

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 12/06/2010
Item No.: 12.b

Department Approval

City Manager Approval



Item Description: Adopt the Final 2011 Tax Levy and Budget

BACKGROUND

State Statute requires all cities in excess of 2,500 in population, to adopt a final tax levy and budget by December 30th for the upcoming fiscal year. The final levy amount must not exceed the preliminary levy that was established in September. However, the Council has discretion in modifying the budget at any time.

While it has been especially challenging to develop a budget in the current economic downturn, the Council and Citizens are reminded that the City remains on an unsustainable financial path. With regard to the City's property tax-supported programs and services, we've relied on cash reserves to plug budget gaps 7 out of the last 8 years. In addition, the City's own 10-year Capital Investment Plan demonstrates that the City is millions of dollars behind in funding vehicle, equipment, and other capital replacements – although we have made some progress in recent years. For 2011 the City is faced with further declines in state aid, interest earnings, and other non-tax revenue sources – a combined loss of \$243,000 next year alone.

Recommended Tax Levy

The 2011 City Manager Recommended Tax Levy was \$15,039,419, an increase of \$757,015 or 5.3% over 2010. The City Council has since lowered this amount to \$14,803,044, an increase of \$520,640 or 3.6%.

The increase in the levy is necessitated by a number of operational and capital needs as well as the loss of non-tax revenues. The new tax levy dollars are tentatively earmarked for the following:

\$ 25,000	Replace revenue reduction in market value homestead credit aid
218,660	Replace revenue reduction in interest earnings, court fines, other state aids, and surplus monies from the License Center
100,000	New program: Emerald Ash Borer
165,000	New program: Code Enforcement (previously funded with building permits)
62,000	Contractual obligations (dispatch, legal, audit, etc.)
236,375	Capital improvements and equipment purchases
195,910	1% employee COLA and step increases
213,200	PERA and Healthcare increases
36,000	Temporary/seasonal wages (parks & recreation, fire)
37,000	Supplies & materials
35,870	Contract maintenance and professional services

34	(78,000)	Less reduced Fire Relief pension obligation
35	(490,000)	Less reduced debt service obligations
36	<u>(236,375)</u>	Less amount taken from cash reserves
37	\$ 520,640	Net tax levy increase

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39 Taxpayer Impact

40 For a median-valued home of \$223,900 that experiences a projected 5% decline in assessed market value,
 41 the 2011 city taxes will be \$628, an annual increase of \$12 or \$1 per month. In exchange, residents will
 42 receive round-the-clock police and fire protection, well-maintained streets and parks, and continued
 43 emphasis on enforcement of the City’s Housing Code. In addition, a larger investment will be made to
 44 replace the City’s aging infrastructure and equipment. Finally, the City will take the responsible measure of
 45 setting aside monies for the potential infestation of the Emerald Ash Borer and other contingencies.

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47 Recommended Budget

48 The City Manager Recommended Budget for all city programs and services is \$39,236,435; an increase of
 49 \$1,532,476 or 4.0%. For those programs and services that are supported by property taxes the
 50 Recommended Budget is \$18,931,869; an increase of \$513,355 or 2.8%. A program-based summary of the
 51 budget is included in *Attachment D*. The summary excludes \$2,304,000 in costs associated with the City’s
 52 on-going street reconstruction program, as well contractual TIF obligations and Cemetery maintenance
 53 costs.

54 **POLICY OBJECTIVE**

55 Adopting a final budget and tax levy is required under Mn State Statutes.

56 **FINANCIAL IMPACTS**

57 Based on the Staff recommendations and subsequent Council actions noted above, the 2011 tax levy would
 58 be \$14,803,044, an increase of \$520,640 or 3.6%. With this increase, a median-valued home would pay
 59 approximately \$52 per month. This represents an increase of \$1 per month. In exchange, residents receive
 60 24x7x365 police and fire services, well maintained streets, and a full offering of parks and recreation
 61 programs and facilities.

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63 \$52 per month is comparable to the monthly cost for cable or satellite tv, telephone/mobile phone, gas,
 64 electric, and some broadband internet service.

65 **STAFF RECOMMENDATION**

66 Staff Recommends the Council adopt the 2011 Tax Levy and Budget Levy as outlined in this report and in
 67 the attached resolutions.

