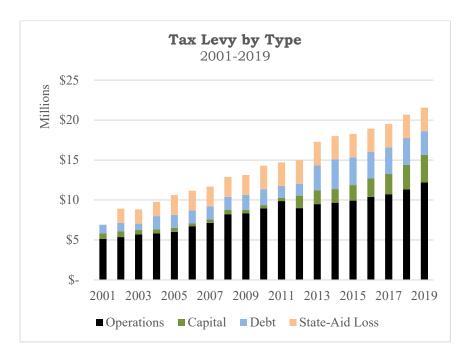


As depicted in the chart, police-related programs and services receive the highest level of tax levy support at 31% followed by Parks & Recreation at 26%. This distribution includes each function's proportionate share of debt service used to finance facilities, vehicles, and equipment.

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.



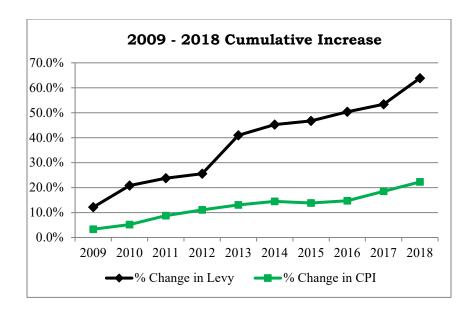
We can also depict the year-by-year changes in the overall tax levy to not only gauge taxpayer impact over time, but to also demonstrate what's driving property tax changes. The following chart depicts the tax levy by type since 2001.



As show in this chart, the overall tax levy has risen significantly in the past 17 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 \$6.4 million.

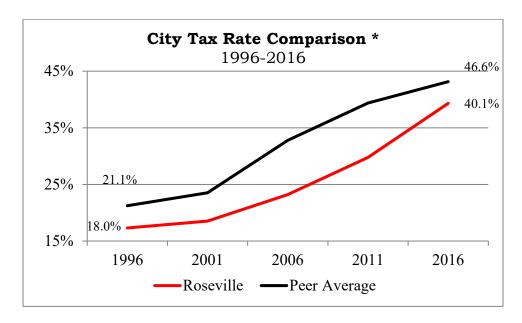
Another comparison we can make is to compare changes in the tax levy over time to a standard benchmark – the local inflation rate as measured by the Consumer Price Index (CPI). The CPI represents the change in prices over time for a typical household's purchases such as housing, food, clothing, utilities,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

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 25<sup>th</sup> 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**

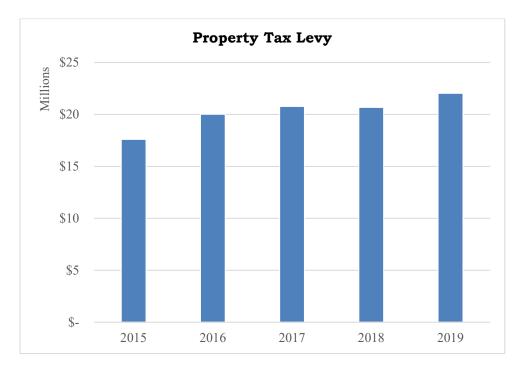
The table below shows a five-year comparison of funding sources, uses, and changes in fund balance for all governmental funds.

	2015	2016	2017	2018	2019
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$ 17,592,865	\$ 20,013,158	\$ 20,771,785	\$ 20,680,505	\$ 22,025,310
Tax Increments	1,928,239	1,677,742	1,191,202	995,000	995,000
Special Assessments	170,841	302,100	130,549	206,000	55,000
Intergovernmental	3,515,434	3,381,245	2,382,557	4,306,730	5,020,135
Licenses & Permits	1,754,773	2,414,103	1,962,436	1,914,500	1,860,235
Charges for Services	5,188,227	5,888,046	6,151,026	5,398,240	5,139,130
Fines & Forfeits	135,766	107,229	90,045	134,000	134,000
Interest Earnings	661,420	(132,317)	622,401	372,105	349,950
Other Revenue	1,724,459	1,711,342	1,562,065	1,047,935	2,322,475
Total Sources	32,672,024	35,362,648	34,864,066	35,055,015	37,901,235
Funding Uses					
General Government	2,392,912	6,822,109	2,624,414	2,813,825	2,463,910
Public Safety	9,021,451	10,085,783	9,593,726	9,556,325	10,275,285
Public Works	2,488,414	2,499,271	2,402,973	2,864,695	2,966,425
Parks & Recreation	4,616,641	4,380,124	4,450,517	4,781,025	4,943,535
Community Development	1,300,285	1,422,063	1,565,531	1,820,580	1,489,600
Special Purpose	3,359,442	3,014,830	5,169,051	5,701,690	6,472,580
Capital Outlay	10,551,732	9,821,852	7,063,888	4,168,425	5,385,330
Debt Service	3,472,417	3,508,823	3,549,204	3,330,000	2,975,000
TIF-Related	474,676	165,491	3,549,683	1,101,000	1,101,000
Trust/Other Operations	-	-	-	14,450	14,450
Total Uses	37,677,970	41,720,346	39,968,987	36,152,015	38,087,115
Other Sources (Uses)					
Transfers in (out)	782,000	805,000	(122,737)	1,097,000	-
Bond Proceeds (net)	3,246,065	-	_	-	-
Sale of capital assets	531,052	172,722	144,189	-	-
Other	-	-	-	-	-
Total Other Sources (Uses)	4,559,117	977,722	21,452	1,097,000	_
Excess of Funding Sources					
Over (Under) Funding Uses	(446,829)	(5,379,976)	(5,083,469)	-	(185,880)
Fund Balance - Jan 1st	45,259,195	44,812,366	43,982,955	38,899,486	38,899,486
Prior Period Adjustment		4,550,565	-	-	-
Fund Balance - Dec 31st	\$ 44,812,366	\$ 43,982,955	\$ 38,899,486	\$ 38,899,486	\$ 38,713,606

#### **Discussion Items**

From 2015-2019, overall funding sources for the City's governmental fund operations have remained fairly stable with a few exceptions.

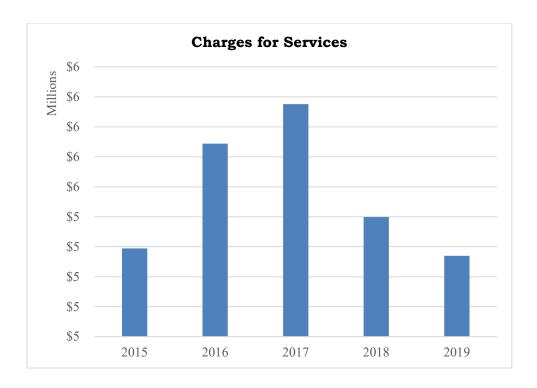
Since 2015, the City has become more reliant on the property tax to fund current operations. This has resulted in large part due to the added costs associated with the City's asset replacement programs. The City's reliance on the property tax also resulted from the decline in interest earnings and other non-tax revenue sources during this period. The chart below depicts the property tax levy for the past 5 years.



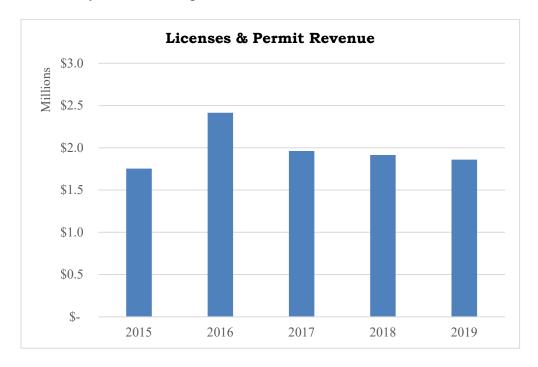
Over the next five years, it is expected that the City's tax levy will need to increase at levels that are somewhat above inflation. This will be necessary to offset expected increases in personnel-related costs and to continue strengthening the City's asset replacement funding mechanisms.

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 have grown substantially over the last few years reflected strong growth in our IT-related services. These revenues are depicted below, but we will note that only net revenues for It-related services are shown for 2018 and 2019.



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 2019 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 have 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 begun to decline in recent years as older bonds have now been retired. The City does not have any current plans to issue new debt.

Overall fund balance levels in the City's governmental funds are expected to decline slightly 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.

	2015	2016	2017	2018	2019
<b>Funding Sources</b>	Actual	Actual	Actual	Budget	Budget
Net Sales of Merchandise	\$ 23,505	\$ 10,680	\$ 7,460	\$ -	\$ -
User Charges	13,476,106	13,927,985	14,356,514	15,309,300	15,949,935
Other Revenue	75,732	61,392	192,457	132,000	156,225
Total Sources	13,575,343	14,000,057	14,556,431	15,441,300	16,106,160
Funding Uses					
Personal Services	1,650,863	1,755,058	1,810,886	1,832,230	1,926,700
Supplies & Maintenance	242,999	339,086	278,014	341,050	358,250
Other Services & Charges	8,271,694	8,694,639	9,092,089	10,993,935	9,950,075
Depreciation	964,668	1,154,037	1,187,657	4,920,000	1,255,000
Total Uses	11,130,224	11,942,820	12,368,646	18,087,215	13,490,025
Other Sources (Uses)					
Interest Earnings	50,328	(9,449)	42,720	31,000	6,000
Sale of Assets	145,442	7,635	24,673	-	-
Grants / Other	191,251	90,533	87,901	_	-
Trans fer In (out)	(782,000)	(527,945)	122,737	-	-
Total Other Sources (Uses)	(394,979)	(439,226)	278,031	31,000	6,000
Excess of Funding Sources					
Over (Under) Funding Uses	2,050,140	1,618,011	2,465,816	(2,614,915)	2,622,135
Net Assets - Jan 1st	29,778,368	30,859,340	32,322,701	34,788,517	32,173,602
Prior Period Adjustment	(969,168)	(154,650)	_	_	-
Net Assets - Dec 31st	\$ 30,859,340	\$ 32,322,701	\$ 34,788,517	\$ 32,173,602	\$ 34,795,737

#### 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 prior years 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.

	2015	2016	2017	2018	2019
<b>Funding Sources</b>	<u>Actual</u>	Actual	Actual	Budget	Budget
Property Taxes	\$ 10,236,716	\$ 11,918,681	\$ 12,032,298	\$ 11,546,235	\$ 12,316,605
Intergovernmental	1,031,110	1,213,476	1,107,228	1,080,000	1,094,210
Licenses & Permits	396,247	484,004	544,957	338,000	343,000
Charges for Services	212,120	535,975	285,867	328,000	327,000
Fines & Forfeits	135,479	107,229	90,045	134,000	134,000
Interest Earnings	74,431	(38,581)	86,208	30,000	30,000
Other Revenue	83,548	74,599	98,256	30,000	53,000
Total Sources	12,169,651	14,295,383	14,244,859	13,486,235	14,297,815
Funding Uses					
General Government	2,323,882	2,560,587	2,624,414	2,371,825	2,463,910
Police	6,863,443	7,080,726	7,330,515	7,494,920	7,670,875
Fire	1,826,476	1,927,282	2,040,329	2,282,405	2,381,410
Fire Relief	220,012	221,324	222,882	221,000	223,000
Public Works	2,211,904	2,238,271	2,402,973	2,864,695	2,966,425
Other	-	_	-	-	-
Total Uses	13,445,717	14,028,190	14,621,113	15,234,845	15,705,620
	-				
Other Sources (Uses)					
Transfer In (Out)	962,148	934,000	(586,143)	1,067,000	1,067,000
Other	-	3,351	-	-	-
Total Other Sources (Uses)	962,148	937,351	(586,143)	1,067,000	1,067,000

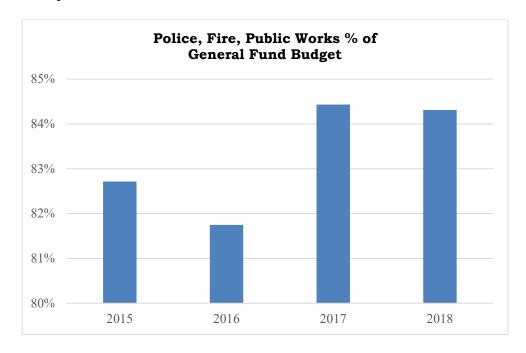
#### Discussion Items

During the period 2015-2019, overall funding sources for the City's General fund operations remained fairly flat partially relying on excess cash reserves. The City's property tax levy increased steadily during this period averaging 5% per year. In 2019, the increase was primarily designated for added personnel-related costs as well as contractual maintenance and professional services. A tax increase was also instituted to reduce the General Fund's reliance on cash reserves.

