ROSEVILLE

REQUEST FOR COUNCIL ACTION

Date: April 11, 2011
Item No.:   13.b

Department Approval	City Manager Approval
	W J Malinen

Item Description: Discussion of 2012/13 Budgeting

1 **BACKGROUND**

2 At the February 28, 2011 City Council meeting, Council directed staff to prepare a 2012 Budget
3 and Tax Levy scenario that reduced the tax levy by 10%.

4 At the March 28, 2011 City Council meeting, staff presented the information but no actions was
5 taken.

6 **POLICY OBJECTIVE**

7 Not applicable

8 **FINANCIAL IMPACTS**

9 Not applicable

10 **STAFF RECOMMENDATION**

11 Review and approve the 2012/13 Budget Work plan. Discuss the Budget Ranking methodology
12 (attached).

13 **REQUESTED COUNCIL ACTION**

14 Review and approve the 2012/13 Budget Work plan. Discuss the Budget Ranking methodology
15 (attached).

16

Prepared by: **Bill Malinen, City Manager**
Attachments: A: March 28, 2011 RCA
             B: 2012/13 Budget Work Plan
             C: 2011 Budget Ranking Methodology
             D: Tax Supported Budget
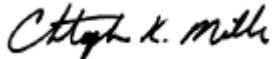   E: Non-Tax Supported Budget

R🌹SEVILLE
REQUEST FOR COUNCIL ACTION

Date: 03/28/11
Item No.: 13.b

Department Approval

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City Manager Approval

WJmalinen

Item Description: Discussion on the 2012 Budget & Tax Levy

1 **BACKGROUND**
2 At the February 28, 2011 City Council meeting, the Council directed Staff to prepare a budget scenario that
3 depicts the impact on programs and services resulting from a tax levy reduction of 10%. A scenario
4 involving a 10% reduction in the budget was also discussed. The Council further directed that budget
5 reduction scenario reflect the Council priorities identified during the 2011 Budget process.
6
7 In accordance with these directives, Staff has developed a scenario that achieves approximately $1.4
8 million in budget cuts – an amount comparable to a 10% reduction in the property tax levy. An additional
9 $500,000 in reductions would be necessary to achieve a 10% reduction in the property tax-supported
10 budget.
11
12 In performing this exercise, Staff determined that many of the lower-ranked programs could not be fully
13 eliminated or reduced due to contractual obligations or other important considerations. As a result, it was
14 necessary to identify budget reductions within those programs that contained greater amounts of
15 discretionary spending. This included programs that received relatively high rankings.
16
17 Based on the Council's directive and these considerations, the following program changes have been
18 identified in the table below.
19

Budget Priority	Division	Program	Program Change
84	Bldg Maintenance	Custodial Services for public areas only	Reduction
80	Central Services	Supplies & Postage	Reduction
79	Bldg Maintenance	Energy use, repairs, & oversight	Reduction
78	Finance	Reception desk	Reduction
77	Rec Administration	Personnel management	Reduction
75	Miscellaneous	Fiber network buildout	Eliminate
71	City Council	Recording Secretary	Eliminate
69	Advisory Comm.	Ethics Commission	Reduction
66	City Council	Community support grants	Eliminate
62	Finance	Utility billing support	Reduction
61	Recreation Programs	** See Note A **	Reduction
56	Advisory Comm.	Human Rights Commission	Reduction
55	Recreation Maint.	** See Note B **	Reduction
54	Administration	General communications	Reduction
49	Streets	** See Note E **	Reduction
48	Police Patrol	IMPACT unit	Eliminate
47	Police Investigations	Less serious crimes would not be investigated	Reduction
38	Fire Fighting / EMS	Staffing and training programs	Reduction
37	Rec Administration	** See Note C **	Reduction
35	Police Administration	Partial closure of Police front reception desk	Reduce
34	Skating Center	** See Note D **	Reduce
25	Miscellaneous	Emerald Ash Borer	Eliminate
24	Police Administration	** See Note F **	Reduce
22	Street Lighting	Street light replacements	Eliminate

Notes - Program Listing

A Eliminate special events including: Summer Entertainment, Spring Celebration, Discover Your Parks, July 4th Celebration, Halloween Celebration, Holiday Carnival, Arts @ the OVAL, Rosefest, Rose Parade, Nature Center, Community Band, Big Band, Summer Playgrounds, Teen Program, Outdoor Rinks, Senior Programs, Volunteer Program, Puppet Wagon, Special Needs.