68 **REQUESTED COUNCIL ACTION**

69 The Council is asked to take the following separate actions:

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- 71 a) Motion to approve the attached Resolution to adopt the 2011 Final Tax Levy
- 72 b) Motion to approve the attached Resolution to adopt the 2011 Final Debt Levy
- 73 c) Motion to approve the attached Resolution to adopt the 2011 Final Budget

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Prepared by: Chris Miller, Finance Director
Attachments: A: Resolution to adopt the 2011 Final Tax Levy
B: Resolution to adopt the 2011 Final Debt Levy
C: Resolution to adopt the 2011 Final Budget
D: Program-based Summary of the 2011 Final Budget
E: Memos providing Supplemental Budget Information

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

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Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 6th day of December, 2010 at 6:00 p.m.

The following members were present: and , and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION

**RESOLUTION SUBMITTING THE FINAL PROPERTY TAX LEVY
ON REAL ESTATE TO THE RAMSEY COUNTY AUDITOR
FOR THE FISCAL YEAR OF 2011**

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseville, Minnesota, as follows:

The City of Roseville is submitting the following tax levy on real estate within the corporate limits of the City to the County Auditor in compliance with the Minnesota State Statutes.

Purpose	Amount
Programs & Services	\$ 13,313,044
Debt Service	1,490,000
Total	\$ 14,803,044

The motion for the adoption of the foregoing resolution was duly seconded by member and upon a vote being taken thereon, the following voted in favor thereof: and , and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted.

State of Minnesota)
) SS
County of Ramsey)

112 I, undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of
113 Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes
114 of a regular meeting of said City Council held on the 6th of December, 2010 with the original thereof on
115 file in my office.

116
117 WITNESS MY HAND officially as such Manager this 6th day of December, 2010

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William J. Malinen
City Manager

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124 Seal
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**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

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Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 6th day of December, 2010 at 6:00 p.m.

The following members were present:
, and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION _____

**RESOLUTION DIRECTING THE COUNTY AUDITOR TO
ADJUST THE APPROVED TAX LEVY FOR 2011 BONDED DEBT**

WHEREAS, the City will be required to make debt service payments on General Improvement Debt in 2011; and

WHEREAS, there are reserve funds sufficient to reduce the levy for General Improvement Issues Series 2003A, and 2004A, 2008A, 2009A, and 2009B; and

WHEREAS, General Improvement Issues Series 22 has been defeased and is no longer outstanding; and series 23 has been refunded and replaced with series 2004A and series 25 has been refunded and replaced with series 2009B.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseville, Minnesota, that

The Ramsey County Auditor is directed to change the 2011 tax levy for General Improvement Debt by \$487,420.95 from that which was originally scheduled upon the issuance of the bonds, which is being paid by debt service reserves or are for debt issues no longer outstanding.

The motion for the adoption of the foregoing resolution was duly seconded by member and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted.

171 I, undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of
172 Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes
173 of a regular meeting of said City Council held on the 6th day of December, 2010, with the original thereof
174 on file in my office.

175
176 WITNESS MY HAND officially as such Manager this 6th day of December, 2010.

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180 William J. Malinen
181 City Manager

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183 Seal
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**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

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Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 6th day of December 2010 at 6:00 p.m.

The following members were present:
and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION _____

**RESOLUTION ADOPTING THE FINAL 2011 ANNUAL BUDGET
FOR THE CITY OF ROSEVILLE**

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseville, Minnesota, as follows:

The City of Roseville's Budget for 2011 in the amount of \$39,236,435, of which \$18,931,869 is designated for the property tax-supported programs, be hereby accepted and approved

The motion for the adoption of the foregoing resolution was duly seconded by member and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted.

State of Minnesota)
) SS
County of Ramsey)

I, undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the 6th day of December, 2010, with the original thereof on file in my office.

WITNESS MY HAND officially as such Manager this 6th day of December, 2010.