Beyond 2019, 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 fully-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 2015-2019, 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 2015.

In 2019, the General Fund balance is expected to decrease by \$340,000 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.

	2015	2016	2017	2018	2019
<b>Funding Sources</b>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$ 2,136,995	\$ 2,438,555	\$ 2,513,387	\$ 2,624,270	\$ 2,725,045
Charges for Services	1,908,640	2,033,709	2,050,264	2,146,230	2,203,490
Rentals	52,796	59,250	70,998	-	-
Donations	166,416	100,317	68,590	_	_
Interest Earnings	17,535	(3,727)	16,751	10,525	15,000
Other Revenue	54,002	43,422	40,409	-	-
Total Sources	4,336,384	4,671,526	4,760,399	4,781,025	4,943,535
Funding Uses					
Personnel	2,664,519	2,815,370	2,925,904	3,083,070	3,187,265
Supplies & Materials	297,316	282,377	284,341	317,940	321,270
Other Services & Charges	1,179,001	1,220,905	1,240,272	1,380,015	1,435,000
Capital Outlay	9,698	-	-	_	-
Total Uses	4,150,534	4,318,652	4,450,517	4,781,025	4,943,535
Other Sources (Uses)					
Transfer In (Out)	-	-	(570)	-	-
Other	-	-	-	-	-
Total Other Sources (Uses)	-	-	(570)	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	185,850	352,874	309,312	-	-
Fund Balance - Jan 1st	1,099,011	1,284,861	1,637,735	1,947,047	1,947,047
Fund Balance - Dec 31st		\$ 1,637,735	\$ 1,947,047	\$ 1,947,047	\$ 1,947,047

#### **Discussion Items**

From 2015-2019, 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 4% per year keeping pace with inflation and activity levels.

During this same period, operating expenses increased at approximately 5% 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.

	2015	2016	2017	2018	2019
<b>Funding Sources</b>	<u>Actual</u>	Actual	Actual	Budget	<u>Budget</u>
Licenses & Permits	\$ 1,358,426	\$ 1,929,899	\$ 1,417,479	\$ 1,466,500	\$ 1,390,235
Charges for Services	258,412	255,597	200,902	600,150	273,715
Interest Earnings	16,452	(3,852)	30,531	11,250	25,000
Other Revenue	15,021	22,365	41,674	23,140	23,125
Total Sources	1,648,311	2,204,009	1,690,586	2,101,040	1,712,075
Funding Uses					
Personnel	1,075,295	1,134,724	1,146,833	1,241,825	1,080,650
Supplies & Materials	11,613	7,224	9,254	26,210	30,950
Other Services & Charges	205,135	278,086	388,831	423,425	352,500
Capital Outlay	8,242	2,028	20,613	129,660	25,500
Total Uses	1,300,285	1,422,062	1,565,531	1,821,120	1,489,600
Other Sources (Uses)					
Transfer In (Out)	(40,000)	(45,000)	(45,177)	_	_
Other	-	775	-	-	-
Total Other Sources (Uses)	(40,000)	(44,225)	(45,177)	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	308,026	737,722	79,878	279,920	222,475
Fund Balance - Jan 1st	713,524	1,021,550	1,759,272	1,839,150	2,119,070
Fund Balance - Dec 31st	\$ 1,021,550	\$ 1,759,272	\$ 1,839,150	\$ 2,119,070	\$ 2,341,545

#### Discussion Items

During the period 2015-2019, 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 *
Dan Roe	2023
<b>Bob Willmus</b>	2023
Wayne Groff	2023
Jason Etten	2021
Lisa Laliberte	2021
	Bob Willmus Wayne Groff Jason Etten

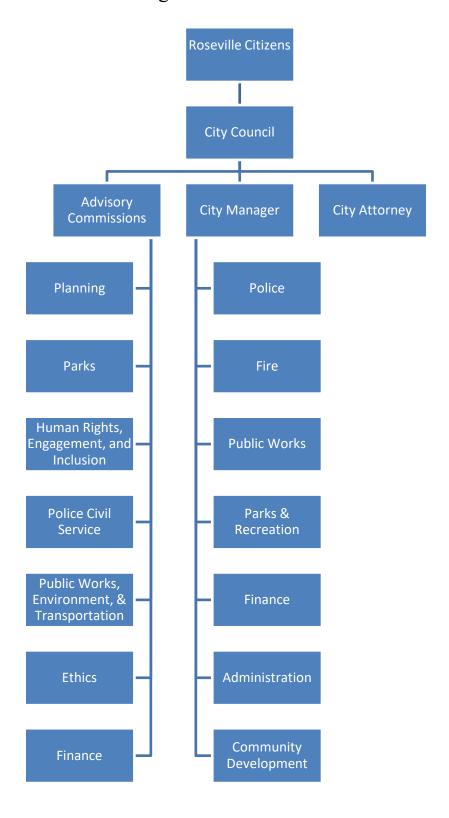
<sup>\*</sup> expires on the first official business day in January

## **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	New Hire Pending

# 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 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: <a href="www.cityofroseville.com">www.cityofroseville.com</a>. 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:

#### 2019 Budget Calendar

Discussion on Organizational Priorities	April 16, 2018
Review General Budget, Legislative, and Tax Base Impacts	July 16, 2018
Receive 2019-2038 Capital Improvement Plan	July 16, 2018
Receive City Council Budgetary Goals	July 16, 2018
Receive City Manager Recommended Budget	August 13, 2018
Receive Budget Recommendations from the Finance Commission	September 17, 2018
Adopt the 2019 Preliminary Budget & Tax Levy	September 24, 2018
Review Proposed Utility Rates	November 5, 2018
Final Budget Hearing	November 26, 2018
Adopt the 2019 Water & Sewer Rates	December 3, 2018
Adopt the 2019 Final Budget & Tax Levy	December 3, 2018

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

Division	2015	2016	2017	2018	2019
Administration	4.70	4.70	5.00	5.00	5.50
Elections	0.05	0.05	0.05	0.05	0.05
Communications	2.25	2.25	2.45	2.45	2.45
Total Administration	7.00	7.00	7.50	7.50	8.00
Finance	5.90	5.90	5.55	5.55	5.05
Lawful Gambling	0.10	0.10	0.10	0.10	0.10
Information Technology	14.00	17.00	17.00	20.00	20.00
License Center	14.75	16.75	16.75	16.75	17.25
Total Finance	34.75	39.75	39.40	42.40	42.40
Total Fillance	34.73	39.73	39.40	42.40	42.40
Police Administration	9.00	9.00	9.50	9.50	8.00
Police Patrol	37.00	37.00	37.00	37.00	38.00
Police Investigations	9.00	9.00	9.00	9.00	11.00
Police Community Svcs.	2.00	3.00	3.00	3.50	2.50
Total Police	57.00	58.00	58.50	59.00	59.50
Fire Administration	2.00	3.00	3.00	3.00	3.00
Fire Prevention	1.00	1.00	-	-	-
Fire Operations	8.00	8.00	12.00	15.00	15.00
Total Fire	11.00	12.00	15.00	18.00	18.00
DAY V 1 V	7.25	7.25	7.25	7.05	7.05
PW Administration	7.25	7.25	7.25	7.25	7.25
Street Maintenance	6.10	6.10	6.10	6.10	6.10
Central Garage	2.00	2.00	2.00	2.00	2.00
Engineering Services	1.00	2.00	2.00	2.00	2.00
Sanitary Sewer	4.70	4.70	5.05	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	32.75	33.75	34.10	34.10	34.10
Recreation Administration	4.90	4.90	4.90	4.65	4.65
Recreation Programs	4.35	4.85	4.85	5.10	5.35
Skating Center	5.75	5.75	5.75	5.75	5.75
Park Maintenance	9.50	9.50	9.50	9.50	9.50
Golf Course	1.75	1.75	1.75	1.75	2.00
Total Parks & Recreation	26.25	26.75	26.75	26.75	27.25
Planning	5.25	3.60	3.10	4.05	4.05
Housing & Economic Developmen		1.90	1.90	1.50	1.80
GIS	1.00	0.80	0.80	0.30	0.30
Rental Licensing	-	1.25	1.25	1.25	-
Nuisance Code Enforcement	-	0.50	0.50	0.45	1.25
Code Enforcement	7.00	5.45	5.45	5.45	5.60
Total Community Development	13.50	13.50	13.00	13.00	13.00
Total Citywide	182.25	190.75	194.25	200.75	202.25

<sup>\*\*</sup> Excludes seasonal/long-term temporary employees, as well as paid-on-call firefighters.



#### GOVERNMENT FINANCE OFFICERS ASSOCIATION

# Distinguished Budget Presentation Award

PRESENTED TO

City of Roseville Minnesota

For the Fiscal Year Beginning

**January 1, 2018** 

Christopher P. Morrill

**Executive Director** 

#### Department / Program: City Council

Organizational Responsibility: City Council & City Manager

#### **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.

#### 2019 Goals and Objectives

- Economic Development Strategic Initiatives
  - o Foster Twin Lakes Redevelopment
  - o Facilitate City-Wide Economic Development
  - o Implement Southeast Roseville Revitalization Goals
- Inclusive Community and Governance
  - o Continue Southeast Roseville Working Group Activities with Stakeholders
  - o 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
  - o Increase Pedestrian Connectivity
  - o Ensure Sustainable Capital Improvement Funding
  - o Provide Timely and Transparent Capital Improvement Budget Information
- Infrastructure Sustainability
  - o Categorize Infrastructure Condition
  - Ensure Capital Improvement Funding

#### **Financial Summary**

	2015	2016	2017		2018	2019	\$ Increase	% Increase
	<u>Actual</u>	Actual	<u>Actual</u>		<u>Budget</u>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 46,247	\$ 48,589	\$ 48,048		\$ 47,490	\$ 49,180	\$ 1,690	3.6%
Supplies & Materials	115	57	-		-	-	-	0.0%
Other Services & Charges	153,532	164,875	182,328		187,700	187,775	75	0.0%
Capital Outlay	-	_	-		-	-	-	0.0%
Total	\$ 199,893	\$ 213,521	\$ 230,377	- [ :	\$ 235,190	\$ 236,955	\$ 1,765	0.8%
FTE's	-	-	-		-	-		

#### **2019 Budget Impact Items**

• Personnel increase is due to higher costs associated with police offer attendance at Council Meetings.

