

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 8/24/09

Item No.: 10.c

Department Approval

City Manager Approval

Christopher K. Miller

W. J. Malinen

Item Description: Continue Discussions on an Alternative Budgeting Process for 2010

1 **BACKGROUND**

2 Earlier this year, the City Council entertained discussions on using an alternative budgeting process for
3 2010. This process has oftentimes been referred to as ‘Budgeting for Outcomes’ but other descriptive
4 names have been used as well. In conjunction with this process, the City hired Springsted Financial
5 Advisors to calculate the costs associated with individual programs and services. A copy of the Scope of
6 Services outline is attached. The City Council authorized Springsted to perform only those duties outlined
7 in Option 1.

8
9 The analysis is nearly complete and we had originally expected a report to be made at the August 24, 2009
10 City Council meeting. At the time this report was drafted, representatives at Springsted indicated that they
11 were not yet finished with the narrative piece of their report and have indicated that they will make their
12 presentation at the September 14, 2009 meeting.

13
14 However, City Staff has taken some general snapshots of the data portion of their report in an effort to
15 provide the Council with an advanced look and to prepare the Council as they begin prioritizing city
16 spending for next year. They are included in the attachment.

17
18 City Staff will be available for questions or comments regarding the attached information.

19 **POLICY OBJECTIVE**

20 Establishing a budget process that aligns resources with desired outcomes is consistent with governmental
21 best practices, provides greater transparency of program costs, and ensures that budget dollars are allocated
22 in the manner that creates the greatest value.

23 **FINANCIAL IMPACTS**

24 Not applicable.

25 **STAFF RECOMMENDATION**

26 Not applicable.

27 **REQUESTED COUNCIL ACTION**

28 No Council action is requested. The presentation is submitted for information an discussion purposes only.

29

Prepared by: Chris Miller, Finance Director
Attachments: A: Preliminary Project Cost Summaries
B: Scope of Services Outline with Springsted
C: Minutes from the April 13, 2009 Council meeting

City of Roseville**Budgeting for Outcomes Process**

Property-Tax Supported Programs / Functions

Program Revenue Summary

	<u>Total</u>
General Fund - business licenses	\$ 282,400
General Fund - court fines	286,000
General Fund - intergovernmental	909,000
General Fund - charges for services	930,000
General Fund - interest earnings	200,000
General Fund - miscellaneous	70,390
Parks & Recreation program revenues	1,891,545
	<u>\$ 4,569,335</u>

Program Cost Summary

<u>Department</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Police	\$4,453,493	\$ 239,379	\$ 414,757	\$ 5,107,629	28.8%
Fire & Fire Relief	1,131,028	67,029	392,539	1,590,596	9.0%
Public Works	1,056,965	324,232	656,541	2,037,738	11.5%
Parks & Recreation	1,869,097	246,256	906,172	3,021,525	17.1%
Administration	313,727	3,404	22,627	339,758	1.9%
Finance	438,321	2,372	27,417	468,110	2.6%
Miscellaneous	42,880	27,000	541,950	611,830	3.5%
Park Improvement Program	-	-	215,000	215,000	1.2%
Pathway Maintenance	-	-	140,000	140,000	0.8%
Boulevard Maintenance	-	-	60,000	60,000	0.3%
Debt Service	-	-	1,880,000	1,880,000	10.6%
Unallocated - General Fund *	-	-	-	1,507,489	8.5%
Unallocated - Parks & Recreation *	-	-	-	728,520	4.1%
Total - (204 Programs)	<u>\$9,305,511</u>	<u>\$ 909,672</u>	<u>\$5,257,003</u>	<u>\$ 17,708,195</u>	<u>100%</u>

Net Required Tax Levy \$ 13,138,860Comments:

* Costs associated with employee training, time spent on leave, or at internal meetings or events that are not directly related to a specific program or function are shown here.

