

City of Roseville

2019 City Manager Recommended City Budget



2019 City Manager Recommended Budget

For tonight, we intend to:

- Provide the City Council and public more detail on the proposed 2019 operating and capital budget for the City of Roseville and subsequent property tax impact
- Provide context for the City Council in making the decision on the not-to-exceed levy on September 24
- Answer any questions you may have regarding the recommended 2019 City Budget

2019 City Manager Recommended Budget Highlights

- Status Quo Budget- no new programs or services proposed
- Cost increases due to higher personnel costs, inflationary impacts to supplies and equipment, and contractual obligations
- Retooling of existing positions to provide for greater oversight and continuation of existing services

Proposed 2019 City Budget:
\$55,707,140 or 2.7% increase

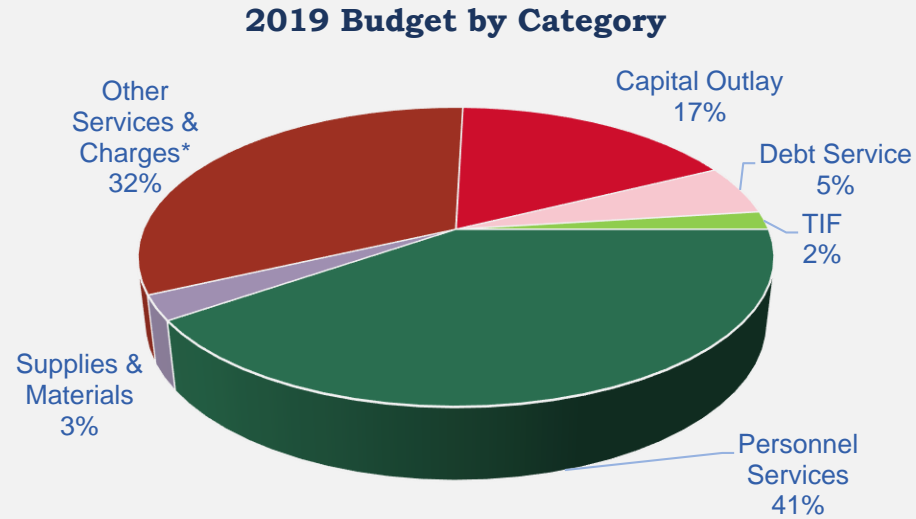
Proposed 2019 City Tax Levy
Increase:
\$757,545 or 3.7% increase

Proposed 2019 City Budget
Impact on Median Valued Home
(\$254,900): \$79.93 increase from
2018 levy amount or \$4.56 per
month impact

2019 City Manager Recommended Budget

Total Budget Allocation

2019 Budget Allocation



Total Budget : \$55,707,140

- Overall Increase of \$1,467,910 or 2.7%
- Fee Supported Budget: \$24,696,420
- Property Tax Supported: \$31,010,720

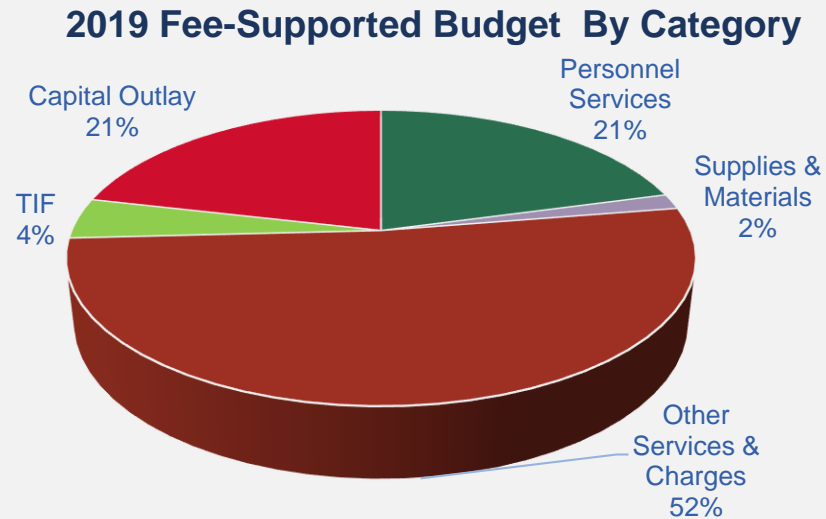
2019 Proposed Budget by Funding Source			\$ Increase	% Increase
	2018	2019	(Decrease)	(Decrease)
Property Tax-Supported	\$ 30,443,715	\$ 31,010,720	\$ 567,005	1.9%
Fee-Supported	\$ 23,795,515	\$ 24,696,420	\$ 900,905	3.8%
Total	\$ 54,239,230	\$ 55,707,140	\$ 1,467,910	2.7%

