



2016 Budget and Capital Improvement Plan

2016 Budget
2016-2035 Capital Improvement Plan
Adopted December 7, 2015

Prepared by the Department of Finance

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Letter of Transmittal

December 7, 2015

To the Mayor and City Council,

Enclosed is the 2016 City Budget as prepared by City Staff, in accordance with City Council direction. The 2016 Budget culminates nearly a years' worth of planning, evaluation, and input from the City Council, advisory commissions, citizens, and staff. This process included over a dozen public meetings held for the purposes of soliciting input and to gauge citizen reaction to proposed program and service offerings.

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

For 2016, the primary goal of the budget was to provide residents and businesses with the necessary and desired services in the most efficient manner while limiting the financial burden to taxpayers. Secondary goals centered on the allocation of resources to uphold previously-identified community aspirations, and meeting the needs identified in the most recent citizen survey. Those aspirations included the following:

City of Roseville Community Aspirations

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

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

2016 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 2016, the City recognized continuing strengthening of its tax base with overall market values up 1.4% during the past year and 8.5% over the past three 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 2016 with steady property tax and non-tax revenues and minimal overall spending increases. The City's asset replacement programs will receive additional funding in 2016 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 2016 and beyond.

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

Finally, the 2016 Budget reflects the adopted budget and financial policies that help guide budgeting and spending decisions. These policies were affirmed in 2015 and can be found in *Appendix A*. This document summarizes the 2016 Budget for all City programs and services and is presented in three sections.

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

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

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

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

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

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

Respectfully submitted,

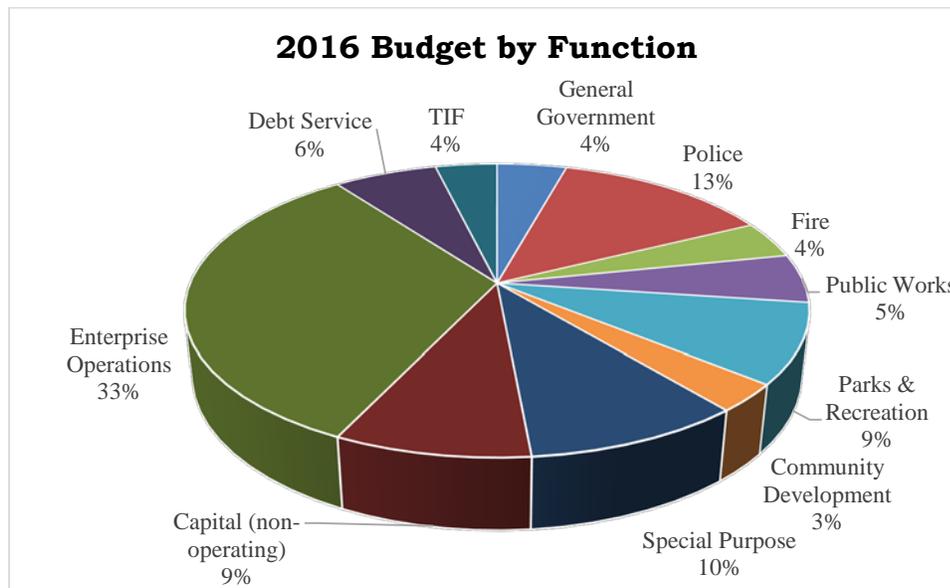

Patrick Trudgeon
City Manager


Christopher K. Miller
Finance Director

2016 Budget Summary

The 2016 Budget is \$52,112,620, an increase of \$67,330 or 0.1%. The combined budget for the *tax-supported funds* is \$28,745,490, an increase of \$690,150 or 2.5%.

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



<u>Program or Function</u>	<u>2015</u>	<u>2016</u>	<u>\$ Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>
General Government	\$ 2,213,190	\$ 2,239,515	\$ 26,325	1.2%
Police	6,838,185	6,972,630	134,445	2.0%
Fire	2,100,235	2,131,015	30,780	1.5%
Public Works	2,746,320	2,795,975	49,655	1.8%
Parks & Recreation	4,283,320	4,551,710	268,390	6.3%
Community Development	1,452,490	1,601,420	148,930	10.3%
Special Purpose	4,356,510	4,997,370	640,860	14.7%
Capital (non-operating)	4,377,930	4,474,625	96,695	2.2%
Enterprise Operations	18,027,110	17,031,360	(995,750)	-5.5%
Debt Service	3,480,000	3,330,000	(150,000)	-4.3%
TIF	2,165,000	1,985,000	(180,000)	-8.3%
Trust Operations	5,000	2,000	(3,000)	-60.0%
Total	\$52,045,290	\$52,112,620	\$ 67,330	0.1%

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

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

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

Parks and Recreation includes recreation administration and programs, leisure activities, and the Skating Center operation. An increase in expenditures is expected due to added personnel costs including a 2.0% cost-of-living adjustment for employees. Additional increases will result from added maintenance costs on new park buildings constructed in 2014 and 2015.

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

Special Purpose functions include information technology, communications, license center, lawful gambling enforcement, and parks maintenance. Staffing increases in the IT function and at the License Center along with a 2.0% cost-of-living adjustment for employees will result in higher costs for these functions.

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.

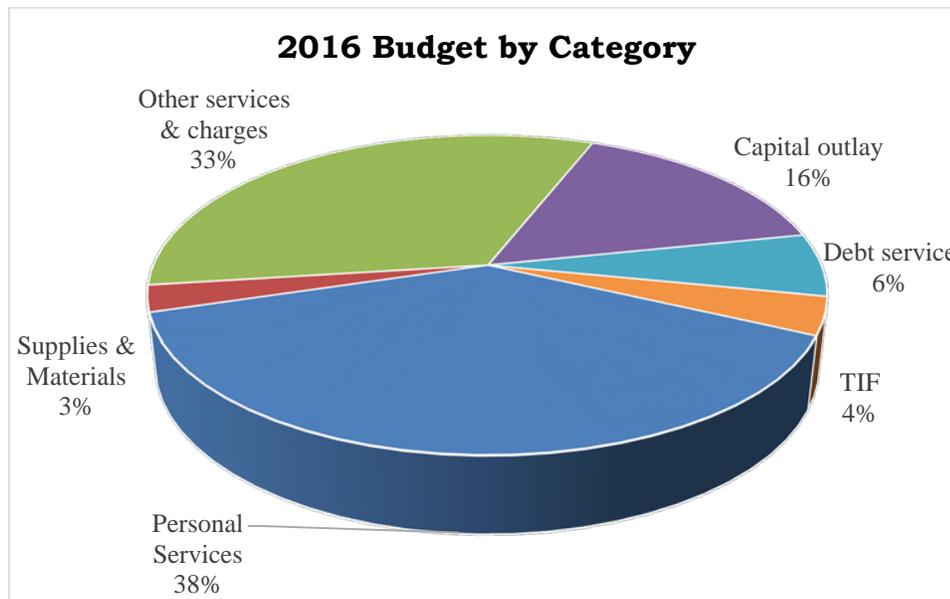
Enterprise Operations includes water, sanitary sewer, storm drainage, solid waste recycling, and the municipal golf course. Overall expenditures are expected to decline due to lower scheduled capital replacements as well as a decline in water purchases and wastewater treatment costs.

Debt Service includes the principal and interest paid on bonds used to finance infrastructure and facility improvement projects. A decrease is expected in 2016, due to the retirement of street improvement bonds.

TIF Pay-as-you-Go refers to tax increment paid to developers as specified in Tax Increment Financing (TIF) agreements between the City and various developers. A decrease is expected in 2016 due to an expiring TIF obligation.

Trust Operations includes funds set aside to maintain a City-owned Cemetery. No significant changes are expected in 2016.

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



Expense Category	2015	2016	\$ Increase (Decrease)	% Increase (Decrease)
Personal Services	18,718,920	19,995,715	\$ 1,276,795	6.8%
Supplies & Materials	1,417,020	1,394,950	(22,070)	-1.6%
Other services & charges	16,825,780	17,190,680	364,900	2.2%
Capital outlay	9,438,570	8,216,275	(1,222,295)	-13.0%
Debt service	3,480,000	3,330,000	(150,000)	-4.3%
TIF	2,165,000	1,985,000	(180,000)	-8.3%
Total	\$ 52,045,290	\$ 52,112,620	\$ 67,330	0.1%

Personal Services includes the wage, benefit, and insurance costs of employees. For 2016, personnel costs will rise due to a 2.0% cost-of-living adjustment for employees, along with wage step increases for eligible employees. It also includes additional staffing in the IT and License Center divisions.

Supplies and Materials include office supplies, motor fuel and vehicle supplies, clothing and protective gear, street repair materials, and salt/sand purchases. A slight decrease in funding is expected due to lower fuel and other supply 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. A moderate increase is expected in 2016 due to higher contractual maintenance and professional services costs.

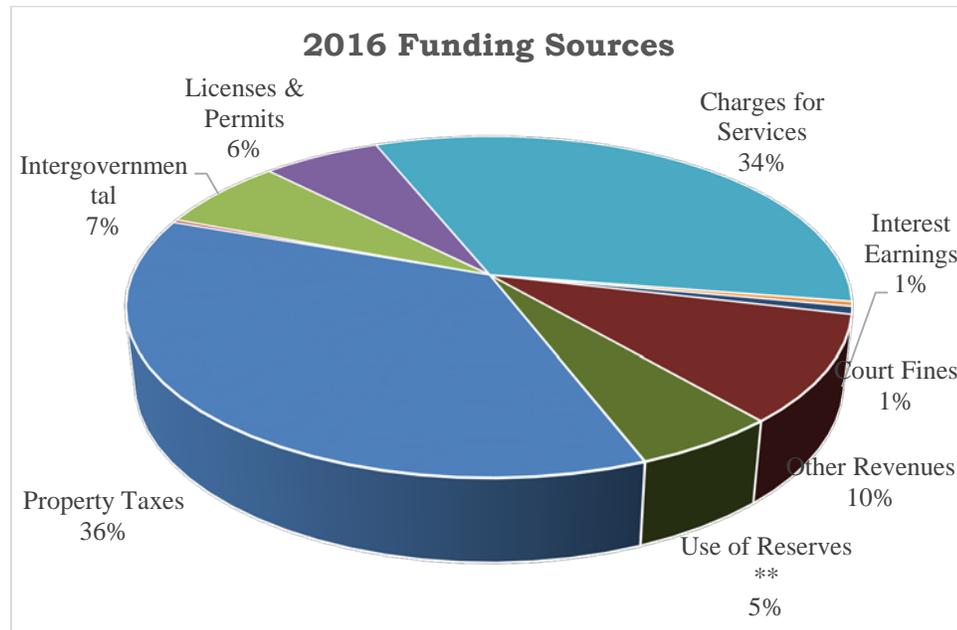
Capital Outlay includes both new and scheduled replacement purchases of vehicles and equipment, water meters, and infrastructure improvements. An increase is expected due to higher scheduled capital replacements.

Debt Service includes the principal and interest paid on bonds used to finance infrastructure and facility improvement projects. A decrease is expected in 2016, due to the retirement of street improvement bonds.

TIF Pay-as-you-Go refers to tax increment paid to developers as specified in Tax Increment Financing (TIF) agreements between the City and various developers. A decrease is expected in 2016 due to an expiring TIF obligation.

Budget Funding Sources

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



<u>Funding Source</u>	<u>2015</u>	<u>2016</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Property Taxes	\$ 18,276,902	\$ 18,944,720	\$ 667,818	3.7%
Special Assessments	100,500	151,500	51,000	50.7%
Intergovernmental	3,328,285	3,577,120	248,835	7.5%
Licenses & Permits	3,098,110	3,250,500	152,390	4.9%
Charges for Services	20,680,225	17,499,580	(3,180,645)	-15.4%
Court Fines	240,000	240,000	-	0.0%
Interest Earnings	283,800	383,800	100,000	35.2%
Other Revenues	2,941,898	5,228,765	2,286,867	77.7%
Use of Reserves **	3,095,570	2,836,635	(258,935)	-8.4%
Total	\$ 52,045,290	\$ 52,112,620	\$ 67,330	0.1%

** 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. An increase is expected in 2016 with the inclusion of assessments for new street improvement projects.

Intergovernmental Revenues include MSA state aids (\$900,000), police, fire, and street maintenance aid (\$1,000,000) and monies received under joint powers agreements (\$1,400,000). The increase primarily reflects higher joint powers revenues.

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

Charges for Services include wireless antenna lease revenues (\$380,000), recreation program fees (\$2,015,000), user charges for; water (\$8,875,000), sanitary sewer (\$5,680,000), storm drainage (\$1,585,000), solid waste recycling fees (\$310,000), and greens fees for the municipal golf course (\$290,000). A decrease is shown reflecting a change in accounting practices which no longer reflects administrative charges between funds as 'Charges for Services'. They will instead be reflected as transfers grouped in the 'Other Revenues' category.

Court Fines include fines paid for traffic violations and criminal offenses occurring within the City limits. No change is expected in 2016.

Interest Earnings include investment earnings on cash reserves. An increase is expected in 2016 due to the capture of stronger market-value adjustments to the City's investment portfolio.

Other Revenues include tax increment (\$1,985,000), lawful gambling taxes (\$150,000), cable franchise fees (\$445,000), and inter-fund transfers. An increase is shown reflecting a change in accounting practices which no longer reflects administrative charges between funds as 'Charges for Services'. They will instead be reflected as transfers and grouped in this category.

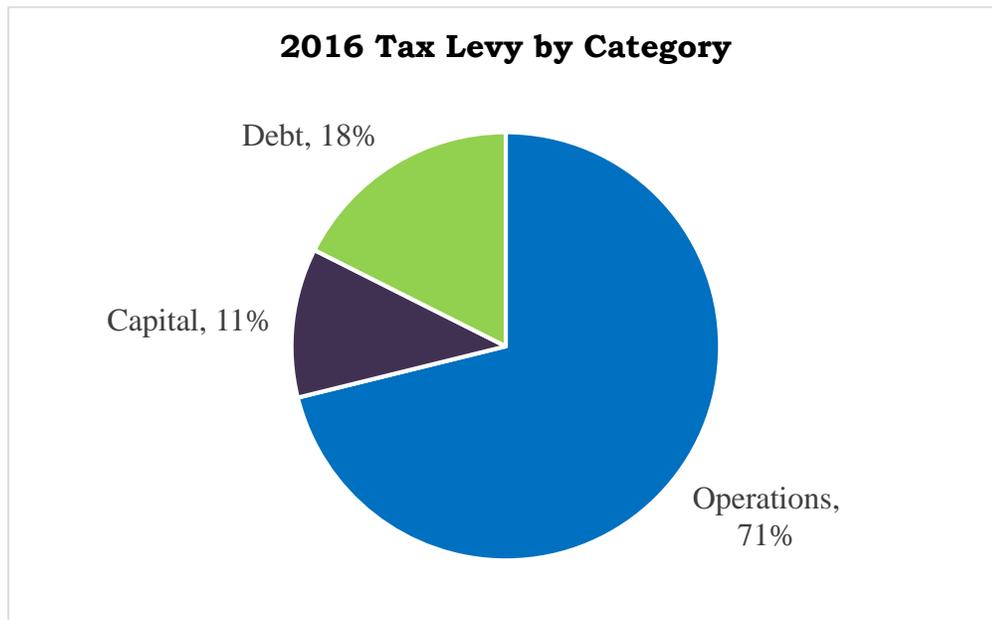
Use of Reserves denotes the amount of reserves that is projected to be used to finance one-time capital replacements and other uses. A decrease of planned uses of reserves is expected in 2016.

Tax Levy, Tax Capacity, and Tax Impact

The tax levy for 2016 is \$18,944,720; an increase of \$667,818 or 3.65%. The increase in property taxes is necessary to offset higher capital replacement and inflationary-type operational costs.

With the proposed tax levy and estimated changes in the City's tax base, a median-valued home of \$216,500 that experiences no change in valuation would see a property tax increase of \$23 or 2.7% in their local property taxes.

The following graph and table summarizes the 2016 tax levy.



<u>Fund / Program</u>	<u>2015</u>	<u>2016</u>	<u>\$ Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>
General Fund Programs	\$ 10,530,552	\$ 10,771,905	\$ 241,353	2.3%
Parks & Recreation - Programs	1,041,930	1,256,135	214,205	20.6%
Parks & Recreation - Maintenance	1,208,420	1,210,680	2,260	0.2%
Pathways & Parking Lots Maintenance	155,000	180,000	25,000	16.1%
Boulevard Landscaping	60,000	60,000	-	0.0%
General Vehicle & Equipment Replacements	1,464,000	1,426,000	(38,000)	-2.6%
General Facility Replacement	122,000	185,000	63,000	51.6%
Park Improvement Program	40,000	200,000	160,000	400.0%
Pavement Management Program	160,000	310,000	150,000	0.0%
Street Lighting Replacement	15,000	15,000	-	0.0%
Debt Service - Street Replacement	150,000	-	(150,000)	-100.0%
Debt Service - City Hall, Public Works Buildings	765,000	765,000	-	0.0%
Debt Service - Ice Arena	355,000	355,000	-	0.0%
Debt Service - Fire Station, Park Renewal I	835,000	835,000	-	0.0%
Debt Service - Park Renewal Phase II & III	1,375,000	1,375,000	-	0.0%
	\$ 18,276,902	\$ 18,944,720	\$ 667,818	3.7%

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 2015 and 2016 (estimated) is 38.869% and 39.920% respectively.