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Police Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Citizen Customer Service	\$1,037,391	\$ 47,643	\$ 35,215	\$ 1,120,249	21.9%
Community Liaison	221,078	16,259	2,088	239,425	4.7%
Alarms & Security Systems	4,676	144	49	4,869	0.1%
Fire Arms Permits	13,340	686	2,722	16,748	0.3%
Background Investigations	9,021	275	1,021	10,317	0.2%
Investigation	729,257	36,263	46,232	811,752	15.9%
Crime Scene Processing	31,888	2,108	5,326	39,322	0.8%
Patrolling	860,633	59,626	169,236	1,089,495	21.3%
Criminal Prosecution	19,301	4,647	2,048	25,996	0.5%
Police Reports	601,636	20,246	13,443	635,325	12.4%
Collaborate with Others	69,207	2,484	802	72,493	1.4%
Case Management	148,750	5,891	1,832	156,473	3.1%
Execute Warrants	24,948	784	1,018	26,750	0.5%
Tactile Planning	10,522	340	2,311	13,173	0.3%
Administrative Tickets	1,659	54	-	1,713	0.0%
Ramsey County Citations	2,761	1,221	29	4,011	0.1%
Criminal Histories	4,583	185	49	4,817	0.1%
Driver License Checks	83	78	1	162	0.0%
Property Room & Management	23,711	1,051	251	25,013	0.5%
Fingerprinting	178	141	2	321	0.0%
Police Records	50,971	615	24,002	75,588	1.5%
Forfeitures	9,445	356	100	9,901	0.2%
Security Services	9,980	430	146	10,556	0.2%
Organizational Management	467,342	19,687	14,877	501,906	9.8%
Training	33,737	620	60,157	94,514	1.9%
Community Services	67,395	15,810	11,850	95,055	1.9%
Emergency Management	-	1,735	18,050	19,785	0.4%
Lake Patrol	-	-	1,900	1,900	0.0%
Total	\$4,453,493	\$ 239,379	\$ 414,757	\$ 5,107,629	100%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Fire Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Citizen Customer Service	\$ 81,248	\$ 924	\$ 5,071	\$ 87,243	6.3%
Procurement	21,853	82	1,881	23,816	1.7%
Code Enforcement	53,865	500	1,825	56,190	4.1%
Emergency Management	10,255	106	1,892	12,253	0.9%
Station Duties	53,754	3,624	-	57,378	4.1%
Equipment Maintenance	48,691	7,119	5,262	61,072	4.4%
Building Maintenance	1,244	3,060	3,562	7,866	0.6%
Incident Reports	56,749	575	1,825	59,149	4.3%
Fire Fighting	209,017	29,944	90,435	329,396	23.8%
Fire Prevention	32,960	598	1,968	35,526	2.6%
Fire Investigation	6,428	286	3,636	10,350	0.7%
Fire Inspections	52,368	486	786	53,640	3.9%
Emergency Medical Services	244,058	18,585	59,381	322,024	23.3%
Training	133,066	185	3,644	136,895	9.9%
Organizational Management	125,472	955	4,371	130,798	9.5%
Total	\$1,131,028	\$ 67,029	\$ 185,539	\$ 1,383,596	100%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Public Works Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
PWET Commission	\$ 9,176	\$ 101	\$ 645	\$ 9,922	0.5%
General Engineering Activities	22,020	335	974	23,329	1.1%
Easement/Right-of-Way Permits	1,095	17	45	1,157	0.1%
Community Development & Planning	22,434	246	920	23,600	1.2%
Municipal State Aid Reports	1,598	18	68	1,684	0.1%
Traffic Control/Management/Signs	76,873	21,665	32,879	131,417	6.4%
Arden Hills - Non Project Related	5,938	65	235	6,238	0.3%
Falcon Heights - Non Project Related	2,479	27	99	2,605	0.1%
Erosion Control Inspections	5,421	59	215	5,695	0.3%
As-Built Drawings - Non Project	19,975	219	1,574	21,768	1.1%
Survey Miscellaneous	2,393	26	95	2,514	0.1%
GIS - Public Works	55,491	609	1,991	58,091	2.9%
GIS - Coordination	5,687	62	204	5,953	0.3%
GIS - Ramsey County User Group	6,979	77	3,611	10,667	0.5%
Buildings & Grounds Maintenance	67,034	28,138	369,775	464,947	22.8%
Snow Plowing	46,135	62,059	11,004	119,198	5.8%
Tree Trimming	33,207	3,501	8,155	44,863	2.2%