William J. Malinen
City Manager

Seal

City of Roseville
Priority-Based Budgeting
Tax-Supported Programs
2011

<u>Department / Division</u>	<u>Program / Function</u>	<u>2011 Budget</u>
City Council	Business Meetings	79,810
City Council	Community Support / Grants	62,490
City Council	Intergovernmental Affairs / Memberships	29,490
City Council	Recording Secretary	12,000
Advisory Comm.	Human Rights Commission	2,250
Advisory Comm.	Ethics Commission	2,500
Administration	Customer Service	38,590
Administration	Council Support	120,252
Administration	Records Management/Data Practices	23,852
Administration	General Communications	64,732
Administration	Human Resources	108,216
Administration	Organizational Management	125,113
Elections	Elections	80,655
Legal	Civil Attorney	154,500
Legal	Prosecuting Attorney	138,925
Legal	Special Services	-
Finance	Banking & Investment Management	11,012
Finance	Budgeting / Financial Planning	77,995
Finance	Business Licenses	8,719
Finance	Cash Receipts	52,204
Finance	Contract Administration	7,799
Finance	Contractual Services (RVA, Cable)	9,519
Finance	Debt Management	7,799
Finance	Economic Development	7,799
Finance	Accounts Payable	34,970
Finance	Gen. Ledger, fixed assets, financial reporting	149,908
Finance	Lawful Gambling (partial cost)	4,359
Finance	Payroll	74,405
Finance	Receptionist Desk	36,482
Finance	Risk Management	32,122
Finance	Utility Billing (partial cost)	7,572
Finance	Workers Compensation Admin.	48,183
Finance	Organizational Management	29,823
Central Services	Central Services	73,500
Code Enforcement	Code Enforcement	165,000
General Insurance	General Insurance	84,000
Police Administration	Response to Public Requests	225,245
Police Administration	Police Records / Reports	217,766
Police Administration	Community Liaison	161,338
Police Administration	Organizational Management	330,236
Police Patrol	24 x 7 x 365 First Responder	2,256,492
Police Patrol	Public Safety Promo / Community Interaction	604,924
Police Patrol	Dispatch	292,078
Police Patrol	Police Reports (by officer)	562,260
Police Patrol	Animal Control	200,477
Police Patrol	Organizational Management	408,474
Police Investigations	Crime Scene Processing	44,013
Police Investigations	Public Safety Promo / Community Interaction	125,603
Police Investigations	Criminal Prosecutions	665,395
Police Investigations	Response to Public Requests	10,802
Police Investigations	Organizational Management	43,207
Police Comm Services	Community Services	65,955

City of Roseville
Priority-Based Budgeting
Tax-Supported Programs
2011

<u>Department / Division</u>	<u>Program / Function</u>	<u>2011 Budget</u>
Police Emerg. Mgmt	Police Emergency Management	10,185
Police Lake Patrol	Police Lake Patrol	1,900
Fire Administration	Fire Administration & Planning	166,325
Fire Administration	Emergency Management	371
Fire Administration	Organizational Management	39,159
Fire Prevention	Fire Administration & Planning	10,197
Fire Prevention	Fire Prevention	181,038
Fire Fighting / EMS	Fire Administration & Planning	107,294
Fire Fighting / EMS	Fire Suppression / Operations	415,400
Fire Fighting / EMS	Emergency Medical Services	666,036
Firefighter Training	Firefighter Training	100,355
Fire Relief	Fire Relief	355,000
PW Administration	Project Delivery	352,877
PW Administration	Street Lighting	219,447
PW Administration	Permitting	49,421
PW Administration	General Engineering/Customer Service	132,157
PW Administration	Storm Water Management	36,424
PW Administration	Organizational Management	112,143
Streets	Pavement Maintenance	562,881
Streets	Winter Road Maintenance	222,237
Streets	Traffic Management & Control	99,456
Streets	Streetscape & ROW Maintenance	275,093
Streets	Pathways & Parking Lots	187,242
Streets	Organizational Management	41,501
Street Lighting	Street Lighting capital items	64,000
Bldg Maintenance	Custodial Services	88,360
Bldg Maintenance	General Maintenance	358,955
Bldg Maintenance	Organizational Management	28,688
Central Garage	Vehicle Repair	136,821
Central Garage	Organizational Management	54,222
Rec Administration	Personnel Management	90,357
Rec Administration	Financial Management	58,814
Rec Administration	Planning & Development	78,051
Rec Administration	Community Services	253,549
Rec Administration	City-wide Support	28,365
Rec Administration	Organizational Management	31,515
Skating Center	OVAL	407,038
Skating Center	Arena	493,320
Skating Center	Banquet Area	135,998
Skating Center	Department-wide Support	42,986
Recreation Programs	Program Management	787,975
Recreation Programs	Personnel Management	67,734
Recreation Programs	Facility Management	237,591
Recreation Programs	Volunteer Management	83,631
Recreation Programs	Organizational Management	64,345
Recreation Maint.	Grounds Maintenance	326,279
Recreation Maint.	Facility Maintenance	329,779
Recreation Maint.	Natural Resources	139,601
Recreation Maint.	Department-wide Support	116,543
Recreation Maint.	City-wide Support	52,403
Miscellaneous	Equipment Replacement	50,000
Miscellaneous	Building Replacement	25,000