#### 2017/2018 Achievements

- Approved incentives packages to attract headquarters of McGough Construction and Colder Products Company to Twin Lakes
- Approved Rice Street-Larpenteur Gateway Area Vision Plan
- Authorized staff to participate in the GARE program
- Authorized the creation of Unity Park in SE Roseville
- Established Roseville Legislative Priorities.

**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.

#### 2019 Goals and Objectives

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

#### **Financial Summary**

	2015	2016	2017		2018		2019	\$ I	ncrease	% Increase
	 <u>Actual</u>	<u>Actual</u>	<u>Actual</u>	I	Budget	]	<u>Budget</u>	(D	ecrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$	-	\$	-	\$	-	0.0%
Supplies & Materials	-	-	-		-		-		-	0.0%
Other Services & Charges	220,012	221,324	222,882		221,000		223,000		2,000	0.9%
Capital Outlay	-	-	-		-		-		-	0.0%
Total	\$ 220,012	\$ 221,324	\$ 222,882	\$	221,000	\$	223,000	\$	2,000	0.9%
FTE's	-	-	-		-		-			

#### **2019 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.

#### 2017/2018 Achievements

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

Organizational Responsibility:

#### **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.

#### 2019 Goals and Objectives

- Develop customizable, organization-wide onboarding program.
- Implement comprehensive background checks for volunteers and employees.
- Develop and implement the city's first Racial Equity Action Plan.
- Prepare for 2020 census.
- Onboard and train new Deputy City Clerk.
- Complete update to Crisis and Emergency Communications Plan and facilitate training.
- Develop handbook and background check policy for volunteers.
- Complete a volunteer survey.

#### **Financial Summary**

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	Actual	<u>Budget</u>	<u>Budget</u>	(D	ecrease)	(Decrease)
Personnel Services	\$ 534,087	\$ 492,452	\$ 592,092	\$ 633,130	\$ 675,810	\$	42,680	6.7%
Supplies & Materials	1,069	1,289	2,587	1,500	1,500		-	0.0%
Other Services & Charges	84,721	120,231	83,065	127,900	144,220		16,320	12.8%
Capital Outlay	_	-	-	-	-		-	0.0%
Total	\$ 619,877	\$ 613,973	\$ 677,745	\$ 762,530	\$ 821,530	\$	59,000	7.7%
FTE's	4.70	4.70	5.00	5.00	5.50			

#### 2019 Budget Impact Items

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' increase due to higher software maintenance costs, and added costs for hiring background checks.

#### 2017/2018 Achievements

- Completed 2018 Community Survey
- Design, launch and production of new quarterly EDA E-Newsletter
- Successfully negotiated 3 union contracts
- Established an ordinance notification system
- Participated in GARE year-long cohort to develop foundation for implementing a Racial Equity Action plan.

**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.

#### 2019 Goals and Objectives

• Coordinate elections function with Ramsey County for the 2020 election.

#### **Financial Summary**

		2015		2016		2017		2018		2019	\$ In	crease	% Increase
	<u> </u>	Actual	<u> </u>	Actual	1	Actual	В	udget	E	<u>udget</u>	(De	crease)	(Decrease)
Personnel Services	\$	5,264	\$	5,654	\$	5,624	\$	5,550	\$	5,810	\$	260	4.7%
Supplies & Materials		-		148		-		500		-		(500)	-100.0%
Other Services & Charges		68,487		75,215		66,352		66,350		69,340		2,990	4.5%
Capital Outlay		-		-		-		-		-		-	0.0%
Total	\$	73,751	\$	81,017	\$	71,976	\$	72,400	\$	75,150	\$	2,750	3.8%
FTE's		0.05		0.05		0.05		0.05		0.05			

#### **2019 Budget Impact Items**

• Increase in 'Other Services & Charges' reflects higher contractual costs paid to Ramsey County to administer the City's election process.

#### 2017/2018 Achievements

- Successfully transferred election responsibilities to Ramsey County
- Provided early voting information to community. The Roseville Library was the second busiest early voting location in Ramsey County.

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.

#### 2019 Goals and Objectives

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

#### **Financial Summary**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	Actual	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	346,269	346,533	357,836	359,160	369,935	10,775	3.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 346,269	\$ 346,533	\$ 357,836	\$ 359,160	\$ 369,935	\$ 10,775	3.0%
FTE's	-	-	-	-	-		

#### **2019 Budget Impact Items**

• The City's legal costs are reflected in service contracts with area law firms. An contractual increase is due in 2019.

#### 2017/2018 Achievements

• Led organizational ethics training.

#### Department / Program: Communications

Organizational Responsibility: City Manager

#### **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.

#### 2019 Goals and Objectives

- Continue evaluating and improving all communication media produced by the City.
- Continue with Crisis and Emergency Communications plan including training of employees.
- Census preparation identify ways the city will work to reach generally underreported populations.
- Review and address any federally regulated accessibility issues with city website.

#### **Financial Summary**

	2015	2016	2014	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 220,992	\$ 234,895	\$ 235,477	\$ 274,570	\$ 290,390	\$	15,820	5.8%
Supplies & Materials	1,706	4,937	1,789	-	2,000		2,000	0.0%
Other Services & Charges	230,721	241,934	224,955	259,000	242,000		(17,000)	-6.6%
Capital Outlay	152,664	-	-	10,000	22,000		12,000	120.0%
Total	\$ 606,084	\$ 481,766	\$ 462,221	\$ 543,570	\$ 556,390	\$	12,820	2.4%
FTE's	2.25	2.25	2.45	2.45	2.45			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' decrease due to eliminated cost associated with the biennial community survey.

#### 2017/2018 Achievements

- Install signage in City Council Chambers.
- Created quarterly electronic newsletter for the Economic Development Authority.
- Completed 2018 Community Survey.
- Reviewed and updated Crisis and Emergency Communications plan.

#### Department / Program: Finance & Accounting Division

Organizational Responsibility: Finance Director

#### **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.

#### 2019 Goals and Objectives

- Continue implementing the Finance & Accounting Division's 2016-2020 Strategic Plan.
- Develop New Finance & Accounting Division Strategic Plan for 2020-2024.
- 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**

	2015	2016	2017	2018	2019	2019 \$ Increase	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Budget	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 557,495	\$ 589,419	\$ 579,240	\$ 626,475	\$ 626,770	\$ 295	0.0%
Supplies & Materials	2,824	3,754	4,869	3,000	4,100	1,100	36.7%
Other Services & Charges	51,480	55,972	72,813	62,250	68,430	6,180	9.9%
Capital Outlay	-	-	-	-	-	_	0.0%
Total	\$ 611,800	\$ 649,145	\$ 656,922	\$ 691,725	\$ 699,300	\$ 7,575	1.1%
FTE's	5.90	5.90	5.55	5.55	5.05		

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' increase due to higher software maintenance costs and additional funds for an independent bond rating analysis.

#### 2017/2018 Achievements

- Maintained a AAA bond rating from Moody's and Standard & Poor's.
- Received the Award for Excellence in Financial Reporting for the 39th consecutive year.
- Received the Distinguished Budget Presentation Award for the 19th consecutive year.
- Processed 7,670 vendor payments, 12,934 payroll payments, 39,500 utility bills, and 41,860 cash receipts.

## **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.

## 2019 Goals and Objectives

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

# **Financial Summary**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	Actual	Actual	<u>Budget</u>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	24,242	25,489	21,110	27,100	27,100	-	0.0%
Other Services & Charges	27,427	30,382	33,213	32,500	32,500	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 51,669	\$ 55,871	\$ 54,324	\$ 59,600	\$ 59,600	\$ -	0.0%
FTE's	-	-	-	-	-		

# 2019 Budget Impact Items

• Not applicable.

## 2017/2018 Achievements

• Not applicable.

# Department / Program: General Insurance

Organizational Responsibility: Finance Director

# **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.

## 2019 Goals and Objectives

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

## **Financial Summary**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	61,500	61,500	70,000	70,000	70,000	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 61,500	\$ 61,500	\$ 70,000	\$ 70,000	\$ 70,000	\$ -	0.0%
FTE's	-	_	_	_	-		

## **2019 Budget Impact Items**

• Not applicable.

#### 2017/2018 Achievements

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

#### Department / Program: Information Technology

Organizational Responsibility: Finance Director

### **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.

## 2019 Goals and Objectives

- Windows 10 Transition-Computer Upgrades and Replacements (~500 computers)
- 2019 Network Device Replacements (167 devices)
- Implement email retention process
- 365/Office 2019 Strategy and deployments

## **Financial Summary**

	2015	2016	2017		2018	2019	\$	Increase	% Increase
	Actual	<u>Actual</u>	Actual		Budget	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 1,228,497	\$ 1,531,212	\$ 1,745,495	\$	2,050,880	\$ 2,169,440	\$	118,560	5.8%
Supplies & Materials	55,026	26,567	11,184		32,500	31,000		(1,500)	-4.6%
Other Services & Charges	205,551	442,167	649,177		591,160	778,320		187,160	31.7%
Capital Outlay	297,334	153,653	229,984		254,880	317,475		62,595	24.6%
Total	\$ 1,786,409	\$ 2,153,600	\$ 2,635,840	\$	2,929,420	\$ 3,296,235	\$	366,815	12.5%
FTE's	14.00	17.00	17.00		20.00	20.00			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' increase is due to the inclusion of \$145,000 of expense charge-backs to partnering agencies. Previously these costs had been excluded because it represent no net costs.

- Deployed body-worn cameras for Roseville, St. Anthony and Lino Lakes Police Departments.
- Completed technology improvements for new Cedarholm Community Building
- Upgraded security camera system in Roseville Police Department
- Extended City fiber-optic network to St. Anthony City Hall and High School Campus.
- IP Telephony upgrades North St. Paul and new deployment for Lake Johanna Fire Department and City of Fridley.
- Added City of Centerville to Metro-INET, bringing the total to 45 Shared IT Service Agreements with other governmental agencies.
- Completed 350 desktop and mobile computer replacements for Windows 10 transition.
- Deployed managed Comcast Metro-Ethernet Services for Arden Hills, Lauderdale, North Oaks, and Hugo to due to loss of INET.

## **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.

#### 2019 Goals and Objectives

- Develop the License Center's 2020-2024 Strategic Plan.
- Update the Annual Work Plan.
- Maintain a minimum 98% compliance rating on passport policies and procedures.
- Generate 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**

	2015	2016	2017	2018	2019	\$1	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(D</u>	ecrease)	(Decrease)
Personnel Services	\$ 1,066,715	\$ 1,189,040	\$ 1,290,559	\$ 1,301,600	\$ 1,381,880	\$	80,280	6.2%
Supplies & Materials	13,742	16,781	19,501	16,500	17,000		500	3.0%
Other Services & Charges	460,840	555,759	594,567	524,525	438,950		(85,575)	-16.3%
Capital Outlay	7,266	4,504	-	41,600	4,800		(36,800)	0.0%
Total	\$ 1,548,563	\$ 1,766,084	\$ 1,904,626	\$ 1,884,225	\$ 1,842,630	\$	(41,595)	-2.2%
FTE's	14.75	16.75	16.75	16.75	17.25			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' reduction is due to the elimination of rent expense. Rental payments are no longer required now that the City has purchased the building that houses the License Center.