To determine an individual property's tax, the local tax rate is applied to the property's net tax capacity. For example, a \$216,500 home has a tax capacity of 2,165 (216,500 multiplied by 1% which represents the Statewide tax formula for homestead property). This tax capacity figure is then multiplied by the local tax rate.

$$2,165 \times .39920 = \$864$$

In 2016 a \$216,500 home will pay an estimated \$864 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 2016 tax levy and budget, estimates provided by Ramsey County, and assuming no increase in property valuation.

			\$ Increase	% Increase
<u>Value of Home</u>	<u>2015</u>	<u>2016</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
160,000	622	639	17	2.70%
180,000	700	719	19	2.70%
216,500	842	864	23	2.70%
235,000	913	938	25	2.70%
255,000	991	1,018	27	2.70%

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

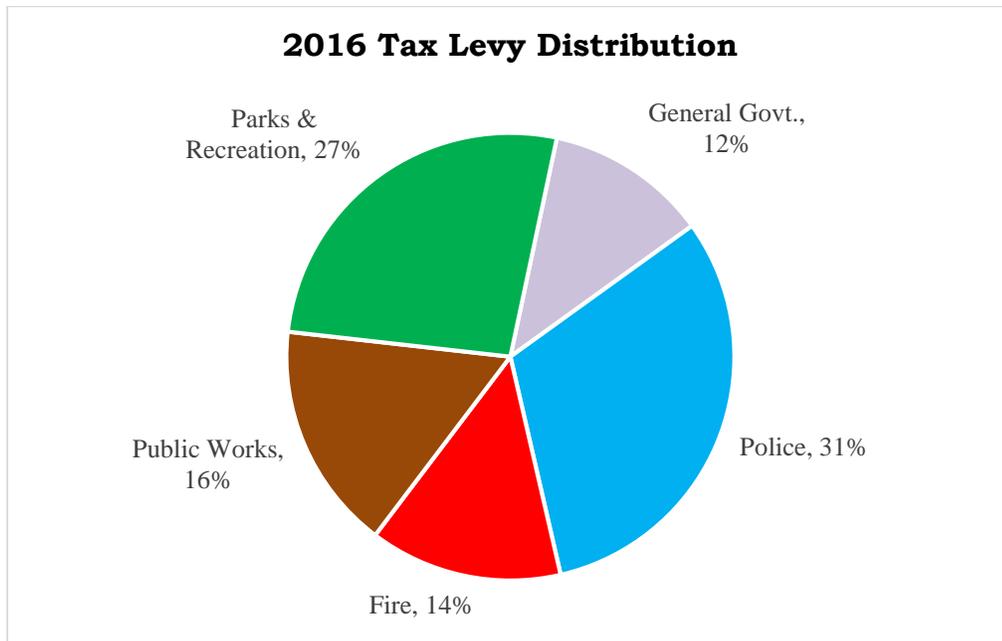
As shown above, a median-valued home of \$216,500 would see an increase of \$23 or 2.7%, holding all other factors constant.

The following table summarizes the estimated tax impact on **commercial** property, based on the 2016 tax levy and budget, estimates provided by Ramsey County, and assuming no increase in property valuation.

			\$ Increase	% Increase
<u>Value of Property</u>	<u>2015</u>	<u>2016</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
500,000	3,595	3,693	97	2.70%
750,000	5,539	5,689	150	2.70%
1,000,000	7,482	7,685	202	2.70%
2,000,000	15,256	15,669	413	2.70%
3,000,000	23,030	23,653	623	2.70%

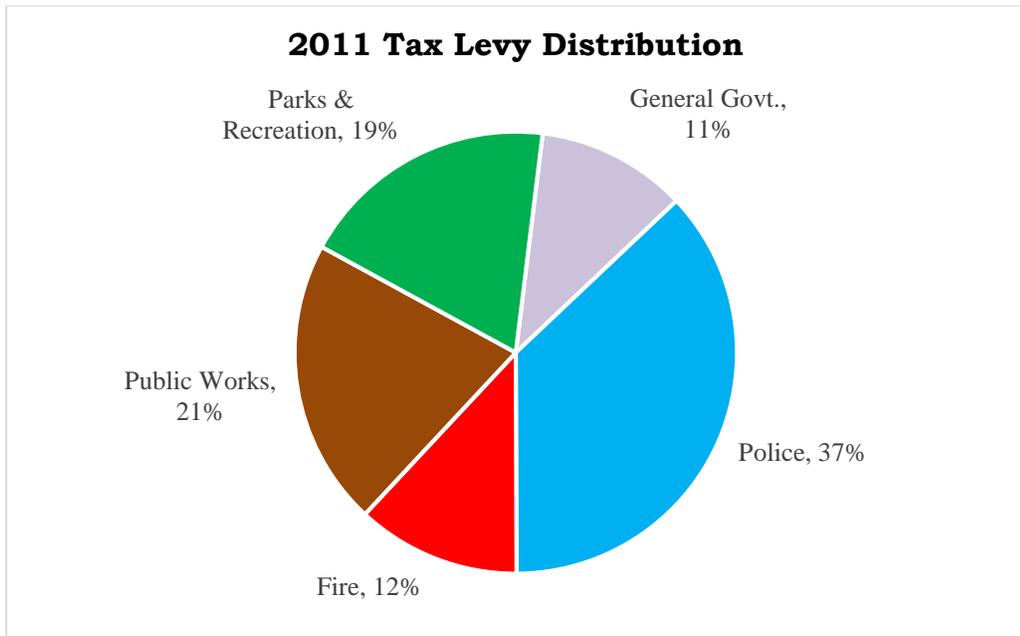
Tax Levy Benchmarks

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

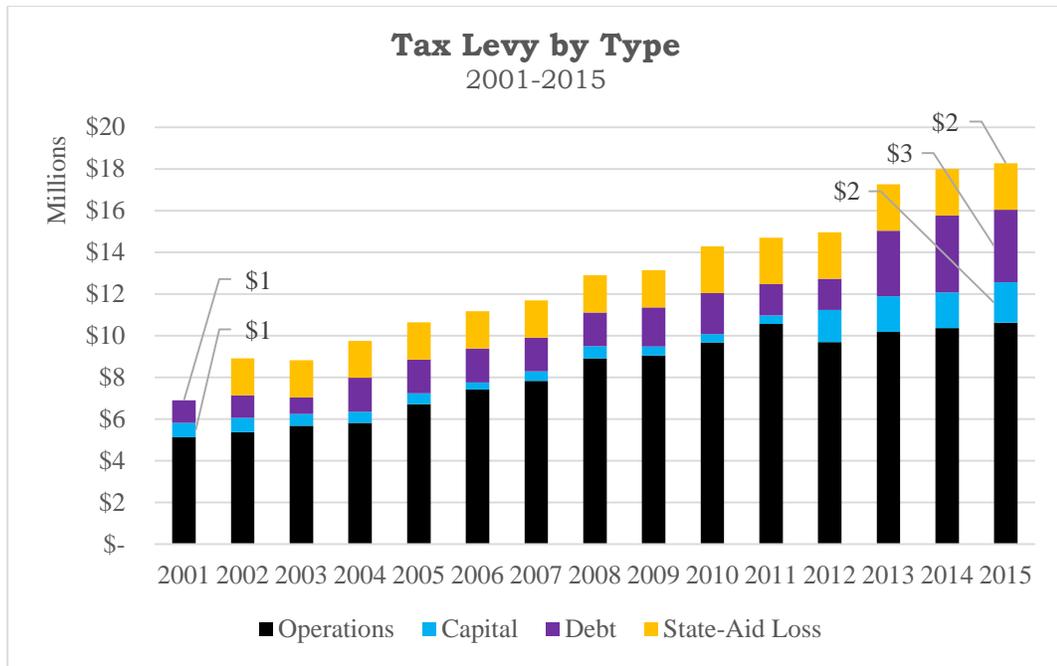


As depicted in the chart, police-related programs and services receive the highest level of tax levy support at 31% followed by Parks & Recreation at 27%. This distribution includes each function's proportionate share of debt service used to finance related improvements.

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



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

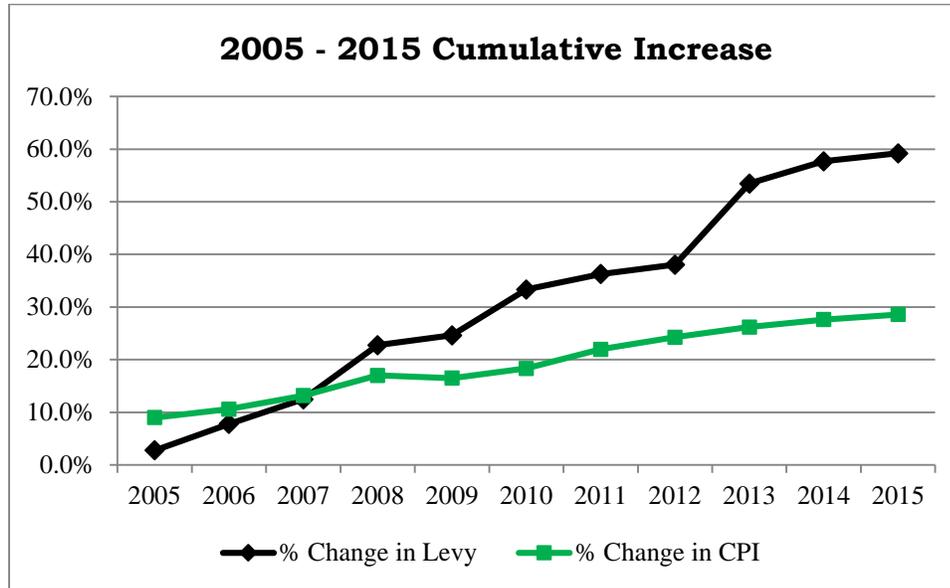


As shown in this chart, the overall tax levy has risen significantly in the past 15 years. However, the major drivers behind these increases are due to two primary factors: 1) the loss of state-aids and other non-tax revenues, and 2) the need for capital reinvestment.

Since 2001, the City has lost nearly \$2 million *annually* in various state-aids necessitating an increase in the tax levy to maintain programs and services levels. During this same period, the tax levy needed to support capital investment (including debt-financed capital replacements) has risen from \$2 million per

year to \$5 million. In contrast, the tax levy needed to support day-to-day operations (after adjusting for lost state-aid) has remained fairly flat since 2011.

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



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

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

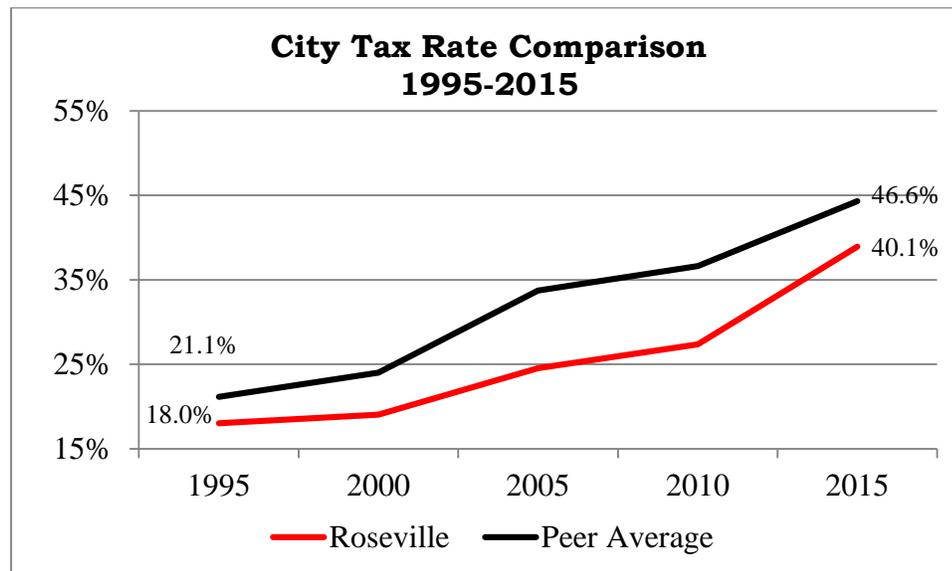
The following table depicts a comparison of local property taxes within the Twin Cities Metropolitan Area, serving a population between 25,000 - 45,000; and for a home valued at \$215,000

2015 Local Property Taxes

<u>Municipality</u>	<u>City Taxes *</u>
Brooklyn Center	\$ 1,506
Richfield	1,293
Savage	1,112
Maplewood	997
Inver Grove Heights	980
Fridley	935
Cottage Grove	890
Oakdale	841
Roseville	837
Shakopee	814
Andover	800
Shoreview	750

As shown in the above table, in 2015 (the most recent available) Roseville has the fourth lowest property tax burden amongst cities within the metro area that serve a population between 25,000 and 45,000.

If an expanded comparison were made to include all cities in the metro area that serve a population in excess of 10,000, Roseville would have the 21st 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 1995, Roseville's tax rate was 15% lower than the peer average. In 2005, Roseville's tax rate was 27% 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 12% 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.

	2012	2013	2014	2015	2016
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$14,814,570	\$16,861,841	\$17,392,732	\$ 18,276,902	\$ 18,944,720
Tax Increments	2,157,987	1,481,124	2,043,476	2,165,000	1,935,000
Special Assessments	307,703	178,657	213,528	100,500	151,500
Intergovernmental	2,994,919	1,880,019	1,523,496	3,328,285	3,507,120
Licenses & Permits	1,532,235	1,629,620	1,513,956	1,687,610	1,657,000
Charges for Services	5,248,052	5,664,896	4,742,687	3,933,810	4,327,825
Fines & Forfeits	313,530	236,510	204,799	240,000	240,000
Interest Earnings	326,037	280,110	1,943,123	244,800	342,800
Other Revenue	1,293,760	1,482,593	1,476,745	1,807,895	1,974,150
Total Sources	28,988,793	29,695,370	31,054,542	31,784,802	33,080,115
Funding Uses					
General Government	2,061,155	2,411,123	2,188,814	2,213,190	2,231,515
Public Safety	8,204,013	8,517,680	8,704,561	8,938,420	9,103,645
Public Works	2,183,350	2,333,802	2,397,213	2,746,320	2,795,975
Parks & Recreation	3,688,114	3,808,075	4,069,483	4,283,320	4,451,710
Community Development	1,257,731	1,207,605	1,249,625	1,452,490	1,601,420
Special Purpose	2,754,985	3,239,832	3,145,902	4,356,510	4,861,370
Capital Outlay	6,795,362	9,988,833	14,098,442	4,377,930	4,474,625
Debt Service	2,062,066	2,237,472	7,344,686	3,480,000	3,330,000
TIF-Related	570,728	564,796	678,641	2,165,000	1,985,000
Trust Operations	4,500	4,500	4,500	5,000	2,000
Total Uses	29,582,004	34,313,718	43,881,867	34,018,180	34,837,260
Other Sources (Uses)					
Transfers in (out)	25,000	25,000	782,000	-	871,000
Bond Proceeds (net)	17,129,996	4,173,553	-	-	-
Sale of capital assets	31,350	210,589	26,811	-	20,000
Other	(90,000)	-	-	-	-
Total Other Sources (Uses)	17,096,346	4,409,142	808,811	-	891,000
Excess of Funding Sources					
Over (Under) Funding Uses	16,503,135	(209,206)	(12,018,514)	(2,233,378)	(866,145)
Fund Balance - Jan 1st	40,983,780	57,486,915	57,277,709	45,259,195	43,025,817
Fund Balance - Dec 31st	\$57,486,915	\$57,277,709	\$45,259,195	\$ 43,025,817	\$ 42,159,672

Discussion Items

From 2012-2016, overall funding sources for the City's governmental fund operations have remained fairly stable with a few exceptions.

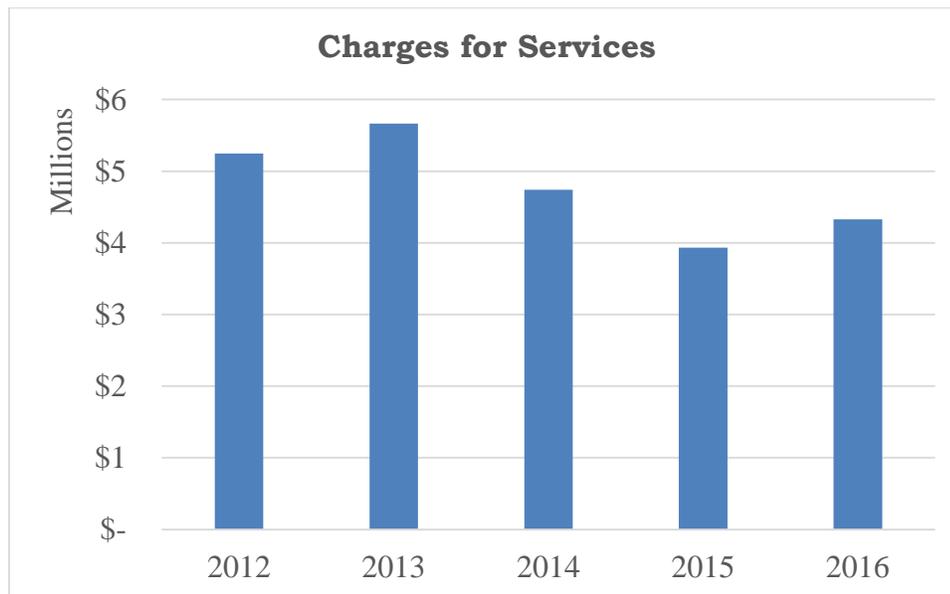
Since 2012, the City has become more reliant on the property tax to fund current operations. This has resulted in large part due to the added debt service costs associated with the bonds that were issued to finance the construction of a new fire station and the park renewal program. The City's reliance on the property tax also resulted from the decline in interest earnings and other non-tax revenue sources during this period. The chart below depicts the property tax levy for the past 5 years.