City of Roseville
Priority-Based Budgeting
Tax-Supported Programs
2011

Attachment D

<u>Department / Division</u>	<u>Program / Function</u>	<u>2011 Budget</u>
Miscellaneous	Park Improvement Program	185,000
Miscellaneous	Emerald Ash Borer	100,000
Miscellaneous	Debt Service - Streets	310,000
Miscellaneous	Debt Service - City Hall, PW Bldg.	825,000
Miscellaneous	Debt Service - Arena	355,000
		<hr/>
		\$ 18,931,869

City of Roseville
Priority-Based Budgeting
Summary of Non-Tax Programs
2011

<u>Department / Division</u>	<u>Program / Function</u>	<u>2011 Budget</u>
Planning	Planning - Current	300,235
Planning	Planning - Long Range	59,842
Planning	Zoning Code Enforcement	23,702
Planning	Organizational Management	23,554
Econ. Development	Economic Development and Redevelopment	104,869
Econ. Development	Organizational Management	7,744
Code Enforcement	Building Codes Review and Permits	408,335
Code Enforcement	Nuisance Code Enforcement	33,981
Code Enforcement	Organizational Management	64,501
GIS	GIS	65,679
GIS	Organizational Management	4,882
Communications	Newsletter / News Reporting	143,552
Communications	Audio / Visual	69,274
Communications	Internet / Website	48,154
Communications	NSCC Member Dues	84,500
Info Technology	Enterprise Applications	288,538
Info Technology	Network Services	60,683
Info Technology	PDA/Mobile Devices	13,219
Info Technology	Server Management	49,087
Info Technology	Telephone/Radio Systems	82,937
Info Technology	Computer/End User Support	551,331
Info Technology	User Administration	77,684
Info Technology	Internet Connectivity	33,688
Info Technology	Facility Security Systems	2,718
Info Technology	Organizational Management	3,705
License Center	Passport Issuance	108,069
License Center	Motor Vehicle Transactions	479,071
License Center	Identity Applications	144,418
License Center	DNR Transactions	28,512
License Center	Daily Sales Reporting & Cash Reconciliation	143,748
License Center	Inventory and Supplies	16,565
License Center	Customer Communications/Problem Solving	134,044
License Center	Bad Check Recording & Recovery	10,989
License Center	Organizational Management	79,308
Lawful Gambling	Gambling Licenses & Reports	50,660
Lawful Gambling	Community Donations	80,000
Water	Infrastructure Maintenance & Repair	749,891
Water	System Monitoring & Regulation	138,272
Water	Customer Response	112,099
Water	GIS	25,106
Water	Utility Billing	189,891
Water	Metering	442,786
Water	Wholesale Water Purchase from St. Paul	4,400,000
Water	System Depreciation	250,000
Water	Admin Service Charge	350,000
Water	Organizational Management	412,770
Sewer	Infrastructure Maintenance & Repair	846,840
Sewer	Customer Response	63,415
Sewer	GIS	34,298
Sewer	Sewage Treatment Costs	2,750,000
Sewer	System Depreciation	190,000
Sewer	Admin Service Charge	275,000

City of Roseville
Priority-Based Budgeting
Summary of Non-Tax Programs
2011

<u>Department / Division</u>	<u>Program / Function</u>	<u>2011 Budget</u>
Sewer	Organizational Management	254,045
Storm Sewer	Infrastructure Maintenance & Repair	882,267
Storm Sewer	Street Sweeping	279,513
Storm Sewer	Leaf Collection / Compost Maintenance	263,938
Storm Sewer	System Depreciation	210,000
Storm Sewer	Admin Service Charge	78,000
Storm Sewer	Organizational Management	68,626
Recycling	Program Administration	21,077
Recycling	Communications	16,061
Recycling	Data Reporting / Outreach efforts	9,442
Recycling	Recycling Pickup Contractor	435,000
Recycling	Admin Service Charge	10,000
Golf	Clubhouse Operations	181,154
Golf	Grounds Maintenance	127,486
Golf	Department-Wide Support	51,310
		<u>\$ 18,000,065</u>



Memo

To: Mayor and City Council
 Bill Malinen, City Manager

From: Chris Miller, Finance Director

Date: December 6, 2010

Re: Supplemental Budget Information

At the November 22, 2010 City Council meeting, the Council requested a summary of employee positions by major operating division. The following table summarizes the budgeted positions for 2010 and 2011.