Equipment Odrering and Planning	3,078	5	697	3,780	0.2%
Right-of-Way Maintenance and Mgmt	23,848	1,986	4,732	30,566	1.5%
Streetscape	15,770	1,663	3,742	21,175	1.0%
Street Maintenance & Repair	134,063	185,135	53,124	372,322	18.3%
Pathway Maintenance & Repair	12,782	10,591	133,007	156,380	7.7%
Parks Activities	4,334	457	1,020	5,811	0.3%
Haul for City Contractors	12,088	1,274	2,880	16,242	0.8%
Vehicle Maintenance	151,533	2,569	9,109	163,211	8.0%
Project Planning & Management	61,532	675	3,217	65,424	3.2%
Design & Feasibility Studies	76,900	844	4,058	81,802	4.0%
Survey Pre-Construction	17,479	192	691	18,362	0.9%
Survey Construction	9,778	107	387	10,272	0.5%
Inspections	50,300	552	1,839	52,691	2.6%
Asbuilt Drawings	2,721	30	173	2,924	0.1%
Pending Assessments	1,002	11	41	1,054	0.1%
GIS Public Works Project	1,121	12	353	1,486	0.1%
Arden Hills - Project Related	18,350	201	900	19,451	1.0%
Falcon Heights - Project Related	9,716	107	502	10,325	0.5%
Customer Citizen Service	31,860	331	1,326	33,517	1.6%
Organizational Management	18,712	73	1,140	19,925	1.0%
Council Support	16,063	193	1,114	17,370	0.9%
Total	\$1,056,965	\$ 324,232	\$ 656,541	\$ 2,037,738	100%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Parks & Recreation Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Organizational Management	\$ 285,836	\$ 5,529	\$ 14,494	\$ 305,859	10.1%
Community Relations	11,538	104	173	11,815	0.4%
Commission Support	3,461	31	80	3,572	0.1%
Special Events	64,837	4,516	26,830	96,183	3.2%
Customer Citizen Support	125,031	1,809	6,529	133,369	4.4%
Procurement	7,742	91	67	7,900	0.3%
Payroll	15,851	504	184	16,539	0.5%
Cash Management	8,788	67	149	9,004	0.3%
Community Liaison	22,733	504	1,512	24,749	0.8%
Marketing	59,919	1,393	26,146	87,458	2.9%
Solicit Funding	11,120	72	125	11,317	0.4%
Data Entry	34,112	306	791	35,209	1.2%
Youth Programs	47,985	7,825	4,369	60,179	2.0%
Adult Programs	29,703	267	2,005	31,975	1.1%
Senior Programs	14,038	972	1,663	16,673	0.6%
Arts Programs	8,579	77	628	9,284	0.3%
Fitness & Wellness Programs	2,448	22	1,037	3,507	0.1%
Community Recreation Programs	2,503	192	1,020	3,715	0.1%
Community Volunteers	24,292	1,064	275	25,631	0.8%
On Line Services & Website	12,300	319	8,504	21,123	0.7%
Equipment Maintenance	25,286	3,044	23,847	52,177	1.7%
Building Maintenance	98,974	58,228	90,568	247,770	8.2%
Grounds Maintenance	168,288	18,525	30,591	217,404	7.2%
Athletic Fields Maintenance	25,189	10,237	34,814	70,240	2.3%
Snow Plowing	31,649	2,414	219	34,282	1.1%
Outdoor Ice	28,980	2,588	6,180	37,748	1.2%
Playground Structures and Equipment	23,358	4,189	4,748	32,295	1.1%
Facility Rental	18,277	77	14	18,368	0.6%
Ice Show	5,509	73	25,144	30,726	1.0%
Training	2,877	34	18,937	21,848	0.7%
Skate Center Programs	23,346	623	30,468	54,437	1.8%
Oval Maintenance	89,340	7,221	70,147	166,708	5.5%
Skate Park	18,393	4,327	2,014	24,734	0.8%
Arena Ice Surface	49,474	6,308	69,660	125,442	4.2%
Arena Maintenance	53,550	4,321	17,338	75,209	2.5%
Skate Center Maintenance	125,311	6,103	29,092	160,506	5.3%
Activity Center	15,900	-	94,100	110,000	3.6%
Community Band	-	1,000	3,710	4,710	0.2%
Jazz Band	-	500	650	1,150	0.0%
Recreation Roundup	8,095	745	285	9,125	0.3%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Parks & Recreation Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Teen Program	750	290	-	1,040	0.0%
Special Events	645	1,750	250	2,645	0.1%
Outdoor Rinks	5,480	100	175	5,755	0.2%
Senior Program	-	1,085	560	1,645	0.1%
Summer Entertainment	595	150	12,400	13,145	0.4%