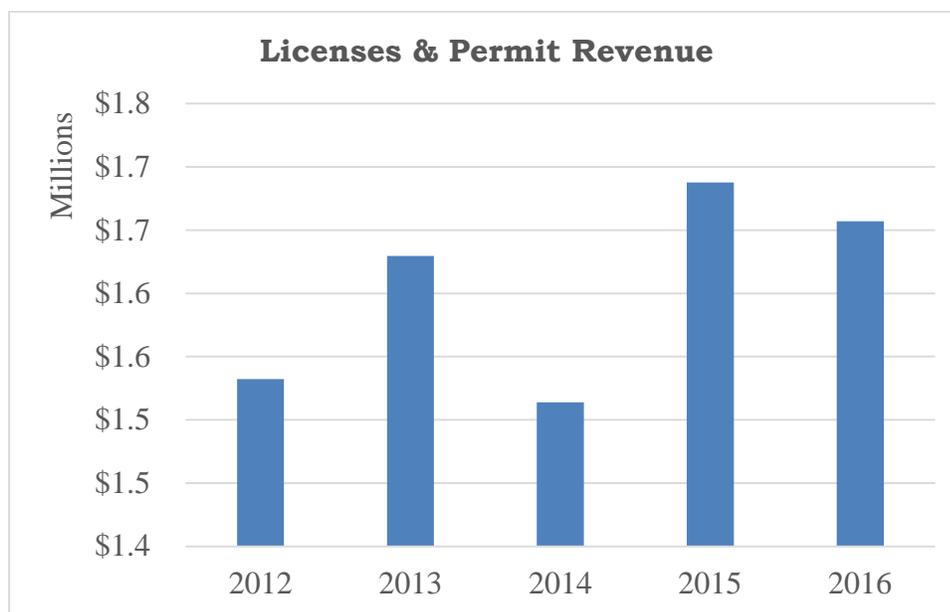
Over the next five years, it is expected that the City's tax levy will need to increase at levels that are somewhat above inflation. This will be necessary to offset expected increases in personnel-related costs and to continue improving the City's asset replacement funding mechanisms.

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

Charges for Services also remain a significant revenue source for the City, accounting for 12-19% of total Governmental Fund revenues. These revenues include; internal service charges from the General Fund to other general purpose functions, IT-related charges collected from joint partnerships, and recreation program fees. These revenues are expected to grow at inflationary-type levels in the future and are depicted below.



Another significant revenue source for the governmental funds is licensing and permit revenues accounting for 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 2016 and beyond. This is depicted in the chart below.



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

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

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

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

Proprietary Funds

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

	2012	2013	2014	2015	2016
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Net Sales of Merchandise	\$ 8,070	\$ 8,947	\$ 11,714	\$ -	\$ -
User Charges	12,505,073	12,895,707	13,177,289	16,746,415	14,425,135
Other Revenue	114,523	203,537	80,788	179,000	23,000
Total Sources	12,627,666	13,108,191	13,269,791	16,925,415	14,448,135
Funding Uses					
Personal Services	1,488,708	1,504,371	1,618,229	1,695,600	1,756,800
Supplies & Maintenance	220,110	233,827	330,636	255,900	261,200
Other Services & Charges	9,311,455	8,681,754	8,492,812	9,867,610	11,101,150
Depreciation	835,570	910,375	876,396	1,644,000	3,395,000
Total Uses	11,855,843	11,330,327	11,318,073	13,463,110	16,514,150
Other Sources (Uses)					
Interest Earnings	39,801	(207,704)	298,049	39,000	40,000
Sale of Assets	47,384	-	9,536	-	-
Grants / Other	309,873	427,047	90,419	-	-
Transfer In (out)	(25,000)	(25,000)	(331,033)	-	(25,000)
Total Other Sources (Uses)	372,058	194,343	66,971	39,000	15,000
Excess of Funding Sources					
Over (Under) Funding Uses	1,143,881	1,972,207	2,018,689	3,501,305	(2,051,015)
Net Assets - Jan 1st	24,643,591	25,787,472	27,759,679	29,778,368	33,279,673
Prior Period Adjustment	-	-	-	-	-
Net Assets - Dec 31st	\$25,787,472	\$27,759,679	\$29,778,368	\$ 33,279,673	\$ 31,228,658

Discussion Items

Proprietary funds receive most of their funding from user fees. Funding sources for the City's Proprietary operations remain stable as the City's water and sewer customers continue their strong presence. Utility rate increases enacted in 2012-2015 will result in significant increases in revenues to stabilize asset replacement programs.

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

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

General Fund

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

	2012	2013	2014	2015	2016
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$ 9,761,246	\$10,065,348	\$10,173,073	\$ 10,530,552	\$ 10,771,905
Intergovernmental	979,352	1,053,778	991,970	1,002,000	1,002,000
Licenses & Permits	407,297	384,467	416,659	378,500	403,500
Charges for Services	1,158,338	1,241,970	221,728	123,730	123,730
Fines & Forfeits	313,530	236,510	204,799	240,000	240,000
Interest Earnings	46,514	(241,261)	338,364	25,000	30,000
Other Revenue	140,435	164,699	96,735	44,500	44,500
Total Sources	12,806,712	12,905,511	12,443,328	12,344,282	12,615,635
Funding Uses					
General Government	2,065,652	2,411,123	2,193,314	2,213,190	2,239,515
Police	6,263,999	6,646,790	6,701,924	6,838,185	6,972,630
Fire	1,584,630	1,571,657	1,661,020	1,891,235	1,922,015
Fire Relief	355,384	299,233	341,617	209,000	209,000
Public Works	2,183,350	2,333,802	2,397,213	2,746,320	2,795,975
Other	-	-	-	-	-
Total Uses	12,453,015	13,262,605	13,295,088	13,897,930	14,139,135
Other Sources (Uses)					
Transfer In (Out)	-	-	926,471	1,178,148	1,148,000
Other	-	-	-	-	-
Total Other Sources (Uses)	-	-	926,471	1,178,148	1,148,000
Excess of Funding Sources Over (Under) Funding Uses	353,697	(357,094)	74,711	(375,500)	(375,500)
Fund Balance - Jan 1st	6,211,290	6,564,987	6,207,893	6,282,604	5,907,104
Fund Balance - Dec 31st	\$ 6,564,987	\$ 6,207,893	\$ 6,282,604	\$ 5,907,104	\$ 5,531,604

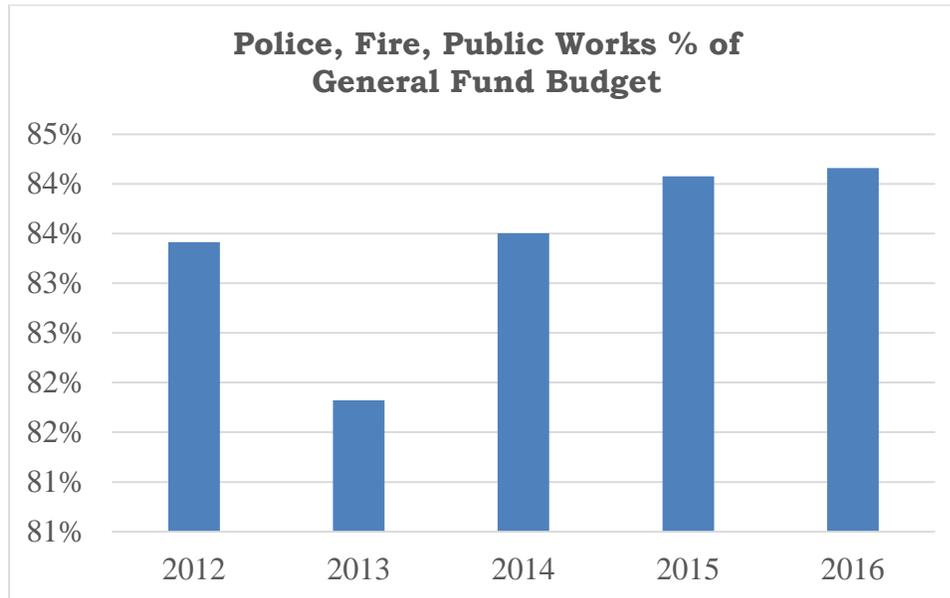
Discussion Items

During the period 2012-2016, overall funding sources for the City's General fund operations remained fairly flat partially relying on excess cash reserves. The City's tax levy increased substantially during this period averaging 3% per year. In 2015, the increase was specifically designated for added personnel-related costs as well as contractual maintenance and professional services.

Beyond 2016, it is expected that the General Fund's tax levy will increase somewhat above inflationary-type levels. This will be necessary to offset expected personnel-related costs and other inflationary impacts as well as eliminate the use of cash reserves to fund the operating budget.

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

As noted above, from 2012-2016, the City continued to emphasize its core functions of public safety and public works. These core functions have historically accounted for 82-84% of General Fund spending. This is depicted in the chart below.



Higher public safety and public works-related costs have been somewhat offset by lower general administrative costs, which have experienced slower growth overall since 2012.

In 2016, the General Fund balance is expected to decrease by \$375,000 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.

	2012	2013	2014	2015	2016
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$ 1,983,471	\$ 2,011,660	\$ 1,978,856	\$ 2,250,350	\$ 2,466,815
Charges for Services	1,786,703	1,717,648	1,771,633	2,018,670	2,070,595
Rentals	57,974	54,713	59,625	-	-
Donations	76,128	121,082	119,900	-	10,500
Interest Earnings	8,986	(36,655)	52,769	3,300	3,300
Other Revenue	53,477	128,251	74,550	11,000	500
Total Sources	3,966,739	3,996,699	4,057,333	4,283,320	4,551,710
Funding Uses					
Personnel	2,386,757	2,430,568	2,608,189	2,758,295	2,937,360
Supplies & Materials	285,456	284,571	305,730	316,340	332,865
Other Services & Charges	1,008,227	1,059,455	1,120,742	1,205,685	1,278,485
Capital Outlay	7,674	33,481	34,822	3,000	3,000
Total Uses	3,688,114	3,808,075	4,069,483	4,283,320	4,551,710
Other Sources (Uses)					
Transfer In (Out)	-	-	-	-	-
Other	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess of Funding Sources					
Over (Under) Funding Uses	278,625	188,624	(12,150)	-	-
Fund Balance - Jan 1st	643,912	922,537	1,111,161	1,099,011	1,099,011
Fund Balance - Dec 31st	\$ 922,537	\$ 1,111,161	\$ 1,099,011	\$ 1,099,011	\$ 1,099,011

Discussion Items

From 2012-2016, 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 6% annually, leaving the Fund balance relatively strong during the past few years.

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

Community Development Fund

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

	2012	2013	2014	2015	2016
Funding Sources	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Licenses & Permits	\$ 1,124,913	\$ 1,245,028	\$ 1,097,097	\$ 1,274,110	\$ 1,213,500
Charges for Services	152,664	200,775	243,679	-	-
Interest Earnings	7,908	(31,826)	45,987	-	8,000
Other Revenue	176,503	17,994	21,239	186,000	261,000
Total Sources	1,461,988	1,431,971	1,408,002	1,460,110	1,482,500
Funding Uses					
Personnel	886,832	970,439	1,045,079	1,142,000	1,265,425
Supplies & Materials	13,381	12,788	9,154	18,130	17,875
Other Services & Charges	196,989	193,602	174,550	290,360	308,970
Capital Outlay	160,532	30,776	20,843	2,000	9,150
Total Uses	1,257,734	1,207,605	1,249,626	1,452,490	1,601,420
Other Sources (Uses)					
Transfer In (Out)	-	-	(40,000)	-	-
Other	-	3,365	-	-	-
Total Other Sources (Uses)	-	3,365	(40,000)	-	-
Excess of Funding Sources Over (Under) Funding Uses	204,254	227,731	118,376	7,620	(118,920)
Fund Balance - Jan 1st	163,163	367,417	595,148	713,524	721,144
Fund Balance - Dec 31st	\$ 367,417	\$ 595,148	\$ 713,524	\$ 721,144	\$ 602,224

Discussion Items

During the period 2012-2016, the Community Development Fund realized increasing overall activity which was indicative of changing market conditions for both housing and commercial development. It is expected that over the next several years, development at several major areas will continue to take place which should maintain relative stability in the Fund's operations.

City of Roseville, Minnesota

Elected and Appointed Officials

January 1, 2015

Elected Officials

		Term of Office expires *
Mayor	Dan Roe	2019
Councilmember	Bob Willmus	2019
Councilmember	Tam McGehee	2019
Councilmember	Jason Etten	2017
Councilmember	Lisa Laliberte	2017

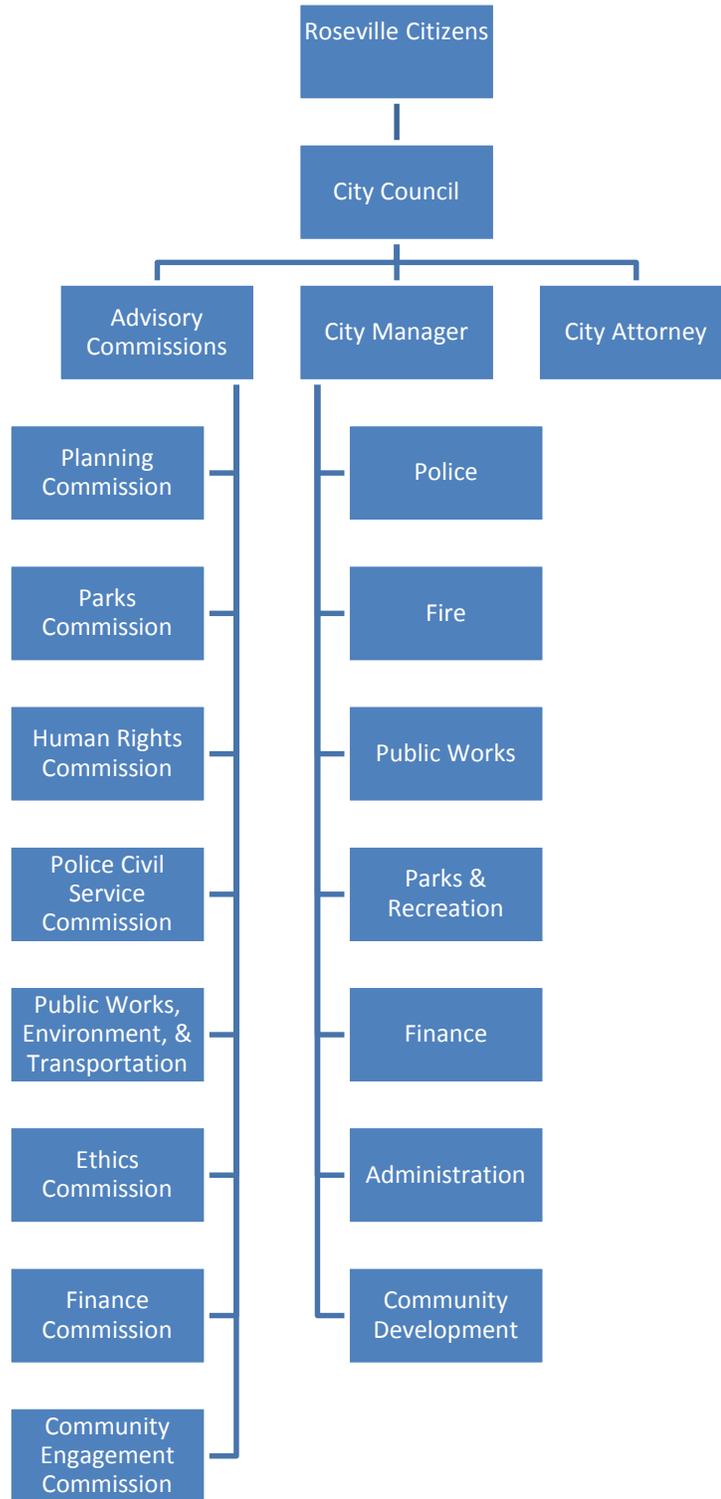
* expires on the first official business day in January

Appointed Officials

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

City of Roseville, Minnesota

Organizational Chart



City of Roseville

Summary of the Budget Process

Budget Process Overview

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

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

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

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

The calendar of key budget dates was as follows:

2016 Budget Calendar

Departmental Budget Presentations	May 27, June 1, 2015
Discussion on City Council Budget Goals & Priorities.....	June 15, 2015
Present the City Manager Recommended Budget	July 13, 2015
Present the City Manager Recommended Budget to the Finance Commission	July 14, 2015
Preliminary Budget Hearing	August 10, 2015
Joint Meeting with the Finance Commission/Review CIP Funding Strategies	August 17, 2015
Adopt the Preliminary Budget	September 14, 2015
Continue Discussions on the Budget/Review Water & Sewer Fees.....	October 19, 2015
Final Budget Hearing	November 30, 2015
Adopt the 2016 Water & Sewer Rates	November 30, 2015
Adopt the 2016 Final Budget.....	December 7, 2015