- Trained and adapted to major operational changes due to the implementation of the Minnesota License and Registration System (MNLARS).
- Implementation of the new Minnesota Driver's License computer system, as well as the new licenses available (Standard, REAL and Enhanced).
- Maintained one of the highest volume city-managed Deputy Registrar Office in the State.
- 100% compliance rating from the U.S. State Department's audit on the License Center's passport policies and procedures.
- Generated \$277,000 (2017 & 2018) in net annual proceeds to support other City programs and services. The transfer of proceeds are reflected in the 'other services & charges' category.

Organizational Responsibility: Finance Director

### **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.

### 2019 Goals and Objectives

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

## **Financial Summary**

		2015	2016	2017		2018		2019	\$ In	crease	% Increase
	4	Actual	Actual	Actual	I	<u>Budget</u>	<u>I</u>	<u>Budget</u>	(De	crease)	(Decrease)
Personnel Services	\$	3,289	\$ 3,360	\$ 3,405	\$	7,230	\$	7,350	\$	120	1.7%
Supplies & Materials		-	-	-		-		-		-	0.0%
Other Services & Charges		132,867	161,901	142,452		100,000		100,000		-	0.0%
Capital Outlay		-	-	-		-		-		-	0.0%
Total	\$	136,156	\$ 165,261	\$ 145,857	\$	107,230	\$	107,350	\$	120	0.1%
FTE's		0.10	0.10	0.10		0.10		0.10			

#### **2019 Budget Impact Items**

• Not applicable.

- 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.

#### **Police Administration**

Organizational Responsibility: Chief of Police

### **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.

#### 2019 Goals and Objectives

- Reinstate the Deputy Chief position.
- Partner with Ramsey County law enforcement agencies and Northeast Youth and Family Services to develop a cross-system mental health collaboration program.
- 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$ 886,778	\$ 917,073	\$ 917,002	 \$ 991,305	\$ 848,975	\$ (142,330)	-14.4%
Supplies & Materials	17,866	24,486	12,195	18,300	18,850	550	3.0%
Other Services & Charges	83,265	81,819	90,465	108,300	117,535	9,235	8.5%
Capital Outlay	_	_	-	-	-	_	0.0%
Total	\$ 987,909	\$ 1,023,378	\$ 1,019,661	\$ 1,117,905	\$ 985,360	\$ (132,545)	-11.9%
FTE's	9.00	9.00	9.50	9.50	8.00		

## 2019 Budget Impact Items

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' increase due to higher software and information reporting costs.

- Implemented online crime reporting as new customer service tool (67 reports since Oct. 4, 2018).
- Expanded relationship with Ramsey County S.O.S. to provide victims of sexual assault with additional resources and advocacy.
- Partnered with Roseville Police Foundation and other community partners on a human trafficking collaboration, a three-prong approach to eliminating human trafficking in Roseville through education, enforcement and a rescue and recovery pipeline.
- Completed comprehensive revision of agency's policy and procedure manual (Dec 2018).
- Commenced Traffic Stop Data Collection Initiative; annual findings reported on RPD website
- Participated in Roseville's Government Alliance on Race and Equity (GARE) program.
- Expanded social media outreach: Facebook (3,700+ followers), Twitter (4,800+ followers) and Nextdoor.com (7,300+ followers) presence.
- Participated in multi-agency stabilization/ reinvestment planning efforts in SE Roseville.

#### **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.

## 2019 Goals and Objectives

- Increase patrol staffing by two officers with focus on promoting diversity in policing.
- Expand wellness program to offer two optional annual wellness checks for staff.
- 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.
- Expand participation in community engagement opportunities.

## **Financial Summary**

	2015	2016	2017	2018	2019	\$ ]	Increase	% Increase
	Actual	Actual	Actual	<u>Budget</u>	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 4,150,814	\$ 4,096,255	\$ 4,236,300	\$ 4,279,110	\$ 4,463,605	\$	184,495	4.3%
Supplies & Materials	169,498	150,321	162,547	220,000	211,000		(9,000)	-4.1%
Other Services & Charges	560,844	559,213	582,256	565,350	476,805		(88,545)	-15.7%
Capital Outlay	-	-	-	-	-		-	0.0%
Total	\$ 4,881,156	\$ 4,805,789	\$ 4,981,103	\$ 5,064,460	\$ 5,151,410	\$	86,950	1.7%
FTE's	37.00	37.00	37.00	37.00	38.00			

### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' decrease is due to lower dispatching costs paid to Ramsey County.

- All sworn personnel (except three new officer trainees) completed the intensive 40-hour *Crisis Intervention Training (CIT.)* New officers will complete CIT within first year following field-training.
- Full implementation of department-wide body camera program (personal recording systems).
- Implemented new department-wide employee wellness program.
- Smooth transition from East Metro SWAT to becoming members of Ramsey County SWAT
- Created full-time police cadet position.
- Sergeant 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, expanded Police Explorers Program participation from 9 in 2016 to 21 in 2018.
- 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 2018, 42,086 incidents were responded to or initiated (4,144 community outreach events).

#### **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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	Actual	<u>Actual</u>	<u>Budget</u>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 532,982	\$ 810,773	\$ 900,275	\$ 1,003,300	\$ 1,282,760	\$ 279,460	27.9%
Supplies & Materials	29,616	23,988	24,957	41,350	36,000	(5,350)	-12.9%
Other Services & Charges	15,010	12,973	18,171	24,350	21,100	(3,250)	-13.3%
Capital Outlay	_	-	-	-	-	-	0.0%
Total	\$ 577,608	\$ 847,734	\$ 943,403	\$ 1,069,000	\$ 1,339,860	\$ 270,860	25.3%
FTE's	9.00	9.00	9.00	9.00	11.00		

## **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees. It also includes a reallocation of staffing costs from other operating divisions.

- In 2018, reexamined response to sex related assault cases focusing on a victim centered approach; augmented on-going partnership with Ramsey County SOS Sexual Violence Services.
- Investigative Aide position implemented to support investigations, body camera program, crime analysis and prevention, etc.
- Joined the MN Financial Crimes Taskforce.
- 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.
- Expanded crime scene team; grant funding purchased fingerprinting and safety equipment.
- Expanded *Police Activities League (PAL)* as opportunity to reach out to area youth.
- Organized community safety talks and developed resources for new Americans.
- Due to statewide reporting mandates, completed increased MN Adult Abuse Reporting Center (MAARC) reports (198 in 2018 vs 136 in 2015).

## Division / Program: Police Community Services

Organizational Responsibility: Chief of Police

## **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.

#### 2019 Goals and Objectives

- Expand Field Training Officer (FTO) program and police officer mentorship opportunities.
- Increase participation in community engagement and outreach.

## **Financial Summary**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<b>Budget</b>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 144,238	\$ 159,909	\$ 156,057	\$ 220,720	\$ 170,960	\$ (49,760)	-22.5%
Supplies & Materials	9,435	9,506	7,001	11,650	11,800	150	1.3%
Other Services & Charges	10,130	3,221	2,344	11,185	11,485	300	2.7%
Capital Outlay	-	_	-	-	-	-	0.0%
Total	\$ 163,803	\$ 172,637	\$ 165,401	\$ 243,555	\$ 194,245	\$ (49,310)	-20.2%
FTE's	2.00	3.00	3.00	3.00	2.50		

### **2019 Budget Impact Items**

• Personnel increases include a 3.0% cost-of-living increase for city staff and wage-step increases for eligible employees.

- Created two part-time summer community liaison positions
- Successfully transitioned to new animal care services provider St. Paul Animal Control as previous provider discontinued animal control services.
- 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 CSO Field Training Officer (FTO) manual.
- Provided police sponsored Coyote Clinic for residents.
- Instated CSO/Community Liaison position to enhance communication efforts with multicultural and minority members of the community.
- Updated all animal control forms.
- In 2018, 2,687 incidents were responded to or initiated by CSOs.

#### 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.

#### 2019 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.
- Begin the process of setting service levels for fire and emergency medical service response for the department.
- Begin a community education and input discussion on Phase II of the Fire Departments transition process.
- Continue administration of Fire Department-led citywide Safety and Loss Control and Emergency Management Programs.

## Financial Summary

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<b>Budget</b>	Budget	<u>(De</u>	ecrease)	(Decrease)
Personnel Services	\$ 224,465	\$ 365,165	\$ 361,073	\$ 381,255	\$ 395,300	\$	14,045	3.7%
Supplies & Materials	4,313	4,574	6,424	2,900	2,750		(150)	-5.2%
Other Services & Charges	48,387	46,958	49,280	46,200	48,500		2,300	5.0%
Capital Outlay	-	-	-	-	-		-	0.0%
Total	\$ 277,165	\$ 416,697	\$ 416,776	\$ 430,355	\$ 446,550	\$	16,195	3.8%
FTE's	2.00	3.00	3.00	3.00	3.00			

#### **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.

- Completed community outreach and feedback process for community education of Phase II.
- Completed first year of the transition of multi-family rental inspections process.
- Continued the department's high level of community interaction hosting or attending hundreds of community events.

#### 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.

#### 2019 Goals and Objectives

- Continue to educate the community and city council on the need for additional on-duty staffing.
- 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**

	2015	2016	2017	2018	2019	\$ 1	Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(D</u>	ecrease)	(Decrease)
Personnel Services	\$ 1,142,172	\$ 1,311,970	\$ 1,383,144	\$ 1,643,550	\$ 1,715,910	\$	72,360	4.4%
Supplies & Materials	118,555	69,594	88,052	74,500	74,500		-	0.0%
Other Services & Charges	120,076	89,892	125,930	105,000	110,000		5,000	4.8%
Capital Outlay	-	-	-	-	-		-	0.0%
Total	\$ 1,380,803	\$ 1,471,456	\$ 1,597,126	\$ 1,823,050	\$ 1,900,410	\$	77,360	4.2%
FTE's	8.00	8.00	12.00	15.00	15.00			

#### **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for full-time city staff. It also includes a wage-step increase for eligible employees.

- Respond to nearly 5,000 total emergency calls, 1,000 inspections, and 300 community events.
- Purchased new turnout gear for firefighters allowing for a second set of gear for each firefighter.
- Received a Closest Unit Dispatching award in collaboration with Ramsey County Fire Chiefs Association.

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.

#### 2019 Goals and Objectives

- Implement new Battalion Chief Reorganization program for part-time firefighters.
- Continue to look for cooperative training opportunities involving county wide departments.

## **Financial Summary**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	Actual	Actual	<u>Actual</u>	Budget	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 936	\$ -	\$ 242	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	_	27	-	-	-	-	0.0%
Other Services & Charges	8,617	16,824	21,711	20,200	25,500	5,300	26.2%
Capital Outlay	_	-	-	-	-	-	0.0%
Total	\$ 9,553	\$ 16,851	\$ 21,954	\$ 20,200	\$ 25,500	\$ 5,300	26.2%
FTE's	_	-	-	-	_		

## **2019 Budget Impact Items**

• Increase is due to added advanced technical rescue training and higher training facility rental costs.

#### 2017/2018 Achievements

• Received and used multiple grants through the MN Board of Fire Training and Education as well as Ramsey 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.

#### 2019 Goals and Objectives

- 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 2019.

# **Financial Summary**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	Actual	<u>Actual</u>	Budget	Budget	(Decrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	535	-	-	-	0.0%
Other Services & Charges	7,924	3,217	3,455	8,800	8,950	150	1.7%
Capital Outlay	19,031	19,061	-	-	-	-	0.0%
Total	\$ 26,955	\$ 22,278	\$ 3,990	\$ 8,800	\$ 8,950	\$ 150	1.7%
FTE's	_	-	-	-	-		

## **2019 Budget Impact Items**

• Not applicable.