*Other Services and Charges primarily represents spending on outsourced services such as; water purchases from St. Paul, wastewater treatment costs paid to the Met Council, professional services, specialized maintenance on facilities, infrastructure, & other assets, and energy-related costs.

2019 City Manager Recommended Budget

Fee Supported Budget Allocation

2019 Budget Allocation



Fee-Supported Budget : \$24,696,420

- Increase of \$900,905 or 3.8% increase
- Majority of increase due to higher capital replacements for water and sanitary sewer

2019 Fee-Supported Budget by Category			\$ Increase	% Increase
	2018	2019	(Decrease)	(Decrease)
Personnel Services	\$ 4,878,485	\$ 5,131,170	\$ 252,685	5.2%
Supplies & Materials	385,260	409,900	24,640	6.4%
Other Services & Charges*	12,436,670	12,776,050	339,380	2.7%
TIF	1,101,000	1,101,000	0	0.0%
Capital Outlay	4,994,100	5,278,300	284,200	5.7%
	\$ 23,795,515	\$ 24,696,420	\$ 900,905	3.8%

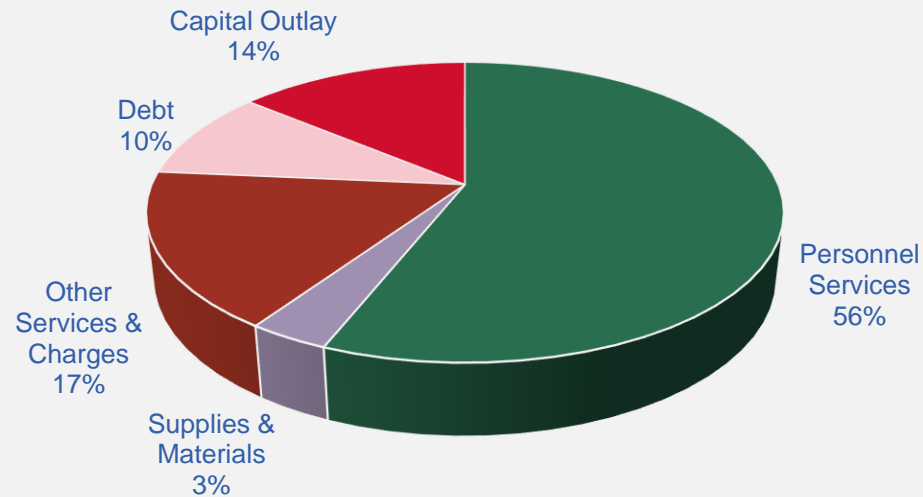
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2019 City Manager Recommended Budget

Property Tax Supported Budget Allocation

2019 Budget Allocation

2019 Tax-Supported Budget by Category



Property Tax Supported Budget: \$31,010,720

- Budget increase of \$567,005 or 1.9%
- Majority of increase due to higher personnel services costs