B Reduced pathway maintenance, eliminate Rosebrook Wading Pool, eliminate flower programs in parks, reduced mowing in general park areas, reduced vandalism and grafitti response times.

C Eliminate special events including: Summer Entertainment, Spring Celebration, Discover Your Parks, July 4th Celebration, Halloween Celebration, Holiday Carnival, Arts @ the OVAL, Rosefest, Rose Parade.

D Eliminate Skate Park, Novice Speedskating, Youth Bandy, In-Line Skate Program, Adult Speedskating.

E Reduced right-of-way maintenance, trash collection, and general street maintenance, Less streetscape supplies & maintenance. Eliminate Leaf Pickup Program, reduce pathway maintenance, reduce snowplow routes increasing completion time for snow events.

F Neighborhood Watch, Crime Free Multi-Housing, Senior Safety Camp, Life Saver Magnet distribution, Citizen Park Patrol, Citizen Police Academy, Residential & Business Security Checks, Night to Unite, Family Night Out, Safety talks to organizations, Shop with a Cop, New Americans forums, and child safety outreach programs.

21 These program reductions would require the elimination of 13 full-time equivalent employee positions.

22

23 Staff will be available at the Council meeting to address any questions or concerns.

24 **POLICY OBJECTIVE**
25 Not applicable.

26 **FINANCIAL IMPACTS**
27 Not applicable.

28 **STAFF RECOMMENDATION**
29 Not applicable.

30 **REQUESTED COUNCIL ACTION**
31 For information purposes only. No Council action is requested.

32

Prepared by: Chris Miller, Finance Director
Attachments: A: Not applicable

2012/13 Budget Work Plan:

(revised DRAFT – 4/11/11)

	Event	Date(s)
1.	Council/Staff Work Plan/Strategic Planning meetings	Jan. 31 & Feb. 7
2.	Council receives results of the citizen survey	Mar. 28
3.	Council receives results of the minus 10% levy 2011 budget exercise	Mar 28 & Apr 11
4.	Council approves 2011/12 Council/Staff Work Plan	Mar 28
5.	Departments update 2012-2016 Strategic Plans based upon Council/Staff Work Plan/Strategic Planning meetings and priorities	Mar 28-May 23
6.	Council approves 2012 Budget Work Plan and basic budget documentation	Apr 11
7.	Council reviews and possibly refines Budget Ranking Methodology (note: rename to "Program Listing Prioritization Methodology")	Apr 11
8.	Dept. by Dept. Council-Staff Q & A on items in Program Listing (to understand what the items in the listing are) (IF NECESSARY)	Apr 18
9.	Council and Staff review and agree on which items on Program Listing are truly mandatory, and any consolidations of items on the listing	Apr 18
10.	Review and discuss updates (as necessary) of Financial Policies	April 18
11.	CM & Dept. heads develop and submit Program Listing prioritization results by dept. to Council (both tax & non-tax supported programs); Results reported as a single number (1-5) representing the joint CM/Dept. Head priority (each dept head only prioritizes programs in his/her dept.)	Apr 18-25
12.	With knowledge of joint CM/Dept. Head prioritization results, Councilmembers submit Program Listing prioritizations; Results reported back to Council with listings by Councilmember and Council averages	Apr 25-May 9
13.	Adoption (if necessary) of updated Financial Policies	April 25 or May 9