<u>Division</u>	<u>2010</u>	<u>2011</u>
Administration	3.75	3.75
Elections	0.25	0.25
Communications	1.25	1.42
Recycling	0.50	0.33
	<u>5.75</u>	<u>5.75</u>
Finance	5.75	5.90
Information Technology	8.50	8.50
License Center	14.25	14.25
Lawful Gambling	0.25	0.10
	<u>28.75</u>	<u>28.75</u>
Police Administration	4.00	9.00
Police Patrol	42.00	38.00
Police Investigations	10.00	9.00
Police Community Svcs.	1.00	1.00
	<u>57.00</u>	<u>57.00</u>
Fire Administration	3.00	1.65
Fire Prevention	2.00	2.00
Fire Operations	3.00	3.35
	<u>8.00</u>	<u>7.00</u>
PW Administration	7.00	7.00
Street Maintenance	7.50	6.73
Central Garage	2.00	2.22
Building Maintenance	-	0.79
Sanitary Sewer	5.66	4.21
Water	6.17	7.79
Storm Drainage	3.42	4.01
	<u>31.75</u>	<u>32.75</u>

Recreation Administration	7.50	4.89
Recreation Programs	-	4.36
Recreation Fee Activities	0.75	-
Recreation Non-Fee	1.00	-
Nature Center	1.00	-
Skating Center	6.00	5.75
Park Maintenance	5.25	7.25
Golf Course	2.50	1.75
	<u>24.00</u>	<u>24.00</u>
Planning	2.00	2.69
Economic Development	2.00	0.43
GIS	1.00	0.83
Code Enforcement	5.90	5.95
	<u>10.90</u>	<u>9.90</u>
Total Citywide	166.15	165.15

For background purposes, a memo dated August 27, 2010 summarizing staff level changes since 2002 is also attached.



Memo

To: Mayor and City Council
 Bill Malinen, City Manager

From: Chris Miller, Finance Director

Date: August 27, 2010

Re: Summary of City Staffing Level Changes

Introduction

During a recent budget discussion, the City Council inquired about the changes in staffing levels made during the past few years. The following table summarizes the changes made since 2002 in the property tax-supported programs. All changes remain in effect today.

Division	Position	Year	Amount
Administration	Eliminate Assistant City Manager position	2003	(\$ 105,000)
Administration	Convert Admin Assistant from 1/2 time to 3/4 time	2009	10,000
Finance	Downgrade Accounting Supervisor to technician	2003	(12,000)
Finance	Eliminate Staff Accountant	2004	(60,000)
Finance	Downgrade Staff Accountant position to technician	2007	(8,000)
Street Maintenance	Eliminate Maintenance Worker position	2005	(47,000)
Street Maintenance	Downgrade Public Works Superintendent position	2003	(9,000)
Recreation	Downgrade Program Marketing Supervisor to 3/4 time	2009	(20,000)
Recreation	Leave 1/2 time Customer Service Representative position vacant	2009	(25,000)
Park Maintenance	Eliminate Maintenance Worker position	2005	(47,000)
Park Maintenance	Eliminate Parks Maintenance Supervisor	2009	(70,000)
Engineering	Downgrade Engineering Project Coordinator position	2005	(10,000)
Police	Eliminate Deputy Police Chief	2003	(135,000)
Police	Add Administrative Sergeant position	2005	80,000
Police	Add Patrol Officer position	2005	55,000
Police	Leave Patrol Officer position vacant	2010	(65,000)
Police	Eliminate two 1/2 time CSO positions	2009	(35,000)
Fire	Convert Admin Assistant from 1/2 time to full-time	2008	23,000
Fire	Leave Deputy Fire Chief position vacant	2011	(130,000)
Total Net Budget Changes			(\$ 605,000)

The net budget reductions of \$605,000 noted in the table resulted in an on-going decrease in the property tax levy.

The amounts shown above have been re-stated in 2010 dollars based on the City's current Compensation Plan. In addition, the list does not include the Skating Center Custodian position eliminated in 2005 because it was replaced with contracted services and did not result in any significant budget reduction. Nor does it include the 3 full-time positions added in the Fire Department in 2006 which have in large part been offset by a reduction in paid-on-call wages.

The City has had changes in staffing levels in other functions since 2003 most notably in the Information Technology and Engineering divisions. However, the added costs were borne by other governmental jurisdictions through the use of Joint Powers Agreements. In addition, a new Associate Planner position was created in 2006 which was funded by building permits and plan review fees.