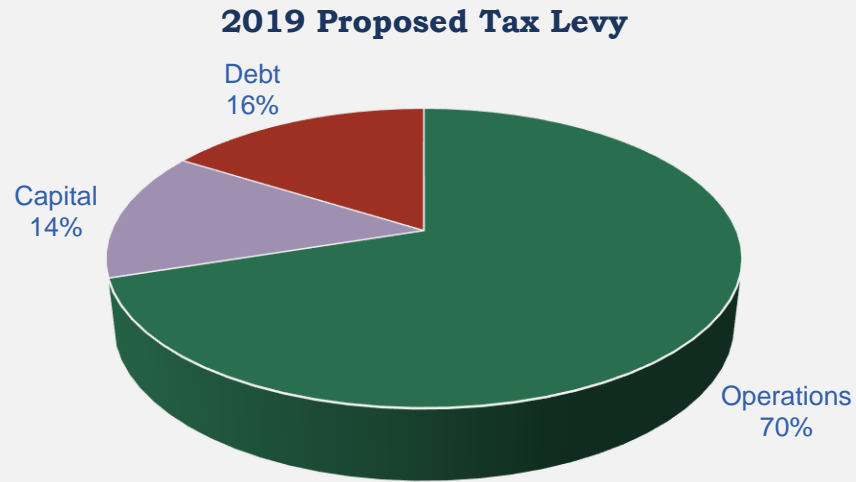
2019 Tax-Supported Budget by Category			\$ Increase	% Increase
	2018	2019	(Decrease)	(Decrease)
Personnel Services	\$ 16,666,950	\$ 17,391,095	\$ 724,145	4.3%
Supplies & Materials	1,068,475	1,082,045	13,570	1.3%
Other Services & Charges*	5,024,985	5,224,775	199,790	4.0%
Debt	3,330,000	2,975,000	(355,000)	-10.7%
Capital Outlay	4,353,305	4,337,805	(15,500)	-4.5%
	\$ 30,443,715	\$ 31,010,720	\$ 567,005	1.9%

*Other Services and Charges primarily represents spending on outsourced services such as; water purchases from St. Paul, wastewater treatment costs paid to the Met Council, professional services, specialized maintenance on facilities, infrastructure, & other assets, and energy-related costs.

2019 City Manager Recommended Budget

Tax Levy Allocation

2019 Budget Allocation



Total Proposed Levy: \$21,438,050

- Increase of \$757,545 or 3.7% increase over 2018 levy
- Of levy increase all will go towards operating budget
- \$355,000 of levy dollars supporting the expiring arena bond will be repurposed towards the capital budget

2019 Proposed Tax Levy			\$ Increase	% Increase
	2018	2019	(Decrease)	(Decrease)
Operations	\$ 14,375,505	\$ 15,233,050	\$ 757,545	5.2%
Capital	2,875,000	3,230,000	355,000	12.3%
Debt	3,330,000	2,975,000	(355,000)	0.0%
Total	\$ 20,175,505	\$ 21,438,050	\$ 757,545	3.7%

PUBLIC WORKS

2015-18 INFRASTRUCTURE IMPROVEMENTS

Investment in maintaining and building needed infrastructure has been an important priority in past budgets. The 2019 budget continues funding that will allow us to maintain and improve our infrastructure.

29.22 MILES

NEW, RECONSTRUCTED OR RESURFACED STREETS



6.16 MILES

NEW PATHWAYS AND SIDEWALKS

5 SIGNALS

NEW /REPLACEMENT



24.38 MILES

LINED PIPE



5 LIFT STATIONS

SANITARY SEWER/STORMWATER

3.48 MILES

WATER MAINS



1,250

NEW STREET SIGNS



2019 City Manager Recommended Budget

Tax Levy Increase

Existing Programs and Services

- Levy increase needed to maintain the City's existing programs and services.
- These cost increases are due to several factors including:
 - Inflationary cost increases for supplies and services,
 - Planned employee wage step increases,
 - Employee cost of living adjustment of 3% for non-union and union employees
 - Increased costs for health insurance
 - Additional spending for addressing the Emerald Ash Borer infestation
 - New asset management software
 - Reclassification and/or FTE Status change for four employee positions
- In addition, \$227,205 of new levy dollars is proposed to lessen the reliance on using the General Fund reserves to balance the budget.
- These factor will require an additional City property tax levy of \$757,545 which is a levy increase of 3.7% over the 2018 City property tax levy.