	Event	**Date(s)**
14.	Staff report to Council on 2011 County Assessor's Report property value changes for 2012, and preliminary tax base change estimate.	April 25
15.	Council sets preliminary 2012/13 NTE levy	May 23
16.	CM & Dept. heads develop 1st DRAFT CM recommended 2012/13 Budget Expenditure Summary AND 2012/13 Capital Spending Plan (aka Capital Budget) based on preliminary 2012/13 NTE levy amount [and utility rates]	May 23 – July 11
17.	CIP Subcommittee report due back to Council	June 13
18.	CM presents 1st DRAFT CM recommended 2012/13 Budget Expenditure Summary and 2012/13 Capital Spending Plan (aka Capital Budget) for tax- and non-tax supported programs	Jul. 11
19.	*Only if Council wishes to have this discussion:* Policy discussion on whether to provide utility customer notices as part of rate setting process (Roe suggestion)	Jul. 18 or 25
20.	Dept. by Dept. public comment on 1st DRAFT CM recommended 2012/13 Budget Expenditure Summary and 2012/13 Captial Spending Plan (aka Captial Budget) for tax- and non-tax-supported programs	Jul. 18 & 25 as needed
21.	Council/staff discussion of issues raised in public comment on 1st DRAFT CM recommended 2012/13 Budget Expenditure Summary and 2012/13 Capital Spending Plan (aka Capital Budget) for tax- and non-tax supported programs, and any factors or assumptions that have changed since preliminary levy was set	August 8 or 15
22.	Staff report to Council on St. Paul Water and Met Council Sanitary Sewer changes for 2012.	August 22 (tent)
23.	Council sets final 2012/13 NTE levy [and preliminary 2012/13 utility rates]	Sept. 12
24.	County sends tax notices to property owners [*Only if Council approves this:* City sends notices to utility customers on proposed 2012 utility rates and impacts]	Nov. 10-24
25.	CM & Dept. heads refine 1st DRAFT CM recommended 2012/13 Budget Expenditure Summary and 2012/13 Capital Spending Plan (aka Capital Budget) to create 2nd DRAFT, based on final 2012 NTE levy amount [and utility rates]	Sept. 13 – Dec. 4

	Event	Date(s)
26.	Budget Hearing on Proposed Levy [and Utility Rates] based on 2nd DRAFT CM recommended 2012/13 Budget Expenditure Summary and 2012/13 Capital Spending Plan (aka Capital Budget)	Dec. 5
27.	Council approves final 2012/13 budget, levy, [and utility rates]	Dec. 5 or 12
28.	Staff report to Council on status of Performance Measures implementation, and Council/Staff discussion about inclusion of Performance Measures into the budget process going forward	1st Quarter 2012
29.	Staff report to Council on 2012 County Assessor's Report property value changes for 2013, and preliminary tax base change estimate.	April 2012
30.	First Quarter Financial Report	April 2012
31.	Receive Auditors' Report on 2011	April/May 2012
32.	Second Quarter Financial Report	July 2012
33.	Council-Staff Discussions on status of 2012/13 budget versus actual costs and revenues to date	August 2012
34.	Council sets final 2013 NTE levy (adjustment from 2012/13 total) [and any 2013 utility rate changes]	Sept. 2012

Budget Process Working Documents:

(Individual documents on the list may be combined with each other as appropriate. Additional documents may be added in order to present additional information as appropriate.)

1. *Program Listing Prioritization Methodology.* Defines consensus as to what each ranking (1-5) means.
2. *Program Listing.* List of programs and services, including the prioritization results for each program. Upon completion of prioritization exercise, the list is to be sorted first by fund, then by department or division, then by mandatory/non-mandatory, then by priority results (initially sorted by previous prioritization results; later by updated results, when completed)
3. *Program Descriptions.* (ref. Attachment D of item 13a of Nov 15, 2010, agenda) Detailed descriptions of the programs in the *Program Listing*, organized in the same order as the *Program Listing* (for easy cross-reference).
4. *Basic Budget Document.* An accounting of budget information for each program in the *Program Listing*, organized in the same order, with the current year's approved budget amount, previous years' actual amounts (as available), and the proposed 2012/13 budget amount, for each program, including percent change from previous year in each case; also includes revenue sources by fund.

2011 Budget Ranking Methodology

5 -   Items in this category, if not funded, are those that could potentially compromise the physical well-being of individuals or property. Examples are the inability of police or fire to respond to calls.

4 -   Items in this category, if not funded, are those that could result in substantial increases in the financial burden on the community in subsequent years. Examples of this would be a failure to repair a street or replace a capital asset.