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

<u>Division</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Administration	3.75	4.70	4.70	4.70
Elections	0.15	0.05	0.05	0.05
Communications	1.52	2.25	2.25	2.25
Recycling	0.33	-	-	-
Total Administration	5.75	7.00	7.00	7.00
Finance	5.90	5.90	5.90	5.90
Lawful Gambling	0.10	0.10	0.10	0.10
Information Technology	11.50	13.00	14.00	17.00
License Center	14.25	14.75	14.75	16.75
Total Finance	31.75	33.75	34.75	39.75
Police Administration	9.00	9.00	9.00	9.00
Police Patrol	37.00	37.00	37.00	37.00
Police Investigations	9.00	9.00	9.00	9.00
Police Community Svcs.	2.00	2.00	2.00	2.25
Total Police	57.00	57.00	57.00	57.25
Fire Administration	2.00	2.00	2.00	3.00
Fire Prevention	2.00	2.00	1.00	1.00
Fire Operations	2.00	2.00	8.00	8.00
Total Fire	6.00	6.00	11.00	12.00
PW Administration	7.25	7.25	8.25	8.25
Street Maintenance	7.00	7.10	7.10	7.10
Central Garage	2.22	2.00	2.00	2.00
Sanitary Sewer	3.71	4.70	4.70	4.70
Water	7.54	7.15	7.15	7.15
Storm Drainage	4.03	4.20	4.20	4.20
Recycling	-	0.35	0.35	0.35
Total Public Works	31.75	32.75	33.75	33.75
Recreation Administration	4.89	4.90	4.90	4.90
Recreation Programs	4.36	4.35	4.35	4.85
Skating Center	5.75	5.75	5.75	5.75
Park Maintenance	9.00	9.00	9.50	9.50
Golf Course	1.75	1.75	1.75	1.75
Total Parks & Recreation	25.75	25.75	26.25	26.75
Planning	3.69	4.25	5.25	3.60
Housing & Economic Development	0.43	0.25	0.25	1.90
GIS	0.83	1.00	1.00	0.80
Rental Licensing	-	-	-	1.25
Neighborhood Enhancement	-	-	-	0.50
Code Enforcement	5.95	7.00	7.00	5.45
Total Community Development	10.90	12.50	13.50	13.50
Total Citywide	168.90	174.75	183.25	190.00

** Excludes seasonal or intern employees



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Roseville

Minnesota

For the Fiscal Year Beginning

January 1, 2015

Executive Director

Department Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 40,044	\$ 40,044	\$ 40,044	\$ 42,885	\$ 42,180	\$ (705)	-1.6%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	127,257	140,494	143,768	164,435	164,125	(310)	-0.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 167,301	\$ 180,538	\$ 183,812	\$ 207,320	\$ 206,305	\$ (1,015)	-0.5%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Not applicable.

2014/2015 Achievements

- Adopted the 2016 Policy Priority Planning document.

Department / Program: Human Rights Commission
Organizational Responsibility: City Council & City Manager

Department Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	2,000	2,000	0.0%
Other Services & Charges	1,252	4,139	1,808	3,700	1,700	(2,000)	-54.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,252	\$ 4,139	\$ 1,808	\$ 3,700	\$ 3,700	\$ -	0.0%
FTE's	-	-	-	-	-	-	-

2016 Budget Impact Items

- Not applicable.

2014/2015 Achievements

- Obtained grant funding for Commission activities.
- Conducted three community meetings; two to discuss human rights, and one to discuss civic engagement.
- Increased the Commission’s visibility in the community including upgrading their presence on the City’s website.
- Strengthened youth participation in commission activities and created a Facebook presence to bring greater attention to human rights issues.

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.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	355,384	299,233	341,617	209,000	209,000	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$355,384	\$299,233	\$341,617	\$209,000	\$209,000	\$ -	0.0%

2016 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.

2014/2015 Achievements

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

Department Description

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

2016 Goals and Objectives

- Implement Policy Priority Planning document approved by City Council.
- Create more information about the budget process for citizens to use and access.
- Continue to be visible in the community and responsive to citizens.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$447,186	\$436,683	\$468,368	\$529,815	\$563,100	\$ 33,285	6.3%
Supplies & Materials	795	1,111	857	1,300	1,500	200	15.4%
Other Services & Charges	56,870	81,461	72,775	115,525	116,180	655	0.6%
Capital Outlay	-	29,877	-	-	5,000	5,000	0.0%
Total	\$504,852	\$549,131	\$542,000	\$646,640	\$685,780	\$ 39,140	6.1%
FTE's	3.75	3.75	4.70	4.70	4.70		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Capital Outlay includes funding for the replacement of office furniture.

2014/2015 Achievements

- Reorganized Administration Department to better serve the community.
- Enhanced citizen outreach through the Roseville University program and other venues.
- Drafted and implemented a Uniform Commission Code for all city commission to ensure each was operating similarly and consistently.

Department / Program: Elections
Organizational Responsibility: City Manager

Department Description

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

2016 Goals and Objectives

- Coordinate elections function with Ramsey County.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 4,562	\$ 5,018	\$ 5,264	\$ 5,250	\$ 6,300	\$ 1,050	20.0%
Supplies & Materials	48	-	84	50	50	-	0.0%
Other Services & Charges	112,865	53,836	58,438	55,000	66,350	11,350	20.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 117,474	\$ 58,855	\$ 63,786	\$ 60,300	\$ 72,700	\$ 12,400	20.6%
FTE's	0.15	0.15	0.05	0.05	0.05		

2016 Budget Impact Items

- Increase in 'Other Services & Charges' is due to higher costs associated with the coordination of the City's Elections function by Ramsey County.

2014/2015 Achievements

- Implemented statewide voter registration system to process absentee ballots.

Department / Program: Legal
Organizational Responsibility: City Manager

Department Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	306,411	324,492	332,161	338,555	338,555	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$306,411	\$324,492	\$332,161	\$338,555	\$338,555	\$ -	0.0%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- The City’s legal costs are reflected in service contracts with area law firms. The cost of services is expected to remain unchanged in 2016.

2014/2015 Achievements

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

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.

2016 Goals and Objectives

- Undertake a marketing and branding effort for the whole City.
- Continue evaluating and improving all communication media produced by the City.
- Work with all departments on communication efforts, both to improve and coordinate efforts.
- Undertake a community survey.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$158,959	\$177,533	\$229,178	\$244,000	\$238,900	\$ (5,100)	-2.1%
Supplies & Materials	416	1,401	1,283	2,500	2,500	-	0.0%
Other Services & Charges	176,285	177,808	222,621	218,825	254,875	36,050	16.5%
Capital Outlay	14,523	56,801	1,052	90,000	10,000	(80,000)	-88.9%
Total	\$350,182	\$413,543	\$454,134	\$555,325	\$506,275	\$ (49,050)	-8.8%
FTE's	1.52	1.52	2.25	2.25	2.25		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other Services & Charges increase is due to higher cable television broadcasting services for City Council and Advisory Commission meetings.
- Capital Outlay will decrease due to lower equipment replacements.

2014/2015 Achievements

- Created new city website.
- Created new civic engagement portal; “Speak Up Roseville!” for residents, staff, and elected officials to share and discuss information.
- Redesigned and expanded City’s bi-monthly newsletter.

Department Description

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

2016 Goals and Objectives

- Implement the Finance & Accounting Division’s 2016-2020 Strategic Plan.
- Update the Annual Work Plan.
- Update the 20-Year Capital Improvement Plan and 10-Year Financial Plan.
- Maintain an AAA bond rating from Moody’s and Standard & Poor’s.
- Receive the GFOA’s Financial Reporting and Budget Presentation awards.
- Consider refining established performance measures, benchmarks, and standards.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$531,969	\$550,636	\$566,029	\$602,430	\$616,115	\$ 13,685	2.3%
Supplies & Materials	2,315	2,445	3,208	2,890	3,000	110	3.8%
Other Services & Charges	21,566	51,265	58,272	58,630	65,790	7,160	12.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$555,850	\$604,346	\$627,508	\$663,950	\$684,905	\$ 20,955	3.2%
FTE's	5.90	5.90	5.90	5.90	5.90		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other services and charges increased for recording services for Finance Advisory Commission meeting minutes and a bond rating assessment to be performed by an independent consultant.

2014/2015 Achievements

- Maintained a AAA bond rating from Moody’s and Standard & Poor’s.
- Received the Award for Excellence in Financial Reporting for the 35th consecutive year.
- Received the Distinguished Budget Presentation Award for the 16th consecutive year.
- Updated the citywide 20-Year Capital Improvement Plan (CIP) and 10-Year Financial Plan.

Department / Program: Central Services
Organizational Responsibility: Finance Director

Department Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	27,353	22,549	23,465	27,100	27,100	-	0.0%
Other Services & Charges	34,553	39,624	28,584	40,630	40,630	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 61,906	\$ 62,173	\$ 52,049	\$ 67,730	\$ 67,730	\$ -	0.0%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Not applicable.

2014/2015 Achievements

- Expenditures in 2014 dropped by 16% from the previous year due to lower supply and postage costs.

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.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	60,290	61,500	61,500	61,500	61,500	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 60,290	\$ 61,500	\$ 61,500	\$ 61,500	\$ 61,500	\$ -	0.0%
FTE's	-	-	-	-	-	-	-

2016 Budget Impact Items

- Not applicable.

2014/2015 Achievements

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

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.

2016 Goals and Objectives

- Implement the Information Technology Division’s 2016-2020 Strategic Plan.
- Update the Annual Work Plan.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 796,974	\$ 937,086	\$ 1,100,010	\$ 1,385,000	\$ 1,749,500	\$ 364,500	26.3%
Supplies & Materials	51,699	26,738	25,673	55,500	30,500	(25,000)	-45.0%
Other Services & Charges	153,639	308,446	156,122	219,020	195,020	(24,000)	-11.0%
Capital Outlay	163,510	193,814	198,985	356,640	275,000	(81,640)	0.0%
Total	\$ 1,165,822	\$ 1,466,084	\$ 1,480,790	\$ 2,016,160	\$ 2,250,020	\$ 233,860	11.6%
FTE's	10.50	11.50	14.00	14.00	17.00		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes three additional positions including; IT Infrastructure Supervisor, Server Specialist, and Computer Support Specialist.
- Supplies & Materials have been adjusted to reflect prior year actuals.
- Decrease in Other services & charges reflect the discontinuation of administrative services charges paid to the General Fund.
- Capital Outlay is decreasing due to planned equipment replacements.

2014/2015 Achievements

- Added six additional Joint Powers Agreements with other governmental agencies bringing the total to 35. These collaborative efforts provide nearly \$1.4 million in annual revenues reducing the City’s IT costs.
- Completed major communication systems upgrades for Exchange Email, Cisco IP Telephony and wireless network infrastructure.
- Designed and implemented network and technology features for 8 new facilities; Forest Lake City Hall, Little Canada Public Works and 6 Roseville Park buildings.
- Deployed first phase of a multi-year project to install network security cameras for Mounds View and Anoka.
- Completed police dispatch upgrades for Anoka and Ramsey County based public safety units.
- Completed municipal fiber optic network for St. Anthony to connect 5 city facilities.

Department Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 901,196	\$ 957,650	\$ 1,034,920	\$ 1,092,000	\$ 1,295,900	\$ 203,900	18.7%
Supplies & Materials	9,664	9,357	13,595	11,600	13,300	1,700	14.7%
Other Services & Charges	199,909	205,124	234,137	441,175	546,925	105,750	24.0%
Capital Outlay	2,662	6,892	5,334	10,000	21,500	11,500	0.0%
Total	\$ 1,113,430	\$ 1,179,023	\$ 1,287,987	\$ 1,554,775	\$ 1,877,625	\$ 322,850	20.8%
FTE's	14.25	14.25	14.75	14.75	16.75		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes two additional positions including; Passport Supervisor, and Auto Dealer Specialist.
- Other services and charges increase due to higher budgeted contributions to support other City functions.
- Capital Outlay is increasing due to planned equipment replacements.

2014/2015 Achievements

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

Department / Program: Lawful Gambling
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.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 3,004	\$ 3,082	\$ 3,305	\$ 3,600	\$ 4,500	\$ 900	25.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	144,663	132,870	138,037	146,650	146,650	-	0.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$147,667	\$135,952	\$141,342	\$150,250	\$151,150	\$ 900	0.6%
FTE's	0.10	0.10	0.10	0.10	0.10		

2016 Budget Impact Items

- Not applicable.

2014/2015 Achievements

- Distributed over \$80,000 from net proceeds to Roseville area organizations in 2014 and 2015.
- Maintained over \$900,000 in an endowment fund to sustain future contributions to area organizations in the event lawful gambling activities are discontinued in the City.

Division / Program: 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.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$591,919	\$787,567	\$875,647	\$ 900,190	\$ 927,835	\$ 27,645	3.1%
Supplies & Materials	12,887	13,853	15,309	16,125	16,450	325	2.0%
Other Services & Charges	61,799	71,504	77,727	87,895	90,995	3,100	3.5%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$666,605	\$872,925	\$968,684	\$1,004,210	\$1,035,280	\$ 31,070	3.1%
FTE's	9.00	9.00	9.00	9.00	9.00		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Increase in Other Services & Charges includes new funding for secure email services.

2014/2015 Achievements

- Instated CSO/Community Liaison position to enhance communication efforts with multicultural and minority members of the community.
- Provided department-wide *Mental Health Awareness* training, *School and Workplace Violence Preparation and Response* training to area schools and businesses and *Diversity* training open to other City staff and law enforcement agencies throughout the state.
- Passed June 2015 Peace Officer Standards and Training and Compliance audit.
- Launched Facebook (850+ followers) and Twitter (1200+ followers).
- Initiated monthly summaries and “One Chief’s Perspective” newsletter to better inform the public on police related topics.
- Chief Mathwig addressed current policing issues and concerns through numerous community forums and media platforms.
- Developed *Medicine Disposal Bag* program to offer the public alternative options to dispose of unused medications.

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.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 3,867,611	\$ 3,991,869	\$ 4,007,987	\$ 3,870,000	\$ 3,946,200	\$ 76,200	2.0%
Supplies & Materials	191,737	210,620	206,234	223,725	230,000	6,275	2.8%
Other Services & Charges	389,029	431,122	488,545	564,405	554,350	(10,055)	-1.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 4,448,376	\$ 4,633,611	\$ 4,702,766	\$ 4,658,130	\$ 4,730,550	\$ 72,420	1.6%
FTE's	37.00	37.00	37.00	37.00	37.00		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other services & charges decrease due to lower dispatching costs.

2014/2015 Achievements

- Successfully transitioned to new squad mobile and Computer Aided Dispatch (CAD).
- Patrol lieutenant was invited to attend and graduated from the FBI’s National Academy.
- Through grant funding, officers worked various traffic enforcement details (e.g. *Safe & Sober, Click It or Ticket, Operation Nightcap*, etc.).
- In 2015, responded to 33,549,549 (14,336 traffic stops; 2,115 community outreach events).
- Implemented new squad numbers to increase efficiency and consistency with Ramsey County Emergency Communications.
- Increased community engagement and outreach through events, presentations and programs such as *Make a Difference, P.A.L., Coffee with a Cop, lemonade stands*, etc.

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

Division / Program Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$601,543	\$579,039	\$521,939	\$ 939,000	\$ 957,500	\$ 18,500	2.0%
Supplies & Materials	34,590	39,332	38,065	40,950	43,100	2,150	5.3%
Other Services & Charges	13,692	19,482	23,100	22,975	24,925	1,950	8.5%
Capital Outlay	66	-	-	-	-	-	0.0%
Total	\$649,891	\$637,853	\$583,104	\$1,002,925	\$1,025,525	\$ 22,600	2.3%
FTE's	9.00	9.00	9.00	9.00	9.00		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Other Services & Charges increase due to higher vehicle maintenance costs.

2014/2015 Achievements

- Expanded crime scene team consisting of five officers with advanced training in evidence collection and processing to aid investigative processes.
- Implemented *Police Activities League (PAL)* as opportunity to reach out to area youth.
- Developed new presentations and programs further increasing engagement and outreach
- Organized community safety talks and developed resources for new Americans.
- Continued *Coffee with a Cop*, *Community Lemonade Stands* and *School Lunch* programs.
- Helped coordinate and participated in “Dialogues on Community Violence” with the HRC.
- Fully implemented bait car program; grant funding supported bait car crime impact details.

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.

2016 Goals and Objectives

- Fully fund fourth CSO position.
- Update and revise Field Training Officer Manual.
- Network and train with Hillcrest Animal Hospital.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$118,765	\$127,165	\$132,257	\$144,380	\$153,000	\$ 8,620	6.0%
Supplies & Materials	11,914	10,351	7,786	14,985	15,020	35	0.2%
Other Services & Charges	7,537	8,421	7,700	13,555	13,255	(300)	-2.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$138,216	\$145,937	\$147,743	\$172,920	\$181,275	\$ 8,355	4.8%
FTE's	2.00	2.00	2.00	2.00	2.25		

2016 Budget Impact Items

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

2014/2015 Achievements

- Added fourth position to CSO team to include community liaison component.
- Provided police sponsored Coyote Clinic for residents.
- Promoted three CSOs to sworn police officer positions.
- Implemented City Dangerous Dog Ordinance.
- Updated animal licensing guidelines and ordinance.
- Trained in the use of non-lethal weapons (e.g. tasers).
- Updated all animal control forms.
- In 2015, responded to 1,592 calls for service.
- Procured animal catcher net gun as tool to improve the safe catching, trapping and immobilization of wild and domestic animals.
- Acquired infrared digital thermometer gun to accurately assess dangerously hot vehicles.