2019 City Manager Recommended Budget

Employee Reclassification/FTE Status Changes

- Employee Reclassification and/or FTE Status changes are being requested for current City employee positions to align with organizational needs and priorities.
- The proposed changes include the following:
 - An upgrade of one Police Lieutenant position to a Deputy Chief of Police position at a cost of \$5,000 to the budget
 - Funding of an additional 0.50 FTE to continue the full-time Police Investigative Aide position which is partially offset by grant funds at a net cost of \$21,000 of new City spending. Previously, grant dollars covered 50% of the costs for the position
 - Add \$6,700 in funding to continue the Police Department's summer Community Liaison Officers, which began this year and has been funded by personnel vacancy savings in the Police Department
 - Promote the Recreation Facilities Coordinator position to a Parks and Recreation Program Supervisor position and make the position full-time from $\frac{3}{4}$ time to accommodate the heavier than expected facility rentals at a cost of \$27,000 to the budget

2019 City Manager Recommended Budget

Department Head Requests Not Funded

There are several budget requests not included in the 2019 City Manager Budget. The City Manager did not include a total of \$122,000 of Department Head requests. These cuts are as follows:

- Repurposing 3 Firefighter positions to 3 Fire Department Lieutenant positions
- Holiday Lights for the Roseville OVAL
- Additional Emerald Ash Borer Funding

2019 City Manager Recommended Budget

Tax Levy Impact on Homeowners

- The City of Roseville overall tax capacity is projected to grow at 5.6%.
- Since the median single-family home value increase (7.6%) in Roseville is higher than the overall tax capacity growth, a greater portion of the tax burden has moved to single-family properties
- The 2019 City Manager Recommended Budget, with the spending priorities identified above and continuing to use General Fund Reserves to balance the budget (at a lesser amount than in 2018), will have a tax levy of \$21,438,050 and a levy increase of 3.7%
- The overall tax capacity increase for Roseville will result in the owner of the median valued single-family home (\$254,900) paying a total of \$79.93 per year more in 2019 for city (non-EDA) taxes compared to 2018
- With the recommended City and EDA levy and projected utility rate increases, the budget impact for the median valued home is expected to be \$8.21 per month or \$98.52 annually

Budget Impact on Median-Valued Home (monthly)				
	2018	2019	\$ Chg.	% Chg.
Property Tax Levy: City	\$ 75.37	\$ 79.93	\$ 4.56	6.1%
Property Tax Levy: EDA*	\$ 1.45	2.56	\$ 1.11	76.9%
Utility Rates**	\$ 56.65	\$ 58.15	\$ 2.53	4.5%
Total	\$ 133.47	\$ 141.68	\$ 8.21	6.2%
* Based on a proposed \$622,730 EDA levy				
**Based on a proposed 4.5% rate increase				

2019 City Manager Recommended Budget

Use of Reserves

- The 2018 City Budget utilized \$681,610 of cash reserves to balance the budget.
- The 2019 City Manager Recommended budget proposes to eliminate the use of this amount of reserves over a period of three years.
- The 2019 City Manager Recommended budget is proposing to utilize \$454,405 in cash reserves to balance the 2019 City Budget, thus requiring an additional property tax levy of \$227,205 .
- The use of less reserve dollars for the 2019 City Budget coupled with the increases needed in the operational budget require an total levy increase of \$757,545

2019 City Manager Recommended Budget

City Budget Next Steps

- September 17- Joint Meeting with Finance Commission to received budget recommendations
- September 24- Adopt Preliminary City and EDA Tax Levy and Budget
- November 5– Review and adopt 2018 Utility Rates and Fee Schedule
- November 26 – Conduct Final Budget Hearing (Truth-in Taxation Hearing)
- December 3 – Adopt Final City and EDA Tax Levy and Budget

2019 City Manager Recommended Budget

City Budget Summary

- 2019 City Manager Recommended Budget
 - \$55,707,140 (2.7% increase)
- Total Proposed City Levy: \$21,438,050 (3.7% increase)
- Status Quo Budget
 - Increases budget due to inflationary costs of supplies, equipment, personnel, and health care.
 - Employee reclassification and FTE status change for 4 employee positions
 - Additional funding to combat Emerald Ash Borer infestation
- Use of General Fund Reserves in the amount of \$454,405 to balance the budget
- Owner of the median valued single-family home will paying a total of an additional \$4.56 per month or \$79.93 per year more in 2019 for city (non-EDA) taxes compared to 2018.
- The cost impact for the median valued home is expected to be \$8.21 per month or \$98.52 annually with the recommended City and EDA levy and projected utility rate increases



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Questions?