#### 2017/2018 Achievements

• Performed an all-hazards emergency management tabletop and workshop with City leadership.

#### **Public Works Administration**

Organizational Responsibility: Public Works Director

### **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.

## 2019 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**

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Budget	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 872,497	\$ 745,447	\$ 796,792	\$ 831,255	\$ 882,700	\$	51,445	6.2%
Supplies & Materials	19,389	11,183	9,262	9,100	9,600		500	5.5%
Other Services & Charges	36,806	32,242	54,416	58,000	54,265		(3,735)	-6.4%
Capital Outlay	-	_	-	-	-		-	0.0%
Total	\$ 928,693	\$ 788,872	\$ 860,470	\$ 898,355	\$ 946,565	\$	48,210	5.4%
FTE's	7.25	7.25	7.25	7.25	7.25			

# 2019 Budget Impact Items

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- Decrease in 'Other Services & Charges' is due fewer planned third-party studies.

- 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.

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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 487,292	\$ 564,702	\$ 549,083	\$ 577,610	\$ 601,790	\$	24,180	4.2%
Supplies & Materials	264,102	244,312	245,860	284,300	283,900		(400)	-0.1%
Other Services & Charges	306,515	309,664	289,608	335,300	362,200		26,900	8.0%
Capital Outlay	-	-	-	-	-		-	0.0%
Total	\$ 1,057,909	\$ 1,118,677	\$ 1,084,551	\$ 1,197,210	\$ 1,247,890	\$	50,680	4.2%
FTE's	7.10	6.10	6.10	6.10	6.10			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' due to increased software and street maintenance costs.

- 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.

#### Street Lighting

Organizational Responsibility: Public Works Director

## **Division / Program Description**

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

#### 2019 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	_	-	-	-	_	0.0%
Other Services & Charges	191,153	166,542	204,813	183,000	183,000	-	0.0%
Capital Outlay	-	_	-	-	-	-	0.0%
Total	\$ 191,153	\$ 166,542	\$ 204,813	\$ 183,000	\$ 183,000	\$ -	0.0%
FTE's	_	_	-	-	_		

## **2019 Budget Impact Items**

• Not applicable.

#### 2017/2018 Achievements

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

#### **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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Budget	Budget	(Decrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	18,067	16,746	20,466	18,100	19,000	900	5.0%
Other Services & Charges	318,292	387,075	405,067	385,000	380,300	(4,700)	-1.2%
Capital Outlay	-	_	-	_	-	-	0.0%
Total	\$ 336,359	\$ 403,822	\$ 425,533	\$ 403,100	\$ 399,300	\$ (3,800)	-0.9%
FTE's	-	-	-	-	-		

#### **2019 Budget Impact Items**

• Not applicable.

- 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.

#### **Central Garage**

Organizational Responsibility:

Public Works Director

### **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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ I1	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Budget	Budget	<u>(De</u>	ecrease)	(Decrease)
Personnel Services	\$ 151,336	\$ 164,936	\$ 169,245	\$ 178,430	\$ 185,070	\$	6,640	3.7%
Supplies & Materials	(1,752)	(6,989)	41,974	3,600	3,600		-	0.0%
Other Services & Charges	(4,775)	(5,427)	6,961	1,000	1,000		-	0.0%
Capital Outlay	_	-	-	-	-		-	0.0%
Total	\$ 144,810	\$ 152,520	\$ 218,180	\$ 183,030	\$ 189,670	\$	6,640	3.6%
FTE's	2.00	2.00	2.00	2.00	2.00			

#### **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.

- 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.

#### **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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ ]	Increase	% Increase
	Actual	Actual	Actual	<b>Budget</b>	Budget	<u>(D</u>	ecrease)	(Decrease)
Personnel Services	\$ 434,334	\$ 418,768	\$ 476,565	\$ 477,550	\$ 491,720	\$	14,170	3.0%
Supplies & Materials	34,268	49,915	54,711	46,150	46,150		-	0.0%
Other Services & Charges	3,368,874	3,577,164	3,713,435	3,880,150	4,116,465		236,315	6.1%
Capital Outlay	(10,505)	14,955	-	1,625,000	1,645,000		20,000	1.2%
Total	\$ 3,826,970	\$ 4,060,803	\$ 4,244,711	\$ 6,028,850	\$ 6,299,335	\$	270,485	4.5%
FTE's	4.70	4.70	5.05	5.05	5.05			

### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- Increase in 'Other Services & Charges' primarily due to higher wastewater treatment costs and depreciation expense.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

- 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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$	Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(</u> [	Decrease)	(Decrease)
Personnel Services	\$ 575,240	\$ 564,445	\$ 614,042	\$ 651,070	\$ 670,180	\$	19,110	2.9%
Supplies & Materials	95,981	177,085	155,373	162,200	162,200		-	0.0%
Other Services & Charges	5,411,976	5,564,804	5,860,974	5,837,700	5,682,200		(155,500)	-2.7%
Capital Outlay	-	-	-	2,175,000	1,170,000	(	(1,005,000)	-46.2%
Total	\$ 6,083,197	\$ 6,306,333	\$ 6,630,389	\$ 8,825,970	\$ 7,684,580	\$	(1,141,390)	-12.9%
FTE's	7.15	7.15	7.15	7.15	7.15			

### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 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.

- 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.

## 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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	Actual	<u>Actual</u>	Actual	<u>Budget</u>	<u>Budget</u>	<u>(D</u>	ecrease)	(Decrease)
Personnel Services	\$ 392,438	\$ 338,708	\$ 359,723	\$ 408,620	\$ 425,650	\$	17,030	4.2%
Supplies & Materials	81,503	75,328	50,439	84,400	84,400		-	0.0%
Other Services & Charges	635,059	637,562	745,229	692,700	768,300		75,600	10.9%
Capital Outlay	3,795	48,400	123,505	1,090,000	1,085,000		(5,000)	-0.5%
Total	\$ 1,112,795	\$ 1,099,997	\$ 1,278,896	\$ 2,275,720	\$ 2,363,350	\$	87,630	3.9%
FTE's	4.20	4.20	4.20	4.20	4.20			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- Increase in 'Other Services & Charges' due to higher software costs and depreciation expense.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

- 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: Recycling

Organizational Responsibility: Public Works Director

## **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.

## 2019 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**

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Budget	(De	ecrease)	(Decrease)
Personnel Services	\$ 28,418	\$ 29,677	\$ 30,161	\$ 36,640	\$ 38,410	\$	1,770	4.8%
Supplies & Materials	1,534	2,572	711	2,000	2,000		-	0.0%
Other Services & Charges	445,066	458,995	488,421	504,610	521,710		17,100	3.4%
Capital Outlay	-	-	-	-	-		-	0.0%
Total	\$ 475,018	\$ 491,244	\$ 519,293	\$ 543,250	\$ 562,120	\$	18,870	3.5%
FTE's	0.35	0.35	0.35	0.35	0.35			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- Increase in 'Other Services & Charges' is due to higher contractual recycling pickup services.

- 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.

### 2019 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**

	2015	2016	2017	2018	2019	\$ ]	Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	Actual	<u>Budget</u>	Budget	<u>(D</u>	ecrease)	(Decrease)
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	0.0%
Supplies & Materials	157,058	85,898	56,705	100,000	100,000		-	0.0%
Other Services & Charges	96,000	106,438	197,952	150,000	600,000		450,000	300.0%
Capital Outlay	-	-	-	-	-		-	0.0%
Total	\$ 253,058	\$ 192,336	\$ 254,656	\$ 250,000	\$ 700,000	\$	450,000	180.0%
FTE's	-	-	_	-	-			

### **2019 Budget Impact Items**

• Increase is due to higher planned maintenance of pathways and parking lots including the City Hall parking lot.

#### 2017/2018 Achievements

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

#### **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.

#### 2019 Goals and Objectives

- Support department mission, promise, planning and operations efforts
- Support infrastructure sustainability priority
- Finalize and conduct the 2019 National Re Accreditation
- Research Needs Assessment approach including storage space needs
- Support and assist in coordination of Roseville School District facility improvement
- Support legislative request for capital improvements to the Guidant John Rose Minnesota OVAL
- Support alcohol legislative request for the Cedarholm Community Building and Golf Course
- Support Parks and Recreation Commission
- Support succession planning efforts

# Financial Summary

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<b>Budget</b>	Budget	(Decrease	(Decrease)
Personnel Services	\$ 501,635	\$ 510,577	\$ 496,461	\$ 532,080	\$ 518,620	\$ (13,460	-2.5%
Supplies & Materials	4,457	4,878	4,347	8,425	7,800	(625	-7.4%
Other Services & Charges	63,786	60,513	52,888	86,365	91,965	5,600	6.5%
Capital Outlay	-	-	-	-	-		0.0%
Total	\$ 569,877	\$ 575,968	\$ 553,696	\$ 626,870	\$ 618,385	\$ (8,485	-1.4%
FTE's	4.90	4.90	4.90	4.65	4.65		

### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees. An overall reduction is expected due to staff turnover which resulted in lower net labor costs.
- 'Other Services & Charges' increase due to higher software and training costs.

- Completed numerous major Parks & Recreation Renewal Program projects.
- Implemented improved operations because of the Renewal Program.
- Supported construction and opening of the Cedarholm Community Building.
- Supported the Parks and Recreation Commission/Community to name Unity and Midland Gardens Park.
- Supported fundraising and development of two new parks.
- Supported Condition Assessment Report for the Guidant John Rose Minnesota OVAL.
- Completed Comprehensive Plan/Parks and Recreation System Plan update.
- Maintained compliance of National Accreditation Standards.
- Implemented key staff transitions.
- Finalized department structure while considering succession planning.

#### **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.

#### 2019 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.
- Further develop community facilities plan including approach, financials, and usage.
- Review and adjust recreation programs, events, facilities, services and offerings as appropriate

### **Financial Summary**

	2015	2016	2017		2018	2019	\$ ]	Increase	% Increase
	Actual	<u>Actual</u>	Actual	<u>I</u>	<u>Budget</u>	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 662,082	\$ 738,506	\$ 775,611	\$	807,425	\$ 885,035	\$	77,610	9.6%
Supplies & Materials	74,851	79,462	57,907		76,540	76,020		(520)	-0.7%
Other Services & Charges	382,084	418,179	438,004		495,320	491,195		(4,125)	-0.8%
Capital Outlay	-	-	-		-	-		-	0.0%
Total	\$ 1,119,018	\$ 1,236,147	\$ 1,271,522	\$	1,379,285	\$ 1,452,250	\$	72,965	5.3%
FTE's	4.35	4.85	4.85		5.10	5.35			

#### **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees. It also includes an additional 0.25 FTE.

- Evaluated and reorganized recreation program area responsibilities.
- Processed nearly 5,000 online registrations.
- Provided mentoring and professional experience to two interns.
- Implemented online facility reservation program for community buildings.
- Continued relationship with the City of Lauderdale to extend recreation experiences.
- Implemented department facility focus with revenues exceeding expectations.