Division / Program: Fire Administration
Organizational Responsibility: Fire Chief

Division / Program Description

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

2016 Goals and Objectives

- Launch the second step of the Department’s staffing transition plan, implementation of the Assistant Fire Chief Position, and full-time supervision.
- Continue the education, planning, and budget process for future steps of the staffing transition process.
- Research and explore potential auto-aid agreements with surrounding communities.
- Begin implementation of Fire Department leading the citywide Safety and Loss Control program.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$194,994	\$204,657	\$229,071	\$229,240	\$360,355	\$131,115	57.2%
Supplies & Materials	7,618	11,270	6,926	8,100	6,300	(1,800)	-22.2%
Other Services & Charges	28,086	27,151	51,649	12,600	10,200	(2,400)	-19.0%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$230,698	\$243,077	\$287,646	\$249,940	\$376,855	\$126,915	50.8%
FTE's	2.00	2.00	2.00	2.00	3.00		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes the creation of a new Asst. Fire Chief position.

2014/2015 Achievements

- Completed the first step of a new staffing transitions plan.
- Completed first ever IAFF union contract.
- Completed the process of converting to new Computer Aided Dispatch County wide system.
- Completed four Roseville U community educational meetings

Division / Program: Fire Operations
Organizational Responsibility: Fire Chief

Division / Program Description

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

2016 Goals and Objectives

- Implementation of second step of full-time staffing transitional process
- Take delivery and place into operation new Self Contained Breathing Apparatus (SCBA's).
- Implementation of new part-time firefighter scheduling system & and Call-back programs.
- Take delivery and place into service new medic unit.
- Implementation of new EMS –Regions Hospital based education, direction, and service program

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 964,290	\$ 912,825	\$ 972,266	\$ 1,230,185	\$ 1,292,210	\$ 62,025	5.0%
Supplies & Materials	92,212	112,066	76,946	89,000	83,900	(5,100)	-5.7%
Other Services & Charges	87,131	85,928	86,717	98,800	98,700	(100)	-0.1%
Capital Outlay	-	6,544	-	-	-	-	0.0%
Total	\$ 1,143,634	\$ 1,117,363	\$ 1,135,928	\$ 1,417,985	\$ 1,474,810	\$ 56,825	4.0%
FTE's	2.00	2.00	2.00	8.00	8.00		

2016 Budget Impact Items

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

2014/2015 Achievements

- Took delivery and placed into service new shift engine
- Responded to over 4,900 emergency calls for service.
- Hired six new full-time firefighters

Division / Program: Fire Training
Organizational Responsibility: Fire Chief

Division / Program Description

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

2016 Goals and Objectives

- Continue to implement hands-on training program utilizing the department’s new training items.
- Implement new EMS educational program, utilizing Regions Medical Direction
- Continue to look for cooperative training opportunities involving County wide departments

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 2,349	\$ 200	\$ 412	\$ 39,500	\$ 18,500	\$(21,000)	-53.2%
Supplies & Materials	297	299	-	1,800	1,800	-	0.0%
Other Services & Charges	37,435	28,171	22,110	24,200	21,600	(2,600)	-10.7%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 40,081	\$ 28,670	\$ 22,523	\$ 65,500	\$ 41,900	\$(23,600)	-36.0%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Reduction in Personal Services is due to a reduction in on-shift training for paid-on-call firefighters.

2014/2015 Achievements

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

Division / Program: Emergency Management
Organizational Responsibility: Fire Chief

Division / Program Description

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

2016 Goals and Objectives

- Conduct FEMA required training sessions for senior staff.
- Conduct table top exercise involving all departments.
- Replace one outdoor warning siren.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	660	-	-	1,200	1,200	-	0.0%
Other Services & Charges	3,190	5,819	1,160	13,190	7,250	(5,940)	-45.0%
Capital Outlay	-	-	18,746	35,000	20,000	(15,000)	0.0%
Total	\$ 3,850	\$ 5,819	\$ 19,906	\$ 49,390	\$ 28,450	\$ (20,940)	-42.4%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Reductions due to reduced training obligations and outdoor warning siren replacement costs.

2014/2015 Achievements

- Completed disaster table-top exercise with senior city staff.
- Conducted required FEMA training for city staff.
- Replaced one emergency siren.

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.

2016 Goals and Objectives

- Focus on the City Council’s recently adopted Policy Priority Planning Document Strategic Priority of Infrastructure Sustainability by fully implementing asset management across all of the Public Works divisions and establishing measures of effectiveness for each infrastructure asset.
- Continue fostering our engineering services agreements with other adjacent communities where this type of arrangement can benefit both parties. The objective for our staff is to help offset costs of overhead to reduce demand on the City’s tax levy and to gain access to additional staff resources.
- Meet the demand of unfunded mandates in water quality, erosion control, inflow/infiltration reduction, and infrastructure replacement in the most cost effective measure possible.
- Meet the challenge of reconstruction and rehabilitation as outlined in the 20-Year Capital Improvement Plan.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$642,371	\$697,283	\$754,268	\$710,685	\$776,935	\$ 66,250	9.3%
Supplies & Materials	8,710	5,075	7,883	8,600	8,700	100	1.2%
Other Services & Charges	26,928	29,306	45,521	38,600	40,740	2,140	5.5%
Capital Outlay	-	-	-	-	3,000	3,000	0.0%
Total	\$678,009	\$731,664	\$807,672	\$757,885	\$829,375	\$ 71,490	9.4%
FTE's	7.25	7.25	7.25	7.25	7.25		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Capital Outlay funds are earmarked for departmental furniture replacement.

2014/2015 Achievements

- Provided engineering services for the City of Falcon Heights’ mill and overlay projects.
- Cooperated with other divisions, departments, with technical assistance and engineering review of private development projects.
- Repaved 6.5 miles of roadway, lined 7 miles of sanitary sewers, installed 37,000 cubic feet of storm water storage, reconstructed one sanitary sewer lift station and constructed 1.5 miles of new pathway.
- Worked closely with Ramsey County and the MN Department of Transportation planning for future regional improvements.

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.

2016 Goals and Objectives

- Continue to improve pavement maintenance programs and streetscape and right-of-way maintenance programs.
- Identify cost effective ways to maintain the infrastructure and pavement ratings within the constraints of the available budget and in line with the Council’s Policy Priority Planning objectives.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 472,513	\$ 534,073	\$ 583,593	\$ 638,935	\$ 548,900	\$ (90,035)	-14.1%
Supplies & Materials	222,919	297,128	276,390	290,700	265,700	(25,000)	-8.6%
Other Services & Charges	241,345	248,885	277,693	282,800	319,600	36,800	13.0%
Capital Outlay	-	-	(5,000)	-	-	-	0.0%
Total	\$ 936,778	\$ 1,080,086	\$ 1,132,676	\$ 1,212,435	\$ 1,134,200	\$ (78,235)	-6.5%
FTE's	7.00	7.00	7.10	7.10	6.10		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes a reduction for the elimination of a Fleet & Facilities Supervisor position.
- Supplies and materials change due to the transfer of supplies to the contract maintenance in the Other Services & Charges category

2014/2015 Achievements

- Completed street maintenance programs on time and within budgets.
- Completed tree trimming along boulevards & trails.
- Met or exceeded snow and ice control policy goals.
- Met pavement management goals, resurveyed 50% of street network.

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

Division / Program Description

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

2016 Goals and Objectives

- Replace or upgrade the oldest city-owned street light system component.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	203,176	221,802	227,102	222,200	228,000	5,800	2.6%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$203,176	\$221,802	\$227,102	\$222,200	\$228,000	\$ 5,800	2.6%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Increase due to higher energy-related costs.

2014/2015 Achievements

- Retrofit of existing pedestrian lighting on County Road B-2 and County Road C with LED technology.

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

Division / Program Description

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

2016 Goals and Objectives

- Continue focus on reducing energy use or using energy wisely through management systems and policy and through purchasing energy efficient equipment.
- Meeting the demand for maintenance on City facilities due to the wear and tear of use by community groups.
- Installing a solar photo-voltaic rooftop energy system at the Skating Center.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
Personal Services	\$ 381	\$ 1,246	\$ -	\$ -	\$ -	\$ -
Supplies & Materials	20,522	18,556	17,105	23,800	24,200	400
Other Services & Charges	266,439	297,880	298,303	353,100	398,500	45,400
Capital Outlay	-	-	13,031	-	-	-
Total	\$287,342	\$317,682	\$328,439	\$376,900	\$422,700	\$ 45,800
FTE's	-	-	-	-	-	

2016 Budget Impact Items

- Increase in Other Services & Charges due to higher facility management costs paid through a professional services contract.

2014/2015 Achievements

- Transitioned to a third party property management firm for general building maintenance items after the retirement of a staff member.
- Maintained a clean environment for city staff and the public.
- Worked to minimize disruption to all city operations and functions with preventative maintenance program.
- Continued realization of significant savings through energy use reduction resulting from re-commissioning and optimizations.

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.

2016 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

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$154,222	\$156,688	\$166,112	\$173,000	\$178,100	\$ 5,100	2.9%
Supplies & Materials	42,520	5,970	(45,791)	2,600	2,600	-	0.0%
Other Services & Charges	(5,993)	9,725	790	1,300	1,000	(300)	-23.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$190,749	\$172,382	\$121,111	\$176,900	\$181,700	\$ 4,800	2.7%
FTE's	2.22	2.22	2.00	2.00	2.00		

2016 Budget Impact Items

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

2014/2015 Achievements

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

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

Division / Program Description

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

2016 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 at least one sanitary sewer lift station.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 329,623	\$ 458,934	\$ 430,291	\$ 432,000	\$ 469,200	\$ 37,200	8.6%
Supplies & Materials	41,367	66,179	54,883	48,900	50,200	1,300	2.7%
Other Services & Charges	3,357,778	3,066,131	3,372,634	3,756,550	3,874,550	118,000	3.1%
Capital Outlay	(106,844)	1,066	110,794	1,600,000	1,565,000	(35,000)	-2.2%
Total	\$ 3,621,923	\$ 3,592,311	\$ 3,968,603	\$ 5,837,450	\$ 5,958,950	\$ 121,500	2.1%
FTE's	3.71	3.71	4.70	4.70	4.70		

2016 Budget Impact Items

- Personnel increases include a 2% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Increase in Other Services & Charges due to higher expected wastewater volume and subsequent treatment costs.
- Capital Outlay provides for the scheduled replacement and rehabilitation of infrastructure, vehicles, and equipment which can fluctuate from year to year.

2014/2015 Achievements

- Monitored/maintained 12 sanitary and 4 storm water lift stations.
- Replaced one sanitary sewer lift station.
- Cleaned one-third of the sanitary sewer system and all higher frequency areas.
- Repaired/replaced several sewer line problem areas as identified by maintenance staff.
- Evaluated system needs for rehabilitation, repair, and inflow and infiltration.
- Rehabilitated/lined over 7.0 miles of sewer main in 2015.

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.

2016 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

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 548,408	\$ 516,633	\$ 532,112	\$ 603,000	\$ 642,800	\$ 39,800	6.6%
Supplies & Materials	65,664	69,896	154,973	79,900	82,100	2,200	2.8%
Other Services & Charges	5,525,332	5,370,767	5,251,080	6,439,750	6,393,850	(45,900)	-0.7%
Capital Outlay	176,324	-	25,719	1,754,000	970,000	(784,000)	-44.7%
Total	\$ 6,315,728	\$ 5,957,296	\$ 5,963,883	\$ 8,876,650	\$ 8,088,750	\$ (787,900)	-8.9%
FTE's	7.54	7.54	7.15	7.15	7.15		

2016 Budget Impact Items

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

2014/2015 Achievements

- Distributed nearly 2.0 billion gallons of water to Roseville and Arden Hills utility customers.
- Repaired nearly 30 water main breaks and replaced over 5,000 lineal feet of water main in 2015.
- Flushed, inspected, and maintained 1,750 fire hydrants.
- Responded to nearly 4,000 utility locate requests from Gopher State One Call.
- Completed all annual major maintenance programs in a timely manner.
- 99% complete with the automated meter reading project.

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.

2016 Goals and Objectives

- 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.
- Continue catch basin repair and cleaning program.
- Continue storm sewer inspection an inventory program as required by NPDES permit.
- Implement revised Watershed District rules as mandated.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 295,893	\$ 301,209	\$ 383,273	\$ 380,000	\$ 397,600	\$ 17,600	4.6%
Supplies & Materials	73,715	66,359	87,932	81,000	83,500	2,500	3.1%
Other Services & Charges	596,611	588,831	568,800	772,700	781,200	8,500	1.1%
Capital Outlay	27,754	(7,203)	178,757	1,210,000	860,000	(350,000)	-28.9%
Total	\$ 993,973	\$ 949,196	\$ 1,218,762	\$ 2,443,700	\$ 2,122,300	\$ (321,400)	-13.2%
FTE's	4.03	4.03	4.20	4.20	4.20		

2016 Budget Impact Items

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

2014/2015 Achievements

- Constructed water quality best management improvements in conjunction with the pavement rehabilitation program along Victoria Street.
- Worked with residents resolving several backyard drainage issues.
- Provided technical assistance to residents and property owners installing rain gardens and other water quality improvements.
- Began rehabilitation of the St Croix Stormwater Lift Station.
- Collaborated with the Parks and Recreation department and the Capitol Region Wastershed District on the installation of the Upper Villa Stormwater Reuse Project

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.

2016 Goals and Objectives

- Continue single-sort recycling program.
- Enhance collaborative opportunities for zero waste events and other special events.
- Increase recycling in City Parks.
- Identify and enter into agreement for recycling service beyond 2016.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 33,112	\$ 35,597	\$ 26,508	\$ 36,500	\$ 36,800	\$ 300	0.8%
Supplies & Materials	878	544	1,972	700	2,000	1,300	185.7%
Other Services & Charges	508,853	513,544	433,011	448,410	453,410	5,000	1.1%
Capital Outlay	6,271	600	-	-	-	-	0.0%
Total	\$549,113	\$550,285	\$461,490	\$485,610	\$492,210	\$ 6,600	1.4%
FTE's	0.33	0.33	0.35	0.35	0.35		

2016 Budget Impact Items

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

2014/2015 Achievements

- Assisted the Rotary Club and the Parks and Recreation Department to make the Taste of Rosefest a Zero Waste Event.

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.

2016 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

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	42,980	99,180	83,471	20,000	20,000	-	0.0%
Other Services & Charges	67,252	17,849	100,697	160,000	170,000	10,000	6.3%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$110,232	\$117,029	\$184,168	\$180,000	\$190,000	\$ 10,000	5.6%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

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

2014/2015 Achievements

- Reconstruction or preventative maintenance on over 1.0 miles of pathway pavement and 2 City parking lots.

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

Division / Program Description

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

2016 Goals and Objectives

- Substantially complete implementation of Park and Recreation Renewal Program.
- Review and analyze changing operations/needs as a result of the Renewal Program.
- Work with Parks and Recreation Commission and Community on Golf Course Capital Improvement Program.
- Support infrastructure sustainability priority.
- Consider process for updating System Master Plan.
- Review department structure while considering succession planning.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$463,342	\$475,646	\$514,875	\$510,000	\$526,300	\$ 16,300	3.2%
Supplies & Materials	5,066	6,287	6,722	8,000	8,200	200	2.5%
Other Services & Charges	53,422	48,911	65,805	78,215	79,015	800	1.0%
Capital Outlay	-	-	-	3,000	3,000	-	0.0%
Total	\$521,831	\$530,843	\$587,402	\$599,215	\$616,515	\$ 17,300	2.9%
FTE's	4.89	4.89	4.90	4.90	4.90		

2016 Budget Impact Items

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

2014/2015 Achievements

- Completed numerous major Parks & Recreation Renewal Program projects.
- Acquired more than \$300,000 in grants and contributions.
- Achieved 100% compliance of National Accreditation Standards in Reaccreditation process (155 of 155 standards in 10 major categories).
- Received the Government Excellence Award presented by the St. Paul Chamber of Commerce honoring leading organizations that exemplify and demonstrate innovation, excellence and success in local government.

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

Division / Program Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 593,214	\$ 588,327	\$ 636,046	\$ 676,195	\$ 754,105	\$ 77,910	11.5%
Supplies & Materials	83,148	70,523	63,327	75,110	84,790	9,680	12.9%
Other Services & Charges	288,996	283,939	294,544	301,275	421,245	119,970	39.8%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 965,357	\$ 942,789	\$ 993,917	\$ 1,052,580	\$ 1,260,140	\$ 207,560	19.7%
FTE's	4.36	4.36	4.36	4.35	4.85		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees. It also includes funding for a new part-time position to manage park facility rentals.
- Increase in Supplies & Other Services & Charges reflects higher costs associated with increased program participation levels and the re-categorization of park building maintenance costs from the Park Maintenance program.