Volunteers	-	2,940	230	3,170	0.1%
Puppet Wagon	3,760	450	-	4,210	0.1%
Spring Celebration	250	400	825	1,475	0.0%
Discover Parks	1,555	645	-	2,200	0.1%
July 4th	3,295	685	1,700	5,680	0.2%
Halloween	-	770	800	1,570	0.1%
Holiday Carnival	-	-	300	300	0.0%
Special Population	3,575	600	235	4,410	0.1%
Men's Basketball	2,035	475	16,820	19,330	0.6%
Tree Sales	-	2,280	120	2,400	0.1%
Boot Hockey	-	140	1,845	1,985	0.1%
Adult Broomball	-	175	3,440	3,615	0.1%
Football 7-Man	-	85	2,470	2,555	0.1%
Football 4-Man	-	65	395	460	0.0%
55 Alive	-	-	3,000	3,000	0.1%
Adult Soccer	-	375	6,850	7,225	0.2%
Adult Softball	3,750	11,505	64,075	79,330	2.6%
Youth Softball	-	2,150	2,235	4,385	0.1%
Tennis	2,380	985	3,330	6,695	0.2%
Karate	-	-	9,450	9,450	0.3%
Tai Chi Chi	-	815	-	815	0.0%
Volleyball	6,050	1,830	17,465	25,345	0.8%
Family Open Gym	940	-	-	940	0.0%
Brimhall Gym Rental	4,340	375	-	4,715	0.2%
Open Volleyball	2,015	-	-	2,015	0.1%
Sandlot Volleyball	-	280	2,520	2,800	0.1%
Cross Country Ski	-	60	235	295	0.0%
Golf Lessons	160	150	2,375	2,685	0.1%
Open Basketball	1,170	75	-	1,245	0.0%
After School Sports	7,700	1,950	4,420	14,070	0.5%
CPR	-	100	1,080	1,180	0.0%
Tap For Seniors	-	-	1,800	1,800	0.1%
Dance	24,090	11,050	8,970	44,110	1.5%
Youth Basketball	800	70	300	1,170	0.0%
Gym Rental - CP	8,150	750	-	8,900	0.3%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Parks & Recreation Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
rpr summer sports	26,995	3,700	3,100	33,795	1.1%
Fall Youth Soccer	320	2,375	3,340	6,035	0.2%
summer options-sum spec,trips	25,385	15,920	3,655	44,960	1.5%
Sports Camp	860	2,660	33,070	36,590	1.2%
Ski Rental	-	25	40	65	0.0%
Music Lessons	-	-	5,920	5,920	0.2%
Gymnastics	117,760	3,500	13,350	134,610	4.5%
Adult Trips	-	6,960	5,470	12,430	0.4%
Picnic Shelters	9,680	1,100	2,250	13,030	0.4%
Over 50	-	20	50	70	0.0%
Gardens	-	250	-	250	0.0%
Cribbage	-	525	-	525	0.0%
Adult Bowling	-	150	-	150	0.0%
Run for Roses	-	3,745	2,750	6,495	0.2%
Tour of Roses	-	1,500	-	1,500	0.0%
Rose Parade	-	2,000	13,400	15,400	0.5%
	-	-	-	-	0.0%
Total	\$1,869,097	\$ 246,256	\$ 906,172	\$ 3,021,525	100%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Administration Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Customer Citizen Service	\$ 61,198	\$ 904	\$ 2,278	\$ 64,380	18.9%
Procurement	5,832	29	520	6,381	1.9%
Personnel Management	113,368	568	15,597	129,533	38.1%
Records Retention	1,706	100	-	1,806	0.5%
Elections	9,100	1,133	37	10,270	3.0%
City Council Support	45,188	226	2,016	47,430	14.0%
Advisory Commission Support	4,804	81	26	4,911	1.4%
Organizational Management	72,531	363	2,153	75,047	22.1%
Total	\$ 313,727	\$ 3,404	\$ 22,627	\$ 339,758	100%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Finance Department Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Banking & Investment Management	\$ 58,255	\$ 628	\$ 3,739	\$ 62,622	13.4%
Budget/Financial Planning	62,974	246	5,738	68,958	14.7%
Business Licenses	2,728	11	118	2,857	0.6%
Cash Receipts/Receptionist	72,138	282	3,457	75,877	16.2%
Contract Administration	21,576	84	1,414	23,074	4.9%
Debt Management	16,399	64	1,854	18,317	3.9%
Economic Development	3,939	15	361	4,315	0.9%
Financial Accounting & Reporting	83,597	327	5,109	89,033	19.0%
Gambling Licenses	2,728	11	132	2,871	0.6%
Process Payroll	44,295	473	2,144	46,912	10.0%
Purchasing	1,364	5	66	1,435	0.3%
Risk Management	53,479	209	3,037	56,725	12.1%
Organizational Management	14,849	17	248	15,114	3.2%
Total	\$ 438,321	\$ 2,372	\$ 27,417	\$ 468,110	100.0%

