

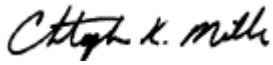
REQUEST FOR COUNCIL ACTION

Date: 11/09/09

Item No.: 10.a.2

Department Approval

City Manager Approval



Item Description: Discussion on Alternative Revenue Sources

BACKGROUND

At the May 11, 2009 City Council meeting, Staff presented a brief overview of alternative revenue sources that could be used to support the City's 2010 programs and services. These alternative revenues would be especially helpful in offsetting the expected loss of \$450,000 in Market Value Homestead Credit (MVHC), and in ensuring the City's long-term financial sustainability.

City Staff has identified a number of potential revenue sources that are in use in other municipalities and that could be implemented in Roseville. We have also identified some potential sources that would offset specific program costs. They include (but are not limited to):

- ❖ Gas and/or electric franchise fee
- ❖ Street light utility fee
- ❖ Continued regional cooperation efforts
- ❖ Special services district assessments
- ❖ Commercial police patrol fee
- ❖ Increase business licensing fees
- ❖ Increases fines
- ❖ Vehicle towing fees
- ❖ Animal recover/transport fee
- ❖ Home security check fee
- ❖ Increase business alarm fees
- ❖ Student enrollment fee

These new revenue sources not only could be used to offset the loss of MVHC, it could also provide greater transparency in demonstrating the amounts needed to fully recover program costs. In addition, they could be used to strengthen the City's asset replacement funding mechanisms.

Individually, these revenues sources, such as the vehicle towing fee might garner as little as \$10-20 per occasion. By contrast, if the City enacted a street light utility it could be set at such a rate to generate \$300,000 annually. Gas and electric franchise fees would garner even more. A 1% franchise fee charged to gas and electric customers would equate to approximately \$620,000 annually.

33 City Staff will be available at the meeting to provide some general comments and address any Council
34 inquiries on these alternative revenue sources.

35 **POLICY OBJECTIVE**

36 The use of varied revenue sources provides greater stability in preserving programs and service levels, and
37 can produce a more equitable distribution of program costs. This is further supported in the Council-
38 adopted Revenue Policy as well as the Imagine Roseville 2025 Goals and Strategies.

39 **FINANCIAL IMPACTS**

40 The potential revenues that could result from implementing these new funding sources vary substantially,
41 but could be significant and may allow the City to preserve program and services at current levels.

42 **STAFF RECOMMENDATION**

43 Staff recommends the continued diversification of revenue streams to support City programs and services.

44 **REQUESTED COUNCIL ACTION**

45 City Staff is seeking direction on whether to pursue the alternative revenue sources identified above.

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Prepared by: Chris Miller, Finance Director