2014/2015 Achievements

- Processed more than 5000 online registrations.
- Provided mentoring and professional experience to three interns.
- Partnered with Rosetown Playhouse to host a multi-cultural production at Tamarack Park.
- Successfully opened the 6 rebuilt park buildings.
- Successfully modified schedules to maintain recreation program while numerous Renewal Projects were under construction.
- Continued relationship with the City of Lauderdale to extend recreation experiences to neighbors near Lauderdale Community Park.

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

Division / Program Description

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

2016 Goals and Objectives

- Continue to provide volunteer opportunities to the community and support volunteer involvement.
- Pursue non-traditional revenue sources, i.e. sponsorships, partnerships, etc.
- Respond to implementation of the Park and Recreation Renewal Program.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 27,602	\$ 29,252	\$ 22,996	\$ 45,750	\$ 46,655	\$ 905	2.0%
Supplies & Materials	17,269	13,454	30,955	23,220	29,275	6,055	26.1%
Other Services & Charges	51,752	54,868	56,999	65,050	68,870	3,820	5.9%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 96,623	\$ 97,574	\$110,949	\$134,020	\$144,800	\$ 10,780	8.0%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Increase in Supplies & Other Services & Charges reflects higher costs associated with increased program participation levels.

2014/2015 Achievements

- Hosted 12 Discover Your Parks events in 2015. Over 1000 Roseville residents enjoyed fresh air, fun and fitness at a park near home.
- Responded to community requests to include cultural related events in Summer Entertainment Series.
- Responded to community requests by creating consistent outdoor rink hours.
- Series Received \$5000 Metropolitan Regional Arts Council Community Arts Grant to help support annual summer entertainment series.
- Supported special events including July 4, Rosefest, Taste of Rosefest.
- Successfully modified schedules to maintain recreation program while numerous Renewal Projects were under construction.

Division / Program Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 7,656	\$ 9,163	\$ 13,174	\$ 14,150	\$ 16,400	\$ 2,250	15.9%
Supplies & Materials	4,107	4,784	8,905	6,000	9,000	3,000	50.0%
Other Services & Charges	22,100	23,987	29,526	30,435	31,985	1,550	5.1%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 33,862	\$ 37,934	\$ 51,606	\$ 50,585	\$ 57,385	\$ 6,800	13.4%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

- Increase in Supplies & Other Services & Charges reflects higher costs associated with increased program participation levels.

2014/2015 Achievements

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

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

Division / Program Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 613,364	\$ 625,751	\$ 666,543	\$ 701,000	\$ 711,000	\$ 10,000	1.4%
Supplies & Materials	58,503	62,288	64,044	88,000	82,000	(6,000)	-6.8%
Other Services & Charges	359,703	335,476	337,959	335,240	350,040	14,800	4.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 1,031,569	\$ 1,023,516	\$ 1,068,545	\$ 1,124,240	\$ 1,143,040	\$ 18,800	1.7%
FTE's	5.75	5.75	5.75	5.75	5.75		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Supplies and materials decreased to more accurately reflect projected expenditures.
- Other Services & Charges increase due to higher energy-related costs and maintenance costs.

2014/2015 Achievements

- Expand use of camera technology for event broadcasts and facility promotion.
- City-run concession operations.
- Hosted 6 Major Events:
 - American Cup II Speedskating Championships
 - US Junior National Speedskating Championships
 - John Rose Open
 - University of MN and St. Cloud State Womens NCCA Hockey Game
 - Girls Pond hockey tournament
 - MN Wild outdoor practice, MN Wild viewing party & MN Wild Summer Bash.

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

Division / Program Description

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

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 9,487	\$ 11,800	\$ 12,154	\$ 14,160	\$ 14,700	\$ 540	3.8%
Supplies & Materials	-	-	-	500	500	-	0.0%
Other Services & Charges	85,478	85,163	91,543	98,800	103,150	4,350	4.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$ 94,966	\$ 96,963	\$103,697	\$113,460	\$118,350	\$ 4,890	4.3%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

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

2014/2015 Achievements

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

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

Department Description

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

2014 Goals and Objectives

- Ensure safe conditions as a top priority for users and employees.
- Substantial completion of Park and Recreation Renewal Program.
- Review and analyze maintenance program while considering recent improvements.
- Monitor local EAB issues and make additional recommendations for control.
- Support infrastructure sustainability goal of the city.
- Foster Community Natural Resource Program.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$672,093	\$ 693,705	\$ 756,447	\$ 797,000	\$ 868,200	\$ 71,200	8.9%
Supplies & Materials	104,218	109,302	122,794	115,600	119,100	3,500	3.0%
Other Services & Charges	139,765	217,075	220,294	296,620	224,180	(72,440)	-24.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$916,076	\$1,020,082	\$1,099,535	\$1,209,220	\$1,211,480	\$ 2,260	0.2%
FTE's	7.25	7.25	9.00	9.50	9.50		

2016 Budget Impact Items

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

2014/2015 Achievements

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

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.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Supplies & Materials	-	-	-	-	-	-	0.0%
Other Services & Charges	-	-	-	-	-	-	0.0%
Capital Outlay	36,534	37,203	256,281	40,000	351,000	311,000	0.0%
Total	\$ 36,534	\$ 37,203	\$256,281	\$ 40,000	\$351,000	\$ 311,000	777.5%
FTE's	-	-	-	-	-		

2016 Budget Impact Items

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

2014/2015 Achievements

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

Division / Program Description

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

2016 Goals and Objectives

- Offer reasonable fees to golfers, league members and tournaments to maintain levels of play.
- Increase Social Media networking programs: Facebook, Twitter and E-mail usage to our current golfers and expanding to potential golfers.
- Explore new opportunities to attract league members.
- Explore Capital Improvement Program implementation.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$119,285	\$111,455	\$176,775	\$172,500	\$174,600	\$ 2,100	1.2%
Supplies & Materials	22,644	19,173	26,817	20,500	21,500	1,000	4.9%
Other Services & Charges	37,189	34,450	41,442	45,300	39,500	(5,800)	-12.8%
Capital Outlay	2,863	50	-	-	-	-	0.0%
Total	\$181,983	\$165,128	\$245,034	\$238,300	\$235,600	\$ (2,700)	-1.1%
FTE's	1.25	1.25	1.25	1.25	1.25		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Decline in Other Services & Charges reflects lower depreciation costs.

2014/2015 Achievements

- Reviewed and updated staff manuals to include food handling, alcohol service and general operations.
- Enhanced club house interior and staff customer service.
- Improved concession operations and offerings.

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

Division / Program Description

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

2016 Goals & Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$122,805	\$120,120	\$ 65,841	\$ 71,600	\$ 72,600	\$ 1,000	1.4%
Supplies & Materials	19,576	21,572	17,682	24,900	23,900	(1,000)	-4.0%
Other Services & Charges	48,168	48,891	35,370	48,900	37,050	(11,850)	-24.2%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$190,549	\$190,583	\$118,893	\$145,400	\$133,550	\$(11,850)	-8.1%
FTE's	0.50	0.50	0.50	0.50	0.50		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff and wage-step increases for eligible employees.
- Decline in Other Services & Charges reflects lower depreciation costs.

2014/2015 Achievements

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

Division / Program Description

The Planning Division’s mission is to develop effective recommendations on comprehensive land use planning and zoning programs in a manner consistent with City policies. City Planning works closely with all departments, Planning Commission, Variance Board, HRA 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.

2016 Goals and Objectives

- Complete work with the Zoning Notification Task Force and implement recommendations.
- Continue to enforce land use violations, particularly in business/industrial areas and Twin Lakes.
- Complete PUD ordinance.
- Work with the City Council and commissions to develop the Comp. Plan update process
- Update Subdivision, Shoreland, and Zoning Ordinances as time/budget allow.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$253,183	\$268,086	\$271,110	\$535,000	\$395,425	\$ (139,575)	-26.1%
Supplies & Materials	-	612	316	3,000	3,150	150	5.0%
Other Services & Charges	32,417	30,393	47,071	60,900	74,650	13,750	22.6%
Capital Outlay	-	4,573	-	1,500	3,000	1,500	100.0%
Total	\$285,600	\$303,663	\$318,497	\$600,400	\$476,225	\$ (124,175)	-20.7%
FTE's	3.69	3.69	4.20	5.20	3.60		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.
- Other Services & Charges increase is due to higher consulting costs for land-use and special project studies.

2014/2015 Achievements

- City Council approval of new tree preservation ordinance.
- Hiring forestry consultant for review of development tree impacts.
- Completion of Twin Lakes planning, text amendment, Comp. Plan amendment and CMU- 2,3,4 rezoning and several other zoning/subdivision text amendments.
- Reviewed projects of more than \$60 million in new construction value.
- Negotiation and approval of Rosedale expansion.

Division / Program Description

The Housing and Economic Development Program’s mission is to manage and encourage new development, business retention/expansion (BRE), support property valuation, reduce blight and facilitate redevelopment in Roseville, pursuant to the City Council’s guidelines. The 2016 budget year will involve new initiatives that have been developed as part of the City’s Policy Priority Plan (PPP). There will also be the potential for unknown additional changes in the 2016 program as the City Council completes creation of the new Economic Development Authority which may involve additional new initiatives. The Program’s activities below are accounted for in the Community Development Fund and this program also receives additional financial support from Economic Development Authority Funds.

2016 Goals and Objectives

- Create Southeast Roseville Redevelopment Plan per PPP.
- Establish Twin Lakes Economic Development Program per PPP.
- Establish Move-Up Housing Program per PPP.
- Establish Housing Value Support Program per PPP.
- Work with the City Council to define program for City-wide Economic Development per PPP.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$131,592	\$171,627	\$159,834	\$ 36,000	\$215,800	\$179,800	499.4%
Supplies & Materials	101	-	111	2,700	-	(2,700)	-100.0%
Other Services & Charges	18,134	25,550	22,086	46,565	48,465	1,900	4.1%
Capital Outlay	149,668	2,821	993	-	-	-	0.0%
Total	\$299,495	\$199,998	\$183,024	\$ 85,265	\$264,265	\$179,000	209.9%
FTE's	2.00	2.00	2.00	0.25	1.90		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.

2014/2015 Achievements

- Dale Street redevelopment initiated
- 1840 Hamline redeveloped
- Review and modification of all TIF Districts; initiated the closing of TIF 13
- Acquired outside funding for Larpenteur sidewalk, 3 business loans and Echo video project
- Facilitated new HQs for Calyxt and Epoch Lacrosse
- Energy audits hit 200 audit maximum for first time

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. The City expects to maintain a high level of public-encouraged redevelopment and construction in 2016 through the various housing programs, business redevelopment, and residential remodeling/improvements. The Program’s activities are accounted for in the Community Development Fund.

2016 Goals and Objectives

- Continued with the Rental Licensing Ordinance implementation which includes reorganizing staff responsibilities.
- Continue to improve existing procedures and systems to increase efficiency and effectiveness.
- Implement back-flow preventer program for commercial properties.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$409,294	\$424,892	\$496,890	\$464,000	\$415,700	\$ (48,300)	-10.4%
Supplies & Materials	9,388	12,176	8,727	12,330	12,615	285	2.3%
Other Services & Charges	146,437	133,498	141,196	177,170	179,230	2,060	1.2%
Capital Outlay	10,864	22,976	19,850	500	2,600	2,100	420.0%
Total	\$575,984	\$593,542	\$666,662	\$654,000	\$610,145	\$ (43,855)	-6.7%
FTE's	5.95	5.95	5.95	4.35	4.35		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.
- Capital Outlay provides for the scheduled replacement of vehicles, and equipment which can fluctuate from year to year.

2014/2015 Achievements

- In 2015, issued approximately 5,000 permits (previous 5 year average was 4,100) bringing in over \$950,000 in permit revenue.
- In 2015, valuation of construction was over \$60 million, including creation of 8 new housing units, 9 new commercial/industrial buildings, approximately 250 commercial remodels, and, over 1,500 alteration permits for residential properties.
- Code Enforcement staff regularly meet with residents to go over proposed building alterations (decks, additions, remodeling, etc.) to assist them with understanding construction methods and complying with both city and state codes. For the homeowner this helps lower constructions costs, avoids expensive do-overs, and, results in safer, healthy and more durable homes.
- Code Enforcement staff coordinates the permit issuance process for construction projects with other City departments and divisions, as well as various county and state agencies.

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 Community Development Fund.

2016 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

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$139,716	\$143,908	\$148,576	\$157,500	\$111,000	\$ (46,500)	-29.5%
Supplies & Materials	-	16	85	2,035	2,090	55	2.7%
Other Services & Charges	-	-	-	2,460	3,750	1,290	52.4%
Capital Outlay	-	-	-	-	-	-	0.0%
Total	\$139,716	\$143,924	\$148,661	\$161,995	\$116,840	\$ (45,155)	-27.9%
FTE's	1.50	2.00	2.00	2.00	1.10		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.

2014/2015 Achievements

- Addressed over 350 public nuisance concerns brought to the City by residents with over 80% 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, Immediate Threats in residential neighborhoods (such as unguarded pools, dangerous building conditions, etc.).

Division / Program Description

The Rental Licensing Program ensures that multifamily residential properties with 5 or more units are safe, sanitary and well maintained for the benefit of Roseville residents and the community as a whole. The Program’s activities are accounted for in the Community Development Fund.

2016 Goals and Objectives

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

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 118,800	\$ 118,800	0.0%
Supplies & Materials	-	-	-	-	1,085	1,085	0.0%
Other Services & Charges	-	-	-	-	4,100	4,100	0.0%
Capital Outlay	-	-	-	-	2,050	2,050	0.0%
Total	\$ -	\$ -	\$ -	\$ -	\$ 126,035	\$ 126,035	0.0%
FTE's	-	-	-	-	1.25		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.

2014/2015 Achievements

- The Rental License Program is now up and running. Property owners have been educated on the process and virtually all are cooperating.
- Staff has completed the initial inspection cycle, the 6-month renewal cycle and are in process of the 1 year renewal inspection cycle.
- A total of 162 properties and over 1000 individual units received inspections in the initial cycle. Approximately 950 violations (some minor, some major) were observed with re-inspections verifying the violations are being corrected. This includes the addition of approximately 2500 smoke detectors (mostly in bedrooms) which are a significant and proven life-safety feature

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 citizens, maintains the profitability of our businesses and provides for enhanced neighborhood livability and property values. The Program’s activities are accounted for in the Community Development Fund.

2016 Goals and Objectives

- To raise awareness of the importance of keeping homes and properties in good repair in-order to maintain quality neighborhoods and protect property values.
- To encourage residents and business owners to address building and property maintenance and nuisance issues when they are small and more easily & economically fixed.
- To visit and inspect all residential, business and public properties in the City for maintenance and/or public nuisance violations on a revolving 3-year basis (from the public right-of-way).

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 47,500	\$ 47,500	0.0%
Supplies & Materials	-	-	-	-	925	925	0.0%
Other Services & Charges	-	-	-	-	3,500	3,500	0.0%
Capital Outlay	-	-	-	-	2,050	2,050	0.0%
Total	\$ -	\$ -	\$ -	\$ -	\$ 53,975	\$ 53,975	0.0%
FTE's	-	-	-	-	0.50		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.

2014/2015 Achievements

- Provided education to residents and business owners about the processes of the program and about the benefits the program intends to provide. Most residents and property managers talked to are cooperative and have expressed support for the program.
- Inspected 3,400 residential and business properties in 2015 with about 8% of those properties having one or more violations observed (with most corrected quickly).
- Made significant timing adjustments to the program so that it can be operated in conjunction with the Rental License Program.

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.

2016 Goals and Objectives

- Assist (as time permits) Engineering, Police, Parks, and other City Departments in the use of property database, GIS, and web technologies.
- Continue support for the Ramsey County GIS online mapping site.

Financial Summary

	2012	2013	2014	2015	2016	\$ Increase	% Increase
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Personal Services	\$ 92,764	\$105,834	\$117,245	\$107,000	\$ 72,200	\$ (34,800)	-32.5%
Supplies & Materials	-	-	-	100	100	-	0.0%
Other Services & Charges	3,891	4,162	4,197	5,725	6,025	300	5.2%
Capital Outlay	-	406	-	-	1,800	1,800	0.0%
Total	\$ 96,655	\$110,402	\$121,442	\$112,825	\$ 80,125	\$ (32,700)	-29.0%
FTE's	0.83	0.83	1.00	1.00	0.80		

2016 Budget Impact Items

- Personnel increases include a 2.0% cost-of-living increase for City Staff, and wage-step increases for eligible employees. It also includes adjustments reflecting changes in personnel allocation for Community Development Staff.

2014/2015 Achievements

- Served as Treasurer of the Ramsey County GIS Users Group.
- Maintained up-to-date map and list of housing foreclosures in the City.
- Published online interactive map version of the City development activity report.
- Updated building permits system to alert staff and applicants when an Engineering review is needed due to proximity to regulated water bodies.
- Provided mapping support for City outreach to Karen community in Southeast Roseville.
- Assisted Parks Department in creating new map to track the spread of Emerald Ash Borer.