City of Roseville

Budgeting for Outcomes Process

Property-Tax Supported Programs / Functions

Miscellaneous Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
City Council	\$ 42,880	\$ -	\$ 137,680	\$ 180,560	29.5%
Human Rights Commission	-	-	2,250	2,250	0.4%
Legal	-	-	272,500	272,500	44.5%
Central Services	-	27,000	49,520	76,520	12.5%
General Insurance	-	-	80,000	80,000	13.1%
Total	\$ 42,880	\$ 27,000	\$ 541,950	\$ 611,830	100.0%

Other Programs

<u>Program / Function</u>	<u>Personal Services</u>	<u>Supplies & Materials</u>	<u>Other Svcs. & Charges</u>	<u>Total</u>	<u>% of Total</u>
Fire Relief Association	\$ -	\$ -	\$ 207,000	\$ 207,000	100.0%
Total	\$ -	\$ -	\$ 207,000	\$ 207,000	100.0%

Springsted

City of Roseville, Minnesota Financial Planning Assistance Study

Work PlanApril 2009

Objective(s)

The purpose of this study is to assist the City of Roseville in their financial planning and developing budget alternatives by determining the cost of providing services within General Fund departments and tax supported funds, as directed to determine the cost of providing services. The study would serve as a baseline for making budget decisions and fee justification.

We have provided the City with three options to achieve each of these objectives. The first option includes a process for determining the services provided by each department within the General Fund tax supported funds, as directed, and the cost of providing each of these services. The second option is a facilitation process to assist the City in developing alternatives for services within the General Fund using the information from the first option. The third option is to undertake a user fee study that would identify the total costs of providing services for which the City currently charges a user fee and to identify the total cost of providing services for which the City could charge a user fee.

The tasks for each option are outlined below:



Option 1 – Determine the Services Provided by General Fund Departments and the Cost of Each

Task I Review Background Information

- Internal review of General Fund background information
 - 2009 adopted budget
 - 2008 actual expenditures
 - Previous job evaluation employee forms indicating tasks performed and percentage of time spent on each
 - Current performance measurements and level of service standards
 - Organizational structure and staffing levels
 - Position descriptions
 - Number and type of services provided by each department

Task II General Fund Department Reviews

- Meet with each department head to discuss and review services provided by their department
 - Number and type of services provided
 - Current service level standards
 - Existing excess or deficit service capacity
 - Full-time equivalents (FTEs) by position type
 - Equipment utilized
 - Facilities usage

- Supplies and consumables
- Interrelationship with other services
- Estimated number of beneficiaries of service

Task III Develop Service Matrix

- Develop a matrix of the services provided by each department
 - Type of service provided
 - Resources used in providing the service
 - FTEs
 - Equipment
 - Facilities
 - Supplies and consumables
 - Current level of service
 - Estimated number of beneficiaries of service
 - Direct cost of providing service
 - Interrelated services that would be impacted by a change in a service
- Meet with the City to review and discuss the matrix in a workshop session
 - Modify or change the matrix as appropriate

Task IV Prepare Memorandum

- Springsted will prepare a memorandum that will include the final service matrix for the City's use in developing future budgets and determining services to be provided

Option 1 - Expectations

In order to conduct this study, the City is requested to identify and designate a staff member to serve as a contact person between Roseville and Springsted. This person will be responsible for the gathering of accurate and timely information necessary to complete the project. At a minimum, the following information will be needed to complete the study:

Financial Planning Assistance Required Information

- Copies of the City's General Fund Budget for 2009
- Copies of 2008 actual expenditures for the General Fund
- Copies of previous job evaluation employee forms indicating tasks performed and percentage of time spent on each
- Current performance measurements and level of service standards
- Organizational structure and staffing levels for General Fund Departments
- Position descriptions
- Number and type of services provided by each department
- Copies of any City policies related to service level standards, staffing or adopted service requirements
- Copies of any related studies
- Other information as needed