#### **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.

### 2019 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**

	2015	2016	2017		20	)18		2019	\$ Ir	ncrease	% Increase
	Actual	Actual	Actual		Buc	dget	I	<u>Budget</u>	(De	crease)	(Decrease)
Personnel Services	\$ 32,597	\$ 32,498	\$ 34,405		\$ 5	57,715	\$	57,250	\$	(465)	-0.8%
Supplies & Materials	12,703	11,881	17,661		2	27,375		27,350		(25)	-0.1%
Other Services & Charges	60,253	60,771	67,262		7	71,085		72,535		1,450	2.0%
Capital Outlay	-	_	-			-		-		-	0.0%
Total	\$ 105,553	\$ 105,150	\$ 119,328		\$ 15	56,175	\$	157,135	\$	960	0.6%
FTE's	-	-	-	П		-		-			

#### 2019 Budget Impact Items

• Not applicable.

- 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.

#### **Recreation Harriet Alexander Nature Center**

Organizational Responsibility: Parks and Recreation Director

## **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.

### 2019 Goals and Objectives

- Evaluate current HANC operations to effectively manage budget allocation and respond to community interests.
- Work with Volunteer Coordinator to gain additional volunteers and enhance experience.
- Maximize use and enhance revenues through programming and facility use.
- Enhance marketing packages to promote school field trips.

## **Financial Summary**

		2015	2016	2017		2018		2019	\$ Ir	ncrease	% Increase
	<u> </u>	<u>Actual</u>	 Actual	 Actual	В	udget	<u>E</u>	<u>Budget</u>	(De	crease)	(Decrease)
Personnel Services	\$	23,573	\$ 31,351	\$ 35,877	\$	23,690	\$	25,840	\$	2,150	9.1%
Supplies & Materials		9,627	9,361	8,253		9,600		9,600		-	0.0%
Other Services & Charges		27,576	27,914	28,648		34,435		33,685		(750)	-2.2%
Capital Outlay		-	-	-		-		-		-	0.0%
Total	\$	60,777	\$ 68,626	\$ 72,778	\$	67,725	\$	69,125	\$	1,400	2.1%
FTE's		-	-	-		-		-			

## 2019 Budget Impact Items

• Not applicable.

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

#### **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.

#### 2019 Goals and Objectives

- Capitalize marketing efforts to increase ice usage and rentals through camps, clinics, etc.
- Prepare for State of Minnesota Capital Bonding requests for improvements to the Guidant John Rose Minnesota OVAL.
- Review and document a comprehensive approach to maintenance and operations.
- Plan for infrastructure needs.

#### **Financial Summary**

	2015	2016	2017		2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>		<u>Budget</u>	<u>Budget</u>	(De	ecrease)	(Decrease)
Personnel Services	\$ 669,175	\$ 665,218	\$ 718,166	\$	732,780	\$ 735,230	\$	2,450	0.3%
Supplies & Materials	67,364	68,241	69,298		71,000	70,500		(500)	-0.7%
Other Services & Charges	347,427	314,622	398,508		353,840	373,240		19,400	5.5%
Capital Outlay	-	-	-		-	-		-	0.0%
Total	\$ 1,083,967	\$ 1,048,081	\$ 1,185,972	\$	1,157,620	\$ 1,178,970	\$	21,350	1.8%
FTE's	5.75	5.75	5.75		5.75	5.75			

### **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees. Cost savings resulting from employee turnover are also reflected.

- Increased technology usage in the POS System and others.
- Led Condition Assessment Report for the Guidant John Rose Minnesota OVAL
- Secured more than \$50,000 in outside funds for facility improvements
- Expanded use of camera technology for event broadcasts and facility promotion.
- Increased revenues by 15% in banquet room rentals
- Hosted six Major Events:
  - American Cup Speedskating Championships
  - US Junior National Speedskating Championships
  - John Rose Open National Speedskating Competition
  - Girls and Boys "Classic" Pond Hockey Tournament
  - MN Wild viewing party
  - USA Bandy Tournament

#### **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

#### 2019 Goals and Objectives

- To retain the storage and dance studio space for 2018 and beyond.
- To continue to 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**

		2015		2016	2017		2018		2019	\$ Ir	ncrease	% Increase
	I	Actual	1	Actual	Actual	I	<u>Budget</u>	<u>I</u>	<u>Budget</u>	(De	crease)	(Decrease)
Personnel Services	\$	8,159	\$	7,691	\$ 13,640	\$	11,310	\$	11,850	\$	540	4.8%
Supplies & Materials		115		55	-		500		500		-	0.0%
Other Services & Charges		91,409		88,267	92,174		106,000		105,410		(590)	-0.6%
Capital Outlay		-		-	-		-		-		-	0.0%
Total	\$	99,683	\$	96,013	\$ 105,813	\$	117,810	\$	117,760	\$	(50)	0.0%
FTE's		-		-	-		-		-			

#### **2019 Budget Impact Items**

• Not applicable.

- 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.

#### 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.

#### 2019 Goals and Objectives

- Ensure safe conditions and proper training as a top priority for users, spectators and employees.
- Review, analyze and document maintenance program while considering recent improvements.
- Enhance Emerald Ash Borer implementation and reporting with continued community awareness.
- Foster Community Natural Resource Stewardship Program.
- Evaluated recycling and trash program in parks.
- Evaluate, monitor and conduct the deer reduction effort as appropriate.
- Finalize and document a detailed training program for seasonal and full time maintenance staff.

# Financial Summary

	2015	2016	2017		2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	Actual		<u>Budget</u>	<u>Budget</u>	<u>(D</u>	ecrease)	(Decrease)
Personnel Services	\$ 769,788	\$ 829,502	\$ 851,744	\$	918,070	\$ 953,440	\$	35,370	3.9%
Supplies & Materials	109,276	113,901	122,697		124,500	129,500		5,000	4.0%
Other Services & Charges	196,749	220,602	147,661		232,970	266,970		34,000	14.6%
Capital Outlay	-	-	-		-	-		-	0.0%
Total	\$ 1,075,814	\$ 1,164,005	\$ 1,122,102	\$	1,275,540	\$ 1,349,910	\$	74,370	5.8%
FTE's	9.50	9.50	9.50		9.50	9.50			

#### 2019 Budget Impact Items

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Supplies & Materials' increase due to the addition of two new parks.
- 'Other Services & Charges' increase due to higher costs to address Emerald Ash Borer infestations on public property.

- Supported infrastructure sustainability goal of the city.
- Led community process, finalized plans and developed Unity Park and Midland Gardens Park.
- Completed construction of the Cedarholm Community Building and cart storage facility.
- Expanded sites for new trash collection/recycling and removal system.
- Replaced the marquee sign and refurbished the bocce courts, rocket ship and Frank Rog Amphitheater in Central Park, all with outside funds.
- Natural Resource program enhancements and community involvement program.
- Secured \$354,000 in grant funds for Phase two of Wildlife Habitat Restoration.
- Implemented the first ever deer reduction effort.

#### Park Improvement Program

Organizational Responsibility:

Parks & Recreation Director

### **Department Description**

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

#### 2019 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.
- Develop a proactive approach to identified improvements.

## **Financial Summary**

		2015	2016		2017		2018		2019	\$	Increase	% Increase
	<u> </u>	<u>Actual</u>	<u>Actual</u>	4	Actual Actual	I	Budget	]	<u>Budget</u>	<u>(</u> [	Decrease)	(Decrease)
Personnel Services	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	0.0%
Supplies & Materials		-	-		-		-		-		-	0.0%
Other Services & Charges		-	-		-		-		-		-	0.0%
Capital Outlay		26,079	331,659		15,715		300,000		556,500		256,500	0.0%
Total	\$	26,079	\$ 331,659	\$	15,715	\$	300,000	\$	556,500	\$	256,500	85.5%
FTE's		-	-		-		-		-			

#### **2019 Budget Impact Items**

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

- Analysis of CIP/PIP historical information and projections for future needs.
- Development and finalization of a Asset Management Program categories and parameters.

# Golf Course Clubhouse & Community Room

Organizational Responsibility:

Parks & Recreation Director

## **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.

#### 2019 Goals and Objectives

- To promote and maximize the Cedarholm Community Building and Golf Course for golf operations and as an event center for such uses as weddings, anniversaries, birthday parties, business meetings, in-house programming, etc. all year around, even during the golf season.
- Explore new opportunities to attract attention for the many year around opportunities.
- Refine new operations plan for new Community Building.
- Review, enhance and document Cedarholm mechanical systems operation manuals.

## **Financial Summary**

	2015	2016	2017	2018	2019	\$ Iı	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	Actual	Budget	Budget	(De	ecrease)	(Decrease)
Personnel Services	\$ 158,015	\$ 153,634	\$ 178,533	\$ 186,980	\$ 228,580	\$	41,600	22.2%
Supplies & Materials	26,053	24,791	21,304	23,600	40,800		17,200	72.9%
Other Services & Charges	40,268	42,353	36,811	43,675	81,300		37,625	86.1%
Capital Outlay	-	-	729,563	_	-		-	0.0%
Total	\$ 224,337	\$ 220,778	\$ 966,212	\$ 254,255	\$ 350,680	\$	96,425	37.9%
FTE's	1.25	1.25	1.25	1.25	1.50			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Supplies & Materials' and 'Other Services & Charges' have both increased due to the larger facility footprint associated with the new Cedarholm Golf & Community building.

- Supervised the closing of the former golf course clubhouse in preparation for the new Cedarholm Community Building.
- Supervised construction of the Cedarholm Community Building and cart storage facility.
- Created a new operations plan for new Community Building and opened it.
- Reviewed and updated staff manuals to include food handling, alcohol service and general operations.
- Increased Social Media networking programs: Facebook, Twitter and E-mail usage to all.

#### **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.

## 2019 Goals & Objectives

- Enhance and expand user groups.
- Refine new operations plan for new Community Building and cart storage facility.
- Review, enhance and finalize Cedarholm mechanical systems operation manuals.

# Financial Summary

	2015		2016	2017		2018		2019	\$ In	crease	% Increase
	Actua		<u>Actual</u>	Actual Actual	I	<u>Budget</u>	1	<u>Budget</u>	(De	crease)	(Decrease)
Personnel Services	\$ 62,4	20	\$ 65,010	\$ 68,820	\$	71,370	\$	72,160	\$	790	1.1%
Supplies & Materials	19,1	57	22,696	16,739		22,700		22,700		-	0.0%
Other Services & Charges	36,3	98	36,265	26,793		35,100		35,100		-	0.0%
Capital Outlay		-	-	-		30,000		30,000		-	0.0%
Total	\$ 117,9	35	\$ 123,971	\$ 112,352	\$	159,170	\$	159,960	\$	790	0.5%
FTE's	0.	50	0.50	0.50		0.50		0.50			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure and equipment which can fluctuate from year to year.

- Supervised the closing of the former golf course clubhouse in preparation for the new Cedarholm Community Building.
- Supervised construction of the Cedarholm Community Building and cart storage facility.
- Created new operations plan for new Community Building and opened it.
- Planted 30 new trees.
- Treated all Ash trees for Emerald Ash Borer.

#### City Planning

Organizational Responsibility:

Community Development Director

## **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.

### 2019 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**

	2015	2016	2017	2018	2019	\$ I	ncrease	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Budget	Budget	(D	ecrease)	(Decrease)
Personnel Services	\$ 367,923	\$ 336,385	\$ 331,609	\$ 467,165	\$ 492,720	\$	25,555	5.5%
Supplies & Materials	914	1,076	383	7,000	14,000		7,000	100.0%
Other Services & Charges	51,410	61,658	189,239	128,500	122,625		(5,875)	-4.6%
Capital Outlay	-	-	-	1,150	1,000		(150)	-13.0%
Total	\$ 420,247	\$ 399,119	\$ 521,231	\$ 603,815	\$ 630,345	\$	26,530	4.4%
FTE's	4.20	5.20	3.60	4.05	4.05			

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Supplies & Maintenance' increase is due to zoning code notices sent to various neighborhoods.
- Other Services & Charges decrease is due to the elimination of the funding for the required Comprehensive Plan update which was completed in 2018.