Debt Management Plan

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

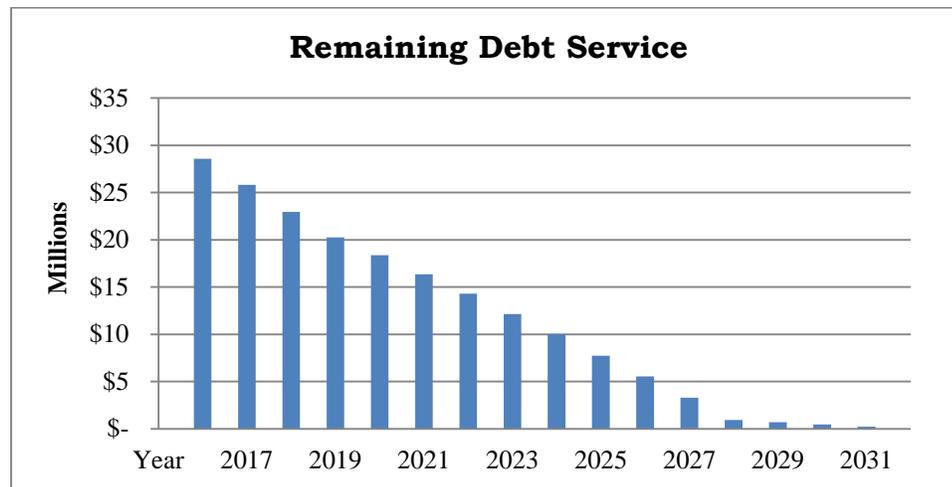
The City currently has three types of debt; 1) general obligation facility debt, 2) general obligation tax increment financing debt, and 3) general obligation taxable housing debt. Facility debt accounts for the debt service on city campus facilities, as well as a park renewal program. Tax increment financing debt provides for redevelopment in the City's Twin Lakes Redevelopment Area, and the housing debt accounts for debt issued to finance a public/private partnership with a local townhome association's improvements. The city will have six general obligation debt issues outstanding at the beginning of 2016. They are depicted below.

	Principal	Net Interest	Date of Final	Eligible
<u>Description</u>	<u>Outstanding</u>	<u>Rate</u>	<u>Maturity</u>	<u>Call Date</u>
Series 27 City Hall, PW Bldg.	\$ 3,200,000	3.72%	3/1/2019	3/1/2013
Series 28 Skating Center	945,000	3.31%	3/1/2018	3/1/2016
Series 29 Housing Bonds	840,000	5.06%	3/1/2025	3/1/2020
Series 31 Fire Station/Park Impr.	8,800,000	2.45%	3/1/2028	3/1/2023
Series 32 Park Improvement	14,400,000	2.11%	3/1/2028	3/1/2023
Series 33 Twin Lakes TIF	3,060,000	2.47%	3/1/2032	3/1/2027
Total	\$ 31,245,000			

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

<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2016	2,660,000	848,821	3,508,821
2017	2,760,000	789,201	3,549,201
2018	2,880,000	729,547	3,609,547
2019	2,675,000	666,071	3,341,071
2020	1,900,000	603,881	2,503,881
2021	2,020,000	540,786	2,560,786
2022	2,050,000	472,987	2,522,987
2023	2,135,000	400,873	2,535,873
2024	2,175,000	330,162	2,505,162
2025	2,245,000	262,251	2,507,251
2026	2,190,000	194,475	2,384,475
2027	2,270,000	128,641	2,398,641
2028	2,335,000	13,381	2,348,381
2029	230,000	253,888	483,888
2030	235,000	252,781	487,781
2031	240,000	60,703	300,703
2032	245,000	62,978	307,978
	\$ 31,245,000	\$ 6,611,428	\$ 37,856,428

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	\$ 3,814,082,800
Debt Limit (3% of total estimated market value)	114,422,484
Total Outstanding Debt	31,245,000
Less Amount Exempted from Limit	(840,000)
Total Net Debt Applicable To Limit	30,405,000
% of Allowable Limit	27%

As shown in the table, the City is only at 27% 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 2015 will be \$933.

Capital Improvement Plan – Executive Summary

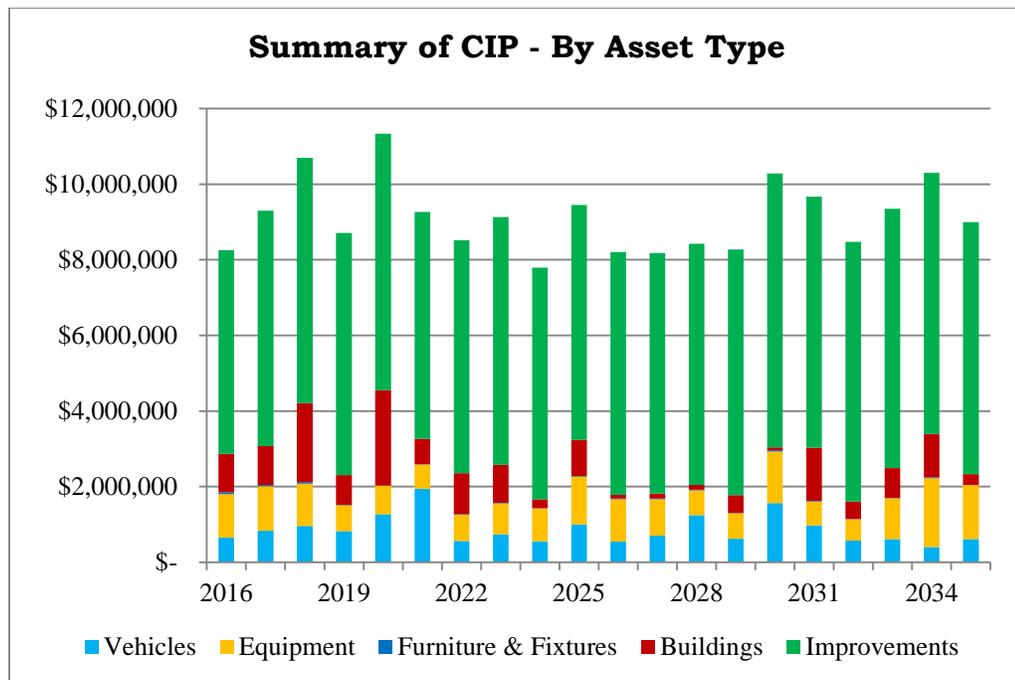
Enclosed is an executive summary of the 2016-2035 Capital Improvement Plan (CIP) as prepared in accordance with the goals and aspirations identified by the City Council, and applicable requirements set forth under federal and state mandates. The CIP also incorporates the valued contributions made by the City’s advisory commissions, and other citizen groups.

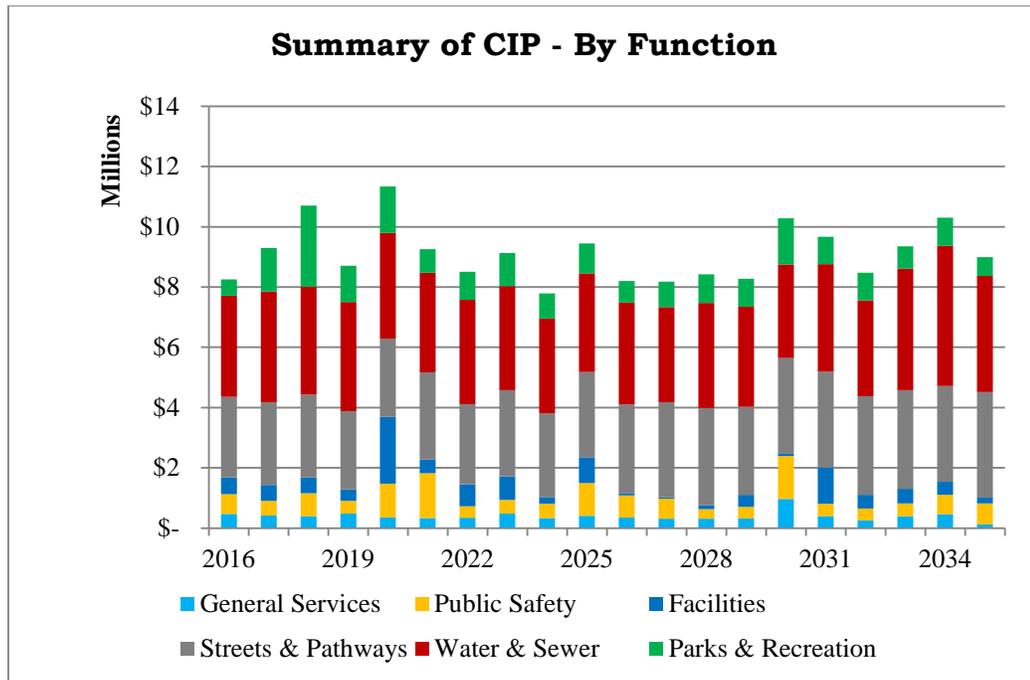
With the exception of the upcoming fiscal year, the CIP should not be construed as a request for funding; rather it is designed to serve as a planning tool that can be used to make informed financial decisions. Only after further discussion and Council approval will capital items be considered funded. 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 nearly \$183 million to replace existing vehicles, equipment, and infrastructure which will allow the City to maintain or enhance its programs and services. This assumes that the City will have available funding and that all existing assets will be replaced at the end of their useful lives. It is recognized that some assets may not be replaced.

The largest asset type is the City’s system infrastructure which represents 71% 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 32%, and park system assets at 12%.

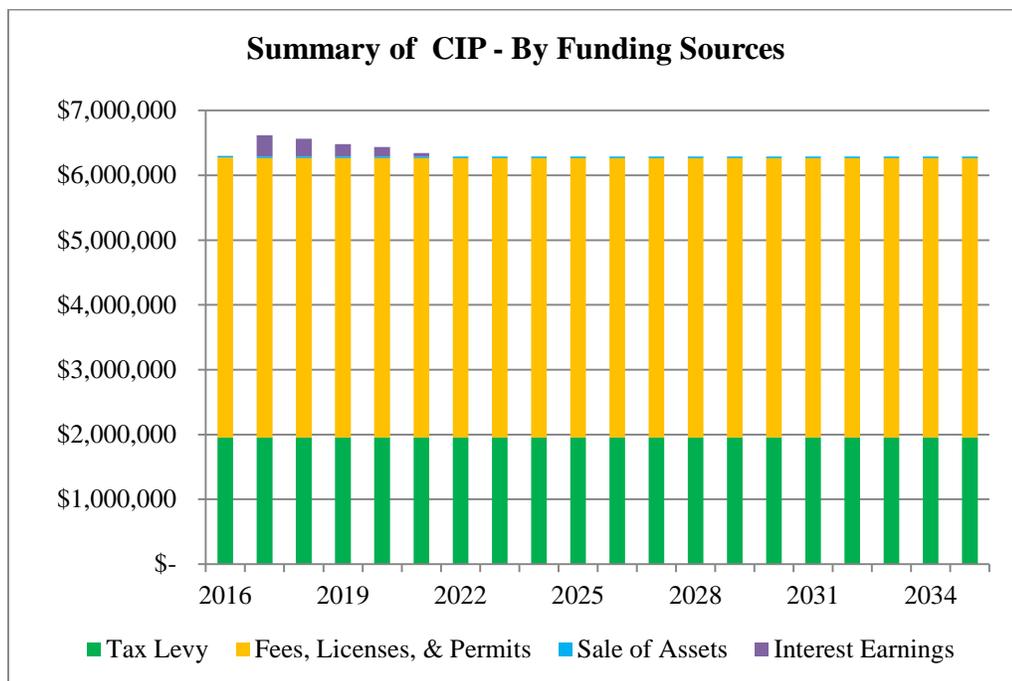
The following charts depict the City’s 20-year capital needs.





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 31% 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:

- ❑ \$17 million in water and sewer infrastructure.
- ❑ \$12 million in streets and pathways.
- ❑ \$9 million in parks & recreation-related improvements.
- ❑ \$9 million in vehicles and equipment.
- ❑ \$5 million in general facilities improvements.

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

Five-Year Capital Improvement Plan Overview

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

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

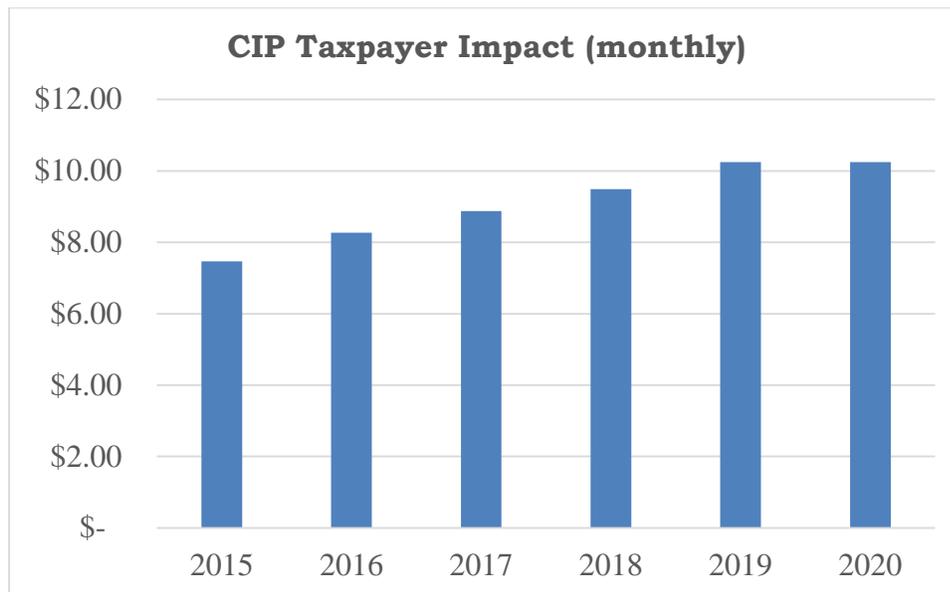
As the City's 2012-2016 Park Renewal Program winds down, the City will turn its attention to the remaining park system assets that were not addressed during the past 5 years. The Skating Center and Golf Course will require nearly \$3 million and \$1.5 million respectively over the next 5 years to replace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

The City's general vehicles and equipment replacement needs are expected to total roughly \$9 million over the next 5 years as part of City's normal asset replacement cycle. Aside from the parks & recreation facilities noted above, the City expects to make approximately \$1 million in repairs or renovations to various components of City Hall, Public Works building, and the Fire Station.

Five-Year Financial Impact

With approximately \$48 million in new capital investments over the next five years, the CIP is expected to have a noticeable impact on property taxpayers, but not necessarily on utility customers. Significant rate increases were enacted during previous years for the City's water, sanitary sewer, and storm sewer functions to fund scheduled improvements on a pay-as-you-go basis. However, for 2016 and beyond inflationary-type rate increases will be necessary.

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



The impact depicted in the chart assumes that all property tax-supported capital items will be funded through systematic increases in the annual property tax levy, and that no other alternative funding sources are captured. In addition, it assumes that all existing assets will be replaced with something similar at the end of their useful lives. Based on these assumptions, the typical single-family homeowner will be paying \$10.25 per month in 2020 (holding all other factors constant) compared to the \$7.46 they're currently paying.

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

Financial Plan – Executive Summary

Enclosed is an executive summary of the 2016-2025 Financial Plan as prepared in accordance with the goals and aspirations identified by the City Council. Like the Capital Improvement Plan (CIP), the Financial Plan should not be construed as a request for funding; rather it is designed to serve as a planning tool that can be used to make informed financial decisions.

While the CIP addresses the City’s long-term capital needs, the Financial Plan focuses on day-to-day operations. The Financial Plan makes the distinction between *general-purpose* operations and enterprise 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.

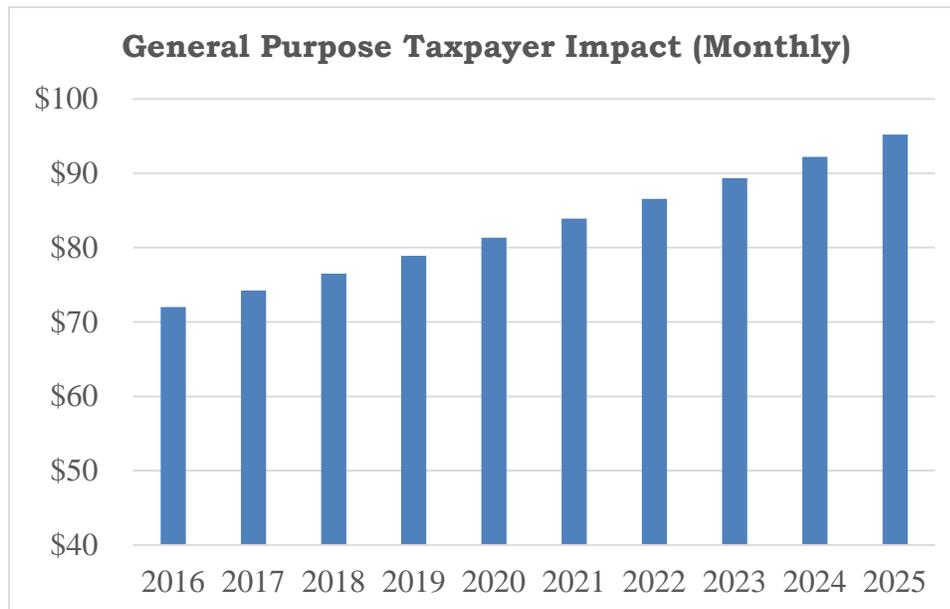
General Purpose Operations

Over the next 10 years, the City’s *general purpose* operations are projected to collectively grow 3% per year, from \$20.9 million in estimated expenditures in 2016 to \$27.2 million in 2025. This assumes that the City will continue providing the same programs and service levels as it currently does. The projections incorporate increases in personnel, supplies & materials, and other operating costs including technology-related equipment.