Option 2 – Facilitate Budget and Services Provided Workshop

Task I Preparation and Planning

- Phone conversations with city staff to determine scope, clarify expected outcomes and discuss critical steps in the process
- Prepare agenda
- Set up the electronic facilitation system
- Develop questions
- Review agenda and questions with City staff

Task II Conduct Electronic Facilitation Workshop

- Conduct an electronic facilitation workshop including the City Council, City staff and public
 - Provide up to 45 electronic keypads
 - Option to provide up to 200 additional electronic keypads

Task III Prepare Summary of Workshop Outcomes

- Within 10 days of the facilitation session, prepare a document summarizing the results
- Review document with City staff and make changes as necessary
- Present the outcomes of the session to the City Council in a workshop session

Option 2 - Expectations

The City is requested to identify and designate a staff member to serve as a contact person between Roseville and Springsted. This person will be responsible for coordinating the electronic facilitation workshop details.

Option 3 – Conduct User Fee Study

Task I Review Background Information

- Meet with City to review background information and analyze Study assumptions by reviewing:
 - The user fee system and charges for services currently in use
 - All current revenue policies, both written and implied, especially those related to establishing and adjusting user fees and charges
 - Historical information related to the City's user fee system and charges for services
 - Current allocation of overhead and other indirect costs to user fees and charges
 - The current fiscal year budget and past year's actual expenditures, as they relate to user fees and charges for services
 - The City's current policy related to the payment of and/or reimbursement for training and continuing education for staff who provide services for which a charge has been established

Task II Data Collection

- Meet with City department heads and staff:
 - Interview department heads and appropriate City staff determining time and resources allocated to providing overhead/administrative functions and services provided to other funds/entities
 - Interview department heads and appropriate City staff determining the time and the resources allocated in providing services:

- Review current list of services being provided, which a user fee or charge has been established
- Identify specific services provided, which their department contributes time or resources
- Estimate the average time and resources to provide each service
- Identify any training and/or continuing educational requirements for providing the service
- Identify overhead and indirect costs associated with providing each service
- Identify any additional services currently being performed that might generate new service fees, as allowed under Minnesota law
- Identify revenue-producing activities that have the potential for being converted to enterprise funds
- Review preliminary findings with appropriate staff
- Calculate projected cost recovery ratios for proposed and current user fees, and prepare comparative analysis

Task III Data Analysis

- Develop an indirect cost schedule for each service to include
 - Amount of time each employee devotes
 - Direct salary cost for each employee
 - Related personnel costs for each employee (e.g., fringe benefits, vacation, sick leave costs, etc.)
 - Related supplies consumed in the provision of the service
 - Related training and/or continuing education costs
 - Related indirect administrative and overhead costs, including the total cost for each service
 - Supervision and management
 - Purchasing
 - Accounting
 - Reporting
 - Payroll and investment services
 - Management information systems
 - Buildings
 - Vehicles
 - Equipment
 - Property maintenance
 - Insurances
 - Any other indirect costs

Task IV Review Preliminary Findings

- Prepare draft report with preliminary findings and recommendations
- Meet with appropriate City staff reviewing our preliminary findings related to:
 - Current and proposed user fees
 - Cost recovery ratios
- Review and discuss the possibility of using a discounted or tiered structure for:
 - Non-profit organizations
 - Multiple user discounts
 - Income-based outcomes
- Make changes identified during the preliminary review of draft report

Task V Develop Final Cost of Services Model

- Based on the review completed in Task IV, a final cost of services model will be developed for each service, incorporating alternatives for discounted or tiered structures.

Task VI Prepare Written Documentation

- Springsted Incorporated will prepare a formal written report, documenting the project, purpose, process, recommendations developed, and benchmark comparisons for distribution and public education use

Task VII Present Findings

- Springsted Incorporated will prepare an audio/visual presentation detailing the purpose, process, recommendations developed and benchmark comparisons. We will use this tool to present our findings and recommendations to the City during a public meeting. The presentation will then be turned over to the City for its continued future use as a public information tool

Task VIII Training on Model

- A computer model based in Microsoft® Access will be developed which will enable the City to maintain their user fee and charges system on a current basis and that will include any new funds created as part of this project. Key staff member responsible for maintaining the system will be trained in the use of the model.