- 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.

#### **Building Permits and Codes**

Organizational Responsibility:

Community Development Director

## **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.

#### 2019 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<b>Budget</b>	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 503,188	\$ 403,009	\$ 393,753	\$ 419,980	\$ 555,420	\$ 135,440	32.2%
Supplies & Materials	10,583	5,994	7,410	15,910	15,500	(410)	-2.6%
Other Services & Charges	158,492	171,744	229,007	232,875	218,075	(14,800)	-6.4%
Capital Outlay	4,673	-	20,613	20,500	24,000	3,500	17.1%
Total	\$ 676,935	\$ 580,747	\$ 650,783	\$ 689,265	\$ 812,995	\$ 123,730	18.0%
FTE's	4.35	4.35	4.35	4.35	5.60		

#### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- 'Other Services & Charges' decrease due to lower planned professional consulting services.
- Capital Outlay provides for the scheduled replacement of vehicles, and equipment which can fluctuate from year to year.

- 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.

#### **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.

### 2019 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**

	2015		2016		2017		2018		2019	\$ I	ncrease	% Increase
	Actual Actual	4	<u>Actual</u>	4	<u>Actual</u>	Ī	<u>Budget</u>	]	<u>Budget</u>	(De	ecrease)	(Decrease)
Personnel Services	\$ 150,480	\$	81,109	\$	99,444	\$	113,820	\$	122,840	\$	9,020	7.9%
Supplies & Materials	-		2,090		446		2,135		2,075		(60)	-2.8%
Other Services & Charges	-		3,750		-		3,765		5,025		1,260	33.5%
Capital Outlay	-		-		-		-		-		-	0.0%
Total	\$ 150,480	\$	86,949	\$	99,889	\$	119,720	\$	129,940	\$	10,220	8.5%
FTE's	2.00		1.10		1.10		1.10		1.25			

### **2019 Budget Impact Items**

- Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.
- Increase in 'Other Services & Charges' due to higher software costs.

- 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:

# **Neighborhood Enhancement Program**

Organizational Responsibility:

Community Development Director

# **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.

# 2019 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	<u>Actual</u>	Actual	<u>Actual</u>	Budget	Budget	(Decrease)	(Decrease)
Personnel Services	\$ 388	\$ 50,004	\$ 83,212	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	34	39	1,450	1,450	_	0.0%
Other Services & Charges	-	1,544	1,437	5,375	6,700	1,325	24.7%
Capital Outlay	-	-	-	800	500	(300)	-37.5%
Total	\$ 388	\$ 51,582	\$ 84,688	\$ 7,625	\$ 8,650	\$ 1,025	13.4%
FTE's	-	0.50	0.50	-	-		

## **2019 Budget Impact Items**

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

#### 2017/2018 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.

# 2019 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**

	2015	2016	2017	2018	2019	\$ Increase	% Increase
	Actual	Actual	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	(Decrease)	(Decrease)
Personnel Services	\$ 100,208	\$ 72,892	\$ 76,020	\$ 29,450	\$ 32,510	\$ 3,060	10.4%
Supplies & Materials	-	-	-	500	-	(500)	-100.0%
Other Services & Charges	4,277	4,005	3,981	6,200	5,100	(1,100)	-17.7%
Capital Outlay	_	2,028	-	-	-	-	0.0%
Total	\$ 104,484	\$ 78,925	\$ 80,001	\$ 36,150	\$ 37,610	\$ 1,460	4.0%
FTE's	1.00	0.80	0.80	0.30	0.30		

# **2019 Budget Impact Items**

• Personnel increases includes a 3.0% cost-of-living and 5% healthcare premium increase for city staff. It also includes a wage-step increase for eligible employees.

#### 2017/2018 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 2016, 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.

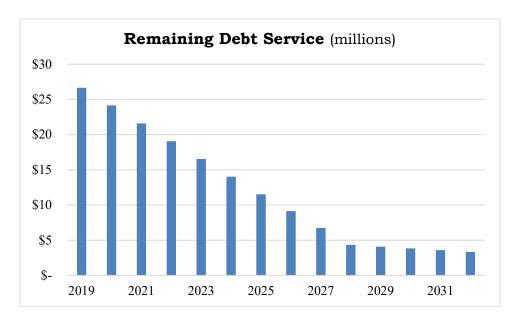
The City currently has three types of debt; 1) general obligation facility debt, 2) general obligation tax increment financing debt, and 3) general obligation taxable housing debt. Facility debt accounts for the debt service on city campus facilities, as well as a park renewal program. Tax increment 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 five general obligation debt issues outstanding at the beginning of 2019. They are depicted below.

	Principal	Net Interest	Date of Final	Eligible
<u>Description</u>	Outstanding	<u>Rate</u>	<u>Maturity</u>	Call Date
Series 27 City Hall, PW Bldg.	\$ 825,000	3.72%	3/1/2019	3/1/2013
Series 29 Housing Bonds	625,000	5.06%	3/1/2025	3/1/2020
Series 31 Fire Station/Park Impr.	6,950,000	2.45%	3/1/2028	3/1/2023
Series 32 Park Improvement	11,605,000	2.11%	3/1/2028	3/1/2023
Series 33 Twin Lakes TIF	2,940,000	2.47%	3/1/2032	3/1/2027
Total	\$22,945,000			

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

Year	<u>Principle</u>	Interest	<u>Total</u>
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
	\$ 22,945,000	\$ 3,717,700	\$ 26,662,700

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	\$ 4,926,657,700
Debt Limit (3% of total estimated market value)	147,799,731
Total Outstanding Debt	22,945,000
Less Amount Exempted from Limit	(625,000)
Total Net Debt Applicable To Limit	22,320,000
% of Allowable Limit	15%

As shown in the table, the City is only at 15% 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 2018 will be \$640. The City does not expect to issue any debt in 2019.

# Capital Improvement Plan - Executive Summary

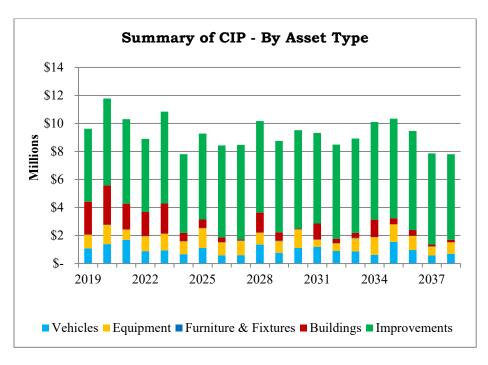
Enclosed is an executive summary of the 2019-2038 Capital Improvement Plan (CIP) as prepared in accordance with the goals and aspirations identified by the City Council, and applicable requirements set forth under federal and state mandates. The CIP also incorporates the valued contributions made by the City's advisory commissions, and other citizen groups.

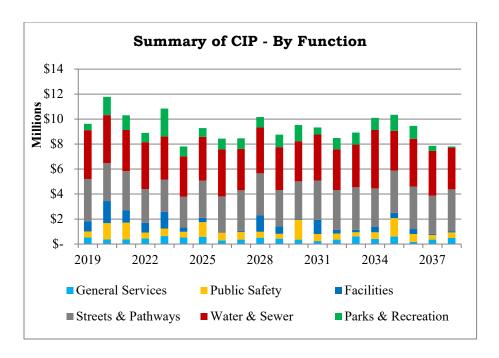
With the exception of the upcoming fiscal year, the CIP should not be construed as a request for funding; rather it is designed to serve as a planning tool that can be used to make informed financial decisions. Only after further discussion and Council approval will capital items be considered funded. 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 \$186 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's 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%.

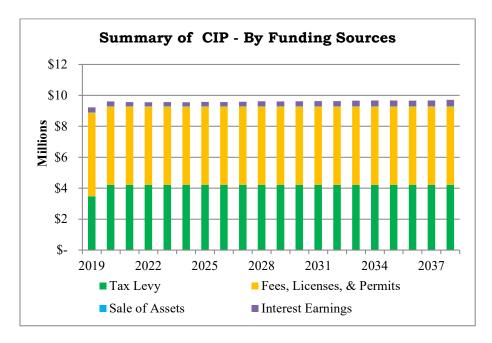
The following charts depict the City's 20-year capital needs.





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 44% 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:

- \$18 million in water and sewer infrastructure
- \$15 million in streets and pathways
- \$6 million in vehicles and equipment
- \$6 million in general facilities improvements
- \$6 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 15-20 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.

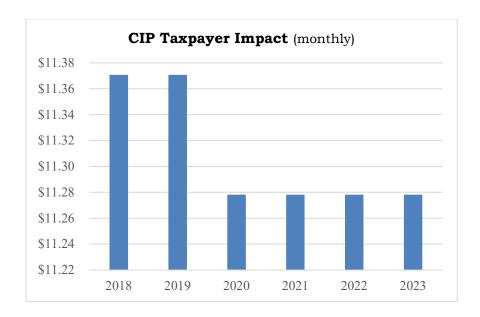
Beginning in 2019, the City will turn its attention to the remaining park system assets that were not addressed during the recent Park Renewal Program. The Skating Center will require nearly \$3.8 million over the next five years to replace various components. In addition, playgrounds and athletic fields & court surfaces throughout the City will require \$4.5 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 11 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 \$1.9 million in repairs or renovations to various components of City Hall, Public Works building, and the Fire Station.

#### Five-Year Financial Impact

With approximately \$51 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 \$11.28 per month in 2023 (holding all other factors constant) compared to the \$11.37 they're currently paying.

Although not specifically addressed in the chart, the tax impacts from the expected \$51 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.

With these re-purposed levies, the CIP will be financially sustainable holding all other factors constant.

# Financial Plan - Executive Summary

Enclosed is an executive summary of the 2019-2028 Financial Plan as prepared in accordance with the goals and aspirations identified by the City Council. Similar to 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 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.

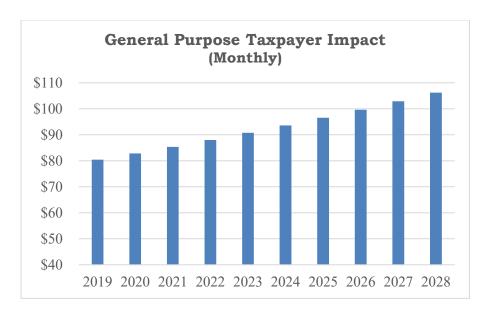
# **General Purpose Operations**

Over the next 10 years, the City's *general purpose* operations are projected to collectively grow 3.9% per year, from \$15.0 million in estimated expenditures in 2019 to \$20.9 million in 2028. 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 <u>annual</u> assumptions:

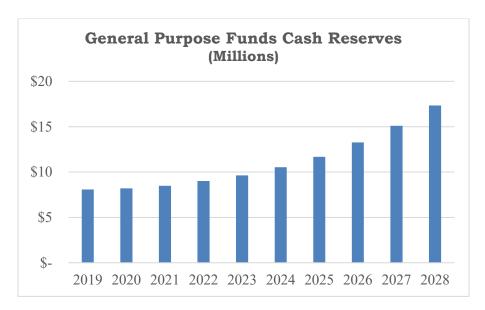
- 3.0% increase in personnel costs
- 2.0% increase in supplies & other charges, and technology-related equipment
- 3.0% growth in property tax revenues
- 2-2.5% growth in non-tax revenues
- 2.0% earnings on investments

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 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**

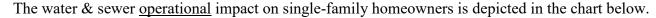
As highlighted earlier, the City's *business-type* functions include a number of functions that are provided to <u>all</u> residents and property owners including water and sewer services. However, they also include a number of functions that are somewhat voluntary in nature where residents make a conscious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

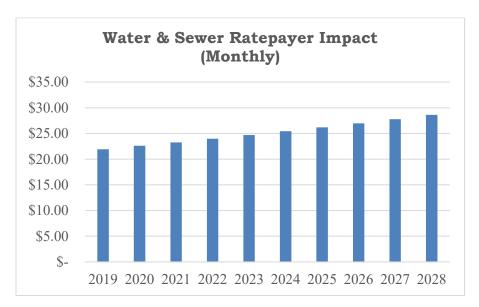
Over the next 10 years, the City's *business-type* operations are projected to collectively grow 2.4% per year, from \$16.1 million in estimated expenditures in 2019 to \$19.9 million in 2028. This assumes that the City will continue providing the same programs and service levels as it currently does. The projections incorporate increases in personnel, supplies & materials, and other operating costs including technology-related equipment.