These projections also include the following annual assumptions:

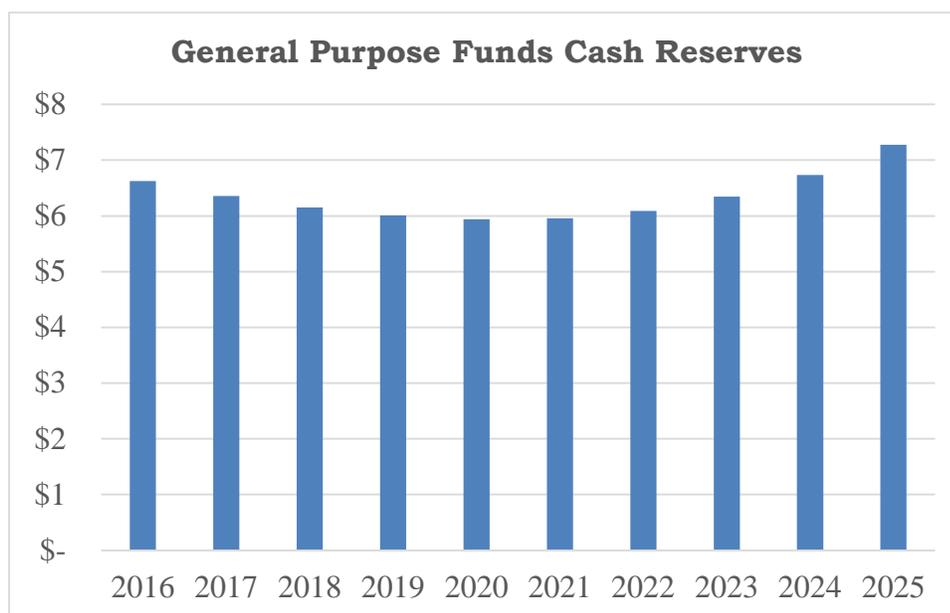
- 3% increase in personnel, supplies & other charges, and technology-related equipment
- 3-4% growth in property tax revenues
- 2-3% growth in non-tax revenues
- 2% earnings on investments
- Declining reliance on the use of excess cash reserves

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



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

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



Business-Type Operations

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

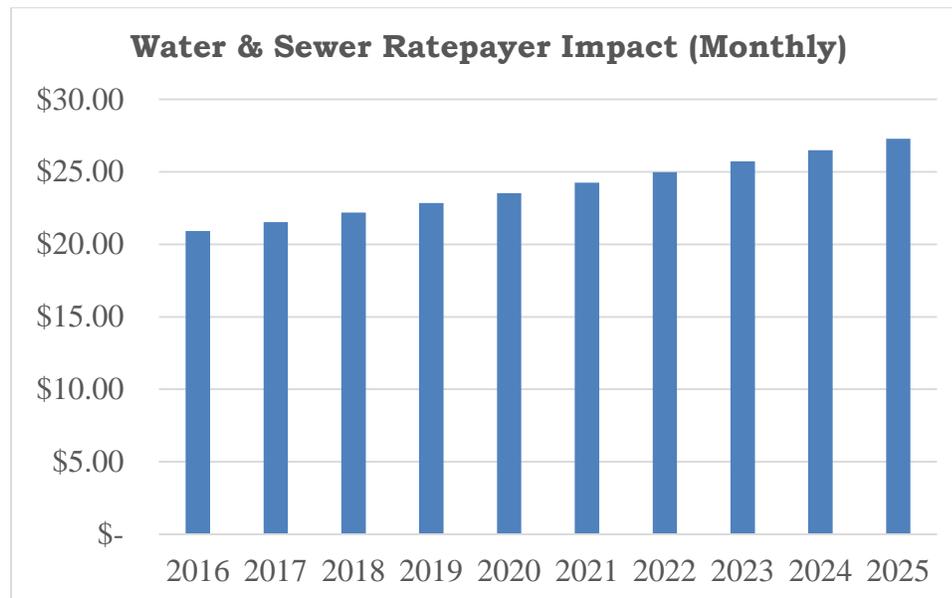
Over the next 10 years, the City's *business-type* operations are projected to collectively grow 3% per year, from \$15.9 million in estimated expenditures in 2016 to \$20 million in 2025. This assumes that the City will continue providing the same programs and service levels as it currently does. The projections incorporate increases in personnel, supplies & materials, and other operating costs including technology-related equipment.

These projections also include the following annual assumptions:

- ❑ 2-3% increase in personnel, supplies & other charges
- ❑ Declining use of excess cash reserves
- ❑ 3-4% growth in fees & permits
- ❑ 2% earnings on investments

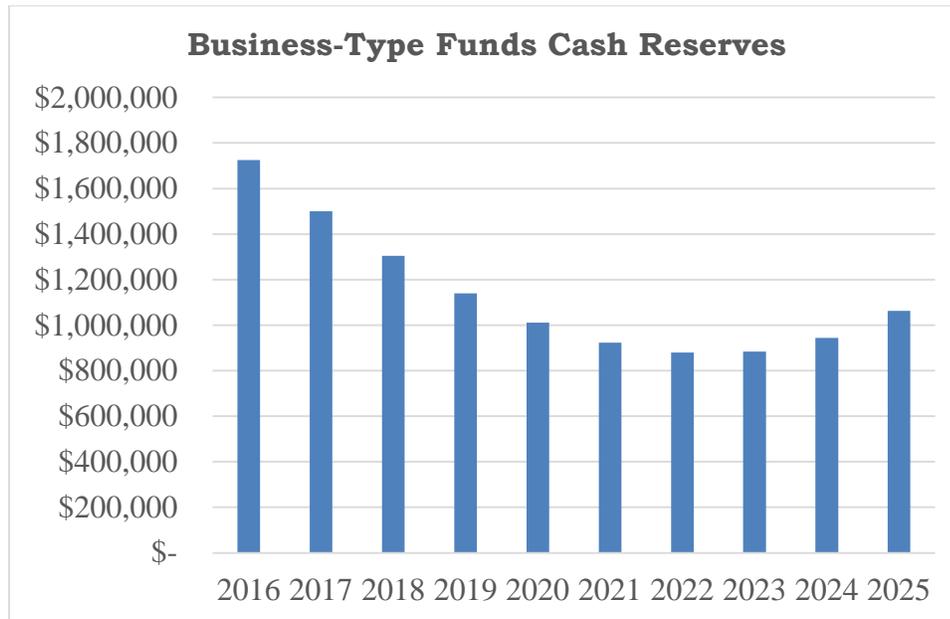
As suggested above, there will be an increasing reliance on fees & permits to sustain *business-type* operations due to projected lower growth in non-fee/permit revenues as well as the need to eliminate the use of excess cash reserves beyond the next few years. Due to the diverse functions captured in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

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



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

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



City of Roseville, Minnesota Mission Statement

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

City of Roseville, Minnesota

Fiscal Policies

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

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

Each of these policies is explained in greater detail below.

Operating Budget Policy

Purpose

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

Scope

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

Policy

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

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

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

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

Implementation

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

Debt Policy

Purpose

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

Policy

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

Implementation

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

Revenue Policy

Purpose

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

Policy

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

Implementation

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

Capital Investment Policy

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

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

Scope

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

Policy

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

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

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

Implementation

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

Operating Fund Reserve Policy

Purpose

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

Policy

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

Implementation

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

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

City of Roseville, Minnesota Annual Budget Process, Legal and Policy Requirements, and Description of Funds

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

Budget Process (General)

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

The submitted 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 but not Subject to 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 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 City Finance team 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 affirm.

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 prime 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* 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 ***Economic 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

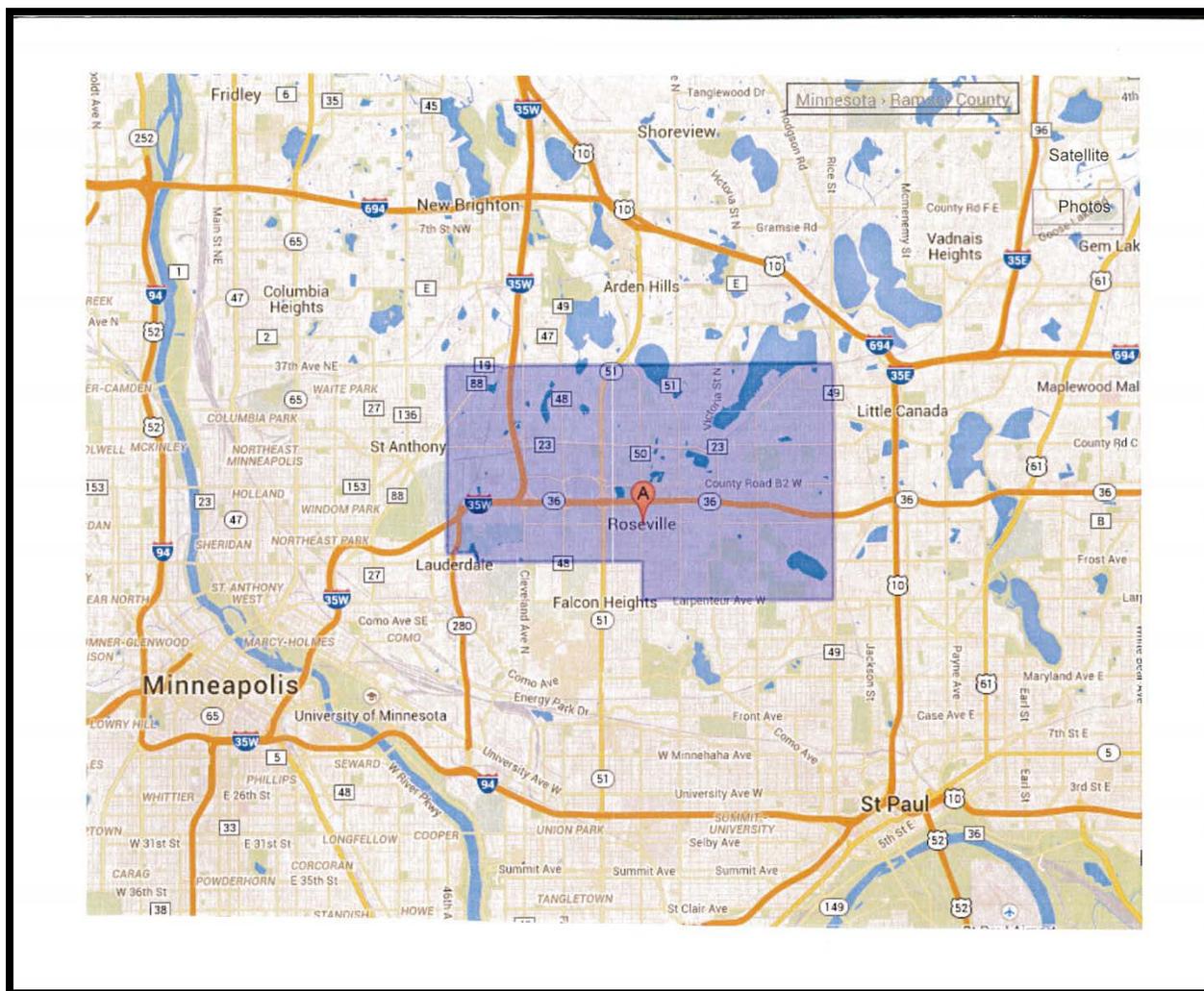
Agency Funds are funds used to report resources held by the City in a purely custodial capacity.

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 34,476. Roseville is a completely developed community and is bordered on all sides by other incorporated communities.

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

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

Supplemental demographic and statistical information is shown below.

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

Taxpayer	2014			2005		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Compass Retail, Inc.	\$ 1,092,205	1	6.06%	\$ 369,177	1	3.47%
PPF Rosedale Shopping Center	767,017	2	4.25%	59,106	8	0.56%
Gateway Washington Inc.	445,515	3	2.47%	-	-	-
St Paul Fire and Marine Insurance Co	408,097	4	2.26%	-	-	-
Wilcal Crossroads LLC	346,580	5	1.92%	-	-	-
Magellan Pipeline	329,399	6	1.83%	-	-	-
Rosedale Square, LLC	258,345	7	1.43%	-	-	-
Target Corporation	222,968	8	1.24%	-	-	-
Rosedale Commons	220,897	9	1.23%	-	-	-
CSM Investors Inc.	207,576	10	1.15%	-	-	-
Bradley Real Estate Trust	-	-	-	122,887	2	1.16%
M & J Crossroads LP	-	-	-	98,242	3	0.92%
Stonewater UIS Funding, LLC	-	-	-	73,181	4	0.69%
BIT Investment Eleven, LLC	-	-	-	73,010	5	0.69%
Williams Bros Pipeline	-	-	-	69,472	6	0.65%
Tanurb Developments, Inc.	-	-	-	59,106	7	0.56%
The May Dept. Stores	-	-	-	59,106	9	0.56%
MN Industrial Properties	-	-	-	54,228	10	0.51%
	\$ 4,298,599		23.84%	\$ 1,037,515		9.77%

Source: Ramsey County

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Roseville Area Schools	897	1	2.60%	547	4	2.49%
Northwestern College	700	2	2.03%	500	6	2.27%
Metz Baking Co	600	3	1.74%	-	-	-
MN Dept. of Education	500	4	1.45%	-	-	-
Symantec	500	5	1.45%	-	-	-
Medtox Scientific	400	6	1.16%	-	-	-
Old Dutch Foods	400	7	1.16%	-	-	-
Byerly's	377	8	1.09%	-	-	-
Pentair Hypro	375	9	1.09%	-	-	-
Eagle Crest Retirement	330	10	0.96%	-	-	-
Presbyterian Homes Housing	-	-	-	560	3	2.55%
MN Dept. of Transportation	-	-	-	450	10	2.05%
Target	-	-	-	500	8	2.27%
McGough Construction	-	-	-	800	1	3.64%
Marshall Fields	-	-	-	531	5	2.41%
Unisys	-	-	-	800	2	3.64%
Sara Lee Baking Company	-	-	-	500	7	2.27%
Veritas Corporation	-	-	-	500	9	2.27%
Total	5,079		14.73%	5,688		25.86%

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

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

Fiscal Year	Pop. (1)	Estimated Personal Income (2)	Per Capita Personal income (3)	School Enrollment District #623 (4)	School Enrollment District #621 (4)	Unemployment Rate (5)
2005	33,882	\$ 1,385,198,806	\$ 40,883	6,383	10,456	3.4%
2006	33,969	1,315,007,928	38,712	6,396	9,929	3.4%
2007	33,969	1,593,883,946	44,852	6,420	9,705	3.9%
2008	34,099	1,602,820,426	47,005	6,486	9,792	5.7%
2009	34,099	1,632,080,437	47,863	6,400	9,674	7.0%
2010	34,178	1,561,148,506	45,677	6,444	9,849	5.5%
2011	33,660	1,582,289,280	47,008	6,588	9,765	4.5%
2012	33,807	1,644,947,199	48,657	6,804	9,948	4.4%
2013	34,486	1,590,632,264	46,124	7,587	10,236	4.3%
2014	34,476	1,604,133,804	46,529	7,397	10,504	3.2%

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

City of Roseville Community Aspirations: 2014 Results & Accomplishments

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

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

Welcoming, inclusive, and respectful

- Hosted a Naturalization Ceremony at the Roseville Skating Center
- Sponsored a New American Forum in partnership with the Karen Organization
- Partnered with the Roseville School District and other agencies to provide assistance to immigrant populations

Safe and law-abiding

- Recognized a decrease in violent crimes
- Realized an increase in property crimes such as fraud, theft, and burglary
- Established a new crime scene investigation team to increase case closure rates
- Initiated the transition to a full-time firefighter staffing model to improve shift coverage

Economically prosperous, with a stable and broad tax base

- Experienced an overall market value increase of 5.0 (6.9% over past two years), coupled with general market appreciation across most property types
- Realized the construction of twelve new single-family housing units, and \$23 million in new commercial/retail value

Secure in our diverse and quality housing and neighborhoods

- Approved an 18-unit multi-family housing project at the former Dale Street Fire Station site
- Inspected over 1,000 apartments and 159 buildings as part of the City's Rental Registration & Inspection program

Environmentally responsible, with well-maintained natural assets

- Initiated a single-sort recycling program through a new contract with Eureka Recycling
- Addressed a variety of drainage problems by adding 33,000 cubic feet of storm water retention systems
- Continued restoration of natural resources as part of the Park Renewal Program
- Earned the designation of a Minnesota Green Step City

Physically and mentally active and healthy

- ❑ Promoted the community-driven Alzheimer's and Dementia Community Action Team
- ❑ Encouraged community dialogued on the possibility of reinstated the Block Nurse Program

Well-connected through transportation and technology infrastructure

- ❑ Constructed new pathways on major routes including County Road B2, County Road B, and Victoria Street.
- ❑ Initiated the construction of six new park buildings as part of the Parks Renewal Program
- ❑ Worked with State Officials to design a new bus rapid transit service to serve Roseville citizens

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

- ❑ Created a Volunteer Coordinator position to promote greater volunteer participation
- ❑ Identified five key projects through the City's Community Engagement Commission to enhance participation and engagement in City activities including the creation of a civic engagement module within the City's website.

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.

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.

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 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.

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.