Option 3 - Expectations

In order to conduct this study, the City is requested to identify and designate a staff member to serve as a contact person between Roseville and Springsted. This person will be responsible for the gathering of accurate and timely information necessary to complete the project. At a minimum, the following information will be needed to complete the study:

User Fee Study Required Information

- Salary and benefit information for all employees (including, but not limited to, annual wages, benefit structure, workers' compensation rates, etc.)
- Copy of the City's current user fees and charges (to be included in this study)
- Historical information related to the City's user fee system and charges for services, including actual revenues and frequencies, by fee type
- The current method of allocating overhead and other indirect costs to user fees and charges
- The City's current fiscal year budget and past year's actual expenditures
- The City's current policy related to the payment of and or reimbursement for training and continuing education for staff that provide services for which a charge has been established
- Other relevant information

Compensation

We have provided a lump-sum fee proposal for each option as described in this proposed work plan. Each lump sum fee proposal is exclusive of any out-of-pocket expenses such as travel and copying. The proposed fee for each option is as follows:

Option 1 - Determine the services provided by General Fund Departments and the cost of each lump sum fee \$15,150

Option 2 - Facilitate Budget and Services Provided Workshop lump sum fee \$3,500 for each workshop facilitated which includes the use of 45 keypads. We can lease up to an additional 200 keypads for a cost of \$15 per keypad per week plus shipping costs.

Option 3 – Conduct User Fee Study lump sum fee \$56,750

The time to complete each option is as follows: Option 1 six to eight weeks; Option 2 one week of preparation time and ten days after the workshop to complete the summary; Option 3 twelve to sixteen weeks. These completion times assume all necessary information is made available to Springsted in a timely manner and the City is available for any required meetings. This draft schedule does not anticipate any unforeseen delays or other circumstances that would result in a later completion date. Should any unforeseen delays or circumstances arise, Springsted can draw on its staff of over 70 professionals to keep the project on schedule to the greatest extent possible.

Springsted would invoice the City for work completed as follows:

- Option 1 - completion of each task
- Option 2 - completion of the work
- Option 3 - completion of each task

Should the City request and authorize any other additional work outside the scope of services described in this proposal, we would invoice the City at our standard hourly fees.

2008 Standard Hourly Fee Schedule	
Title	Rate
Principal & Senior Officer	\$215
Officer & Project Manager	\$185
Senior Associate	\$155
Associate	\$140
Support Staff	\$ 60

Project Team to continue pursuing continuous pathways.

Further discussion included reduction of the median to allow access to the townhomes; identification of water treatment areas envisioned as infiltration beds; limitations based on the curbs remaining as currently located to facilitate area businesses and to not further infringe upon their property; snow storage provisions along the corridor; and the desire to make the intersection look more traditional to avoid confusion for vehicular, bicycle and pedestrian traffic.

Mr. Schwartz advised that six different concepts and configurations were considered; and that this design appeared to be more amenable to drivers and their navigation of the intersection.

Public Comment

Roger Toogood, 601 Terrace Court

Mr. Toogood, representing the Roseville Citizens League, advised that they had studied this design; and suggested additional entry points available for several areas to further alleviate traffic filtering onto Rice Street (e.g., Cub Foods traffic east via an access lane; and east along County Road B, with an exit going west to avoid Rice Street).

Mr. Tolaas advised that some of the original design concepts had considered those options, and offered to revisit them and provide a more detailed response and rationale to the Committee. Mr. Tolaas advised that the fewer entry points on ramps the better other than for accommodating buses. Mr. Tolaas recognized the Committee's intent to split heavy traffic through use of slip ramps.

Additional discussion included accommodations to the townhome residents and their concerns.

Roe moved, Johnson seconded, support for the offset single-point interchange as presented on the revised map this evening for Rice Street and Highway 36; and to direct staff to continue to work with the project team to address identified concerns.

Roll Call

Ayes: Ihlan; Roe; Pust; Johnson; and Klausing.

Nays: None.

11. Public Hearings

12. Business Items (Action Items)



a. Consider an Alternative Budgeting Process for 2010

Finance Director Chris Miller provided a summary of the Request for Council Action dated April 13, 2009, related to the merits of using an alternative budgeting process for 2010; and the urgency based on timing of the process.

Mr. Miller spoke in support of development, with the consulting assistance of the firm of Springsted of a matrix of costs per participant or beneficiary and the need for this additional information for further City Council decision-making as the city faced upcoming budget challenges and limited resources.