These projections also include the following <u>annual</u> assumptions:

- 3.0% increase in personnel
- 2.0% increase in supplies & other charges
- 2.0-3.5% growth in fees & permits
- 2% earnings on investments

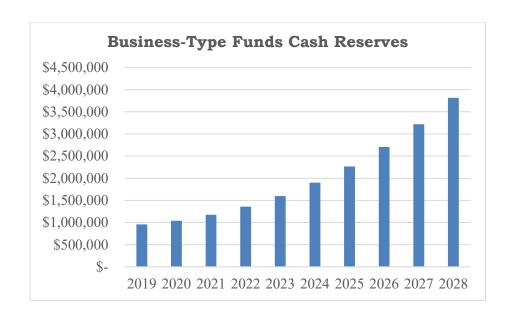
As suggested above, there will be an increasing reliance on fees & permits to sustain *business-type* operations due to projected lower growth in non-fee/permit revenues. Due to the diverse functions captured in the *business-type* operations, the impact on citizens and taxpayers will vary dependent on the fee-based services that are utilized. As a result, only the water & sewer <u>operational</u> impact for single-family homes will be measured.





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.

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 2016 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

# <u>Implementation</u>

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**

# <u>Purpose</u>

- 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 ongoing 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 nonenterprise 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.

# <u>Definitions</u>

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.

# <u>Implementation</u>

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
- The Communications Fund has greater cash flow variability than in prior years and therefore warrants a higher reserve level than previously established. It is expected to operate with balances of 10-30% of the annual operating budget
- The License Center and Information Technology funds have consistently demonstrated strong cash flows which allows for a lower overall reserve level and are expected to operate with balances of 10-15% of the annual operating budget
- All other operational funds 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

- For the EDA, its General Operating Fund should maintain a reserve level of 35% of the annual budget to ensure that it has sufficient funds to provide for operations in-between property tax collection periods
- 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**

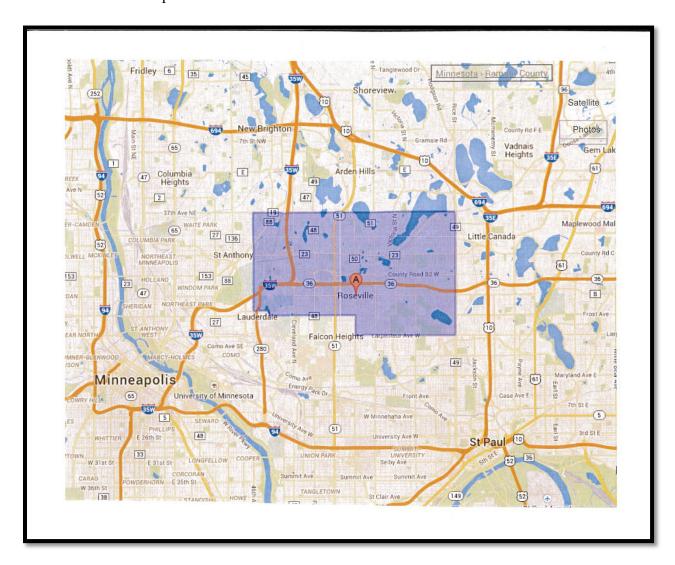
Agency Funds are funds used to report resources held by the City in a purely custodial capacity.

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, Minnes ota								Table 8
PRINCIPAL PROPERTY TAXPAYERS								(Page 1 of 1)
Current Year and Ten Years Ago								Unaudited
	+							
			2017				2008	
		Taxes Levied Ran		Percentage				Percentage of
				of				
			Rank	<b>Total Taxes</b>		Taxes		<b>Total Taxes</b>
Taxpayer				Levied		Levied	Rank	Levied
PPF Rtl Rosedale Shopping Ctr LLC	H	1,533,031	1	7.86%		102,729	4	0.80%
Gateway Washington Inc	\$	427,116	2	2.19%	\$	171,610	2	1.33%
Magellan Pipeline Co LP	Φ	333,317	3	1.71%	Ф	1/1,010	_	1.33/0
St Paul Fire And Marine Ins Co		329,223	4	1.69%		_		-
Wilcal Crossroads LLC		329,223	5	1.66%		-	-	-
Rosedale Square LLC		- 1	6	1.39%		-	-	-
Rosedale Commons LP		270,456 211,092	7	1.08%		-	-	-
	+		8	1.06%	-	-	-	-
BRE Timberwolf Property Owner LLC	+	207,377	9	0.97%	-	92.246	-	0.640/
Rosedale Marketplace Associate	+	188,692	-			82,346	7	0.64%
Wal-mart Realty Company 2087	+	183,720	10	0.94%		104.570	-	- 0.070/
Williams Bros Pipeline	-	-	-	-	-	124,579	3	0.97%
Veritas Technologies LLC		-	-	-	-	-	-	-
JTL Roseville Corp Center LLC	-	-	-	-		96,600	5	0.75%
Compass Retail, Inc.	-	-	-	-	_	426,287	1	3.31%
Kpers Realty Holding #41 INC		-	-	-	_	88,572	6	0.69%
Rosedale Properties LLC	-	-	-	-		76,277	8	0.59%
St Paul Properties		-	-	-		76,270	9	0.59%
Meritex Enterprises Inc.	-	-	-	-	_	74,777	10	0.58%
	\$	4,007,482		20.54%	\$	1,320,047		10.25%
Source: Ramsey County								

City of Roseville, Minnesota						Table 15	
RINCIPAL EMPLOYERS						(Page 1 of 1	
urrent Year and Ten Years Ago						Unaudite	
		2017		2008			
			Percentage			Percentage	
	Employees	Rank	of Total City		Rank	of Total City	
<b>Employer</b>			Employment	Employees			
	1 1						
A'Viands, LLC	1,900	1	9.78%	-	-	-	
Cernx MN, LLC	1,500	2	7.72%	-	-	-	
Kindred Healthcare, Inc	822	3	4.23%	-	-	-	
Roseville Area Schools	808	4	4.16%	950	3	5.19%	
MN Dept. of Transportation	650	5	3.35%	1500	1	8.19%	
Presbyterian Homes Housing	650	6	3.35%	1120	2	6.12%	
Symantec Corp	500	7	2.57%	430	6	2.35%	
University-Northwestern-St Pl	500	8	2.57%	553	4	3.02%	
Ignite Restaurant Groups, Inc.	438	9	2.25%				
Minnesota Department-Education	429	10	2.21%	430	5	2.35%	
McGough Construction	-	-	-	400	9	2.18%	
JC Penny	-	-	-	300	10	1.64%	
Macy's	-	-	-	400	8	2.18%	
Target	-	-	-	407	7	2.22%	
	0.40=		10 100/	ć 100	-	25.1107	
Total	8,197		42.19%	6,490	-	35.44%	
Sources: Minnesota Department of	Employment and	l Economi	ic Development				
Annual Dunn & Bradstreet		Lechoni					

Example 2 Population (1)	Estimated Personal Income (2)	Per Capita Personal income (3)	School Enrollment	School Enrollment	(Page 1 of 1) Unaudited
Fiscal	Personal Income (2)	Capita Personal			
	Personal Income (2)	Capita Personal			
	Personal Income (2)	Capita Personal			
	Personal Income (2)	Capita Personal			
	Personal Income (2)	Capita Personal			
	Personal Income (2)	Capita Personal			
	Personal Income (2)	Personal			
	Income (2)		Lan onnient	raronneni -	Unemployment
			District #623 (4)	District #621 (4)	Rate (5)
	1 602 820 426				(-)
2008 34,099	1,002,020,720	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%
2017 35,836	1,784,095,260	49,785	7,581	11,285	2.5%
1) Population and per capita			s year, are estimates p	provided by the Metro	opolitan
Council. The last census					
2) This estimated personal in					
and multiplying it by the				*	_
3) The per capita personal in		-	-	-	_
applicable to the City tha				_	
State of Minnesota provi at the time of this report.	ded by the Bureau	1 of Economic A	Analysis as there were	e no otner relavent est	imates available
4) The City is served by two	independent sehe	ol districts			
District #623 covers appr	•		District #621 covers as	nnrovimately 33% of th	he City
Accordingly, not all stud	•	•			ic City.
Information is provided by					
5) Annual average unemploy	-			ovment & Economic F	)evelonment

# City of Roseville Community Aspirations: 2017 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

- Continued the Imagine Roseville dialogue on race and government including the intersection of immigration policy and local law enforcement.
- Adopted a Policy Statement on inclusion promoting respectful conduct, equitable service, and diversity
- Continued participation in the nationally-sponsored Government Alliance for Racial Equity (GARE) program.

# Safe and law-abiding

- Completion of first phase of converting the Fire Department to full-time firefighter crews.
- Assumed local responsibility (from State) for conducting multi-family licensing inspections.
- Adopted strong Fire Safety Code regulations.
- Instituted the broad use of Police Department body-worn cameras.

# Economically prosperous, with a stable and broad tax base

- Continued emphasis on the City's Business Retention and Expansion program.
- Created a new Grow Roseville website to provide a one-stop resource for site selectors and developers.
- Over \$75 million in new/remodeling building valuation.

# Secure in our diverse and quality housing and neighborhoods

- 20 new residential home permits.
- Re-zoning of a former armory site.
- Continued focus on Neighborhood Enhancement Program to address building and property maintenance code concerns.

# Environmentally responsible, with well-maintained natural assets

- Refurbished our water booster station to improve reliability and efficiency.
- Installed a second storm water re-use system in a City Park.
- Received a \$354,000 state grant for habitat restoration.

# Physically and mentally active and healthy

- Partnered with NewTRAX, a transportation company to provide a low-cost circulator bus for residents.
- Completed nearly two miles of new pathway and sidewalk connections,

# Well-connected through transportation and technology infrastructure

- Completed several new files of street reconstruction and rehabilitation.
- Increased annual funding for future maintenance needs.
- Completed additional fiber optic segments through partnerships with school districts and neighboring communities.

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

- Continued emphasis of the use of volunteers for park remodels.
- Over 4,000 volunteer hours in 2017, including two new parks.
- Completed the Comprehensive Plan update providing general direction for change over the next decade.

# **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 <u>specific</u> 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.