Discussion included reprioritization of programs and services;

approximate cost of \$15,000 for this study of tax-supported programs and services; and consideration of Town Hall meetings and receipt of electronic feedback from residents at those meetings, at a cost of approximately \$3 - 4,000 per session, in developing and/or maintaining a level of services and programs.

Councilmember Pust personally thanked staff for organizing disparate past conversations for consideration of an alternative budgeting process. Councilmember Pust spoke in support of the expenditure of the \$15,000 to hire a consultant to assist staff; however, she spoke in opposition to additional expenses for electronic voting, opining that, while nice, this was an unnecessary expenditure at this time. Councilmember Pust further opined that a bigger issue would be to make sure a sufficient number of residents were in attendance at the Town Hall meetings to ensure an accurate picture of the community.

Councilmember Roe opined that citizen feedback was important; and that the important thing was to hold the meetings after the data had been compiled by staff and Springsted, but not at the end of the process and simply a reaction to the proposed 2010 budget. Councilmember Roe reiterated his preference for early community feedback in the budget process.

Councilmember Ihlan sought additional information from staff on where contingency funding for the study would come from.

Mr. Miller advised that annually, in the General Fund, a small amount of funds were kept aside for unforeseen circumstances or events throughout the year; and noted that the City had set aside \$33,000 that was not specifically designated for 2009. Mr. Miller noted that, historically, the City usually expended between \$15-20,000, with some years \$75,000 needed (i.e., at the height of diseased and hazardous tree removal). Mr. Miller advised that staff felt this was important enough to pursue to make permanent corrections to the City's budget structure and compare programs and services throughout the City departments.

Councilmember Pust requested additional information from staff at a future meeting related to the potential need for additional funding for the Fire Relief Association's pension plan and unfunded liabilities to avoid future surprises.

Mr. Miller advised that he would provide that information with the best information available at this time.

Councilmember Johnson echoed Councilmember Pust's comments related to the Springsted study; however, he also spoke in support of the efficiencies in using the electronic method to determine community preferences.

Mayor Klausing noted his ambivalence related to the merit of the electronic version of the "dot method" and his need to further study that issue; but spoke in support of hiring Springsted for working with staff in preparation of a matrix.

Councilmember Roe spoke in support of splitting the

recommendations, and his support of hiring Springsted for the study at a cost not to exceed \$15,000; however, he also expressed the need for more time to consider the content of the Town Hall meetings.

Klausing moved, Roe seconded, authorizing the staff to hire Springsted Incorporated for the purposes of calculating the costs of property tax-supported services, in an amount not to exceed \$15,000.

Roll Call

Ayes: Ihlan; Roe; Pust; Johnson; and Klausing.

Nays: None.

13. Business Items/Presentations/Discussions

a. Discuss Amendments to the City Nuisance Code regarding Residential Composting

Economic Development Associate Jamie Radel summarized the Request for Council Action dated April 13, 2009, discussing several amendments to Title 4 of City Code related to yard requirements and regulation of residential composting. A draft ordinance was included in the report addressing those areas of current ordinance that were too vague and not readily enforceable.

Councilmember Pust opined that it sounded reasonable to provide further direction; however, expressed concern in language related to yard cover, when the City was encouraging more environmentally-friendly use of water, and the need to consider other landscaping beyond traditional sod.

Ms. Radel noted several options for environmentally-friendly yards that would minimize water usage; and suggested staff further broaden vegetation language.

Councilmember Roe spoke in support of more detailed explanations in ordinance; and suggested addition of an explanation for yard cover and expansion of other qualified options as well; encouragement of storm water management on site; and definition of what is and is not acceptable.

Mayor Klausing noted that some homes in Roseville (e.g., on Dale Street north of Larpenteur) were naturally wooded; and that those needed to be addressed as naturalistic yards.

City Attorney Anderson noted that "vegetation" was a very broad term and provide substantial leeway for property owners, as long as ground cover was alive, and not "Astroturf."

Mayor Klausing noted concerns with composting language and the comprehensive list, suggesting that "faded flowers" be removed; and the material list be further defined.

Ms. Radel advised staff had drafted proposed revisions based on their review of similar ordinances in the Cities of Minneapolis and St. Paul, but that staff would review language further and more specifically.

Councilmember Ihlan suggested that another approach would be to