3 -   Items in this category, if not funded, are those that could impede the city's ability to provide the type of services that contribute to the quality of life. Examples of this would be funding for the cultural or social events.

2 -   Items in this category, if not funded, are those that wouldn't likely affect individuals in the community, but would impede the ability of the city to fulfill its mission. An example of this would be reduced office maintenance.

1 -   Items in this category, if not funded, are those that would have little or no impact either on the community, or the city's ability to fulfill its mission. An example of this would be deferred mowing.

City of Roseville
Priority-Based Budgeting
2011

Department / Division	Program / Function	2011 Budget
	TAX SUPPORTED BUDGET	
CITY COUNCIL & COMMISSIONS		
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
	DEPARTMENT TOTAL	**188,540**
ADMINISTRATION		
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
		480,755
Elections	Elections	**80,655**
Legal	Civil Attorney	154,500
Legal	Prosecuting Attorney	138,925
Legal	Special Services	-
Code Enforcement	Code Enforcement	165,000
		458,425
	DEPARTMENT TOTAL	**1,019,835**

		2011
Department / Division	Program / Function	Budget

FINANCE

Department / Division	Program / Function	Budget
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
		600,670
Central Services	Central Services	**73,500**
General Insurance	General Insurance	**84,000**
	DEPARTMENT TOTAL	**758,170**

City of Roseville
Priority-Based Budgeting
2011

Department / Division	Program / Function	2011 Budget
POLICE		
Police Administration		
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
		934,585
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
		4,324,705
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
		889,020
Police Comm Services	Community Services	**65,955**
Police Emerg. Mgmt	Police Emergency Management	**10,185**
Police Lake Patrol	Police Lake Patrol	**1,900**
	DEPARTMENT TOTAL	**6,226,350**

		2011
Department / Division	Program / Function	Budget

FIRE

Fire Administration	Fire Administration & Planning	166,325
Fire Administration	Emergency Management	371
Fire Administration	Organizational Management	39,159
		205,855
Fire Prevention	Fire Administration & Planning	10,197
Fire Prevention	Fire Prevention	181,038
		191,235
Fire Fighting / EMS	Fire Administration & Planning	107,294
Fire Fighting / EMS	Fire Suppression / Operations	415,400
Fire Fighting / EMS	Emergency Medical Services	666,036
		1,188,730
Firefighter Training	Firefighter Training	**100,355**
Fire Relief	Fire Relief	**355,000**
	DEPARTMENT TOTAL	**2,041,175**

Department / Division	Program / Function	2011 Budget
PUBLIC WORKS		
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
		902,469
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
		1,452,410
Bldg Maintenance	Custodial Services	88,360
Bldg Maintenance	General Maintenance	358,955
Bldg Maintenance	Organizational Management	28,688
		476,003
Central Garage	Vehicle Repair	136,821
Central Garage	Organizational Management	54,222
		191,043
	DEPARTMENT TOTAL	**3,021,925**

Department / Division	Program / Function	2011 Budget
PARKS & RECREATION		
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
		540,651
Skating Center	OVAL	407,038
Skating Center	Arena	493,320
Skating Center	Banquet Area	135,998
Skating Center	Department-wide Support	42,986
		1,079,342
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
		1,241,276
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
		964,605
	DEPARTMENT TOTAL	**3,825,874**

Department / Division	Program / Function	2011 Budget
MISCELLANEOUS		
Miscellaneous	Equipment Replacement	50,000
Miscellaneous	Building Replacement	25,000
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
	MISCELLANEOUS TOTAL	**1,850,000**
	TAX SUPPORTED BUDGET	**18,931,869**

City of Roseville
Priority-Based Budgeting
2011

Department / Division	Program / Function	2011 Budget

NON-TAX SUPPORTED BUDGET

COMMUNITY DEVELOPMENT

Department / Division	Program / Function	2011 Budget
Planning	Planning - Current	300,235
Planning	Planning - Long Range	59,842
Planning	Zoning Code Enforcement	23,702
Planning	Organizational Management	23,554
		407,333
Econ. Development	Economic Development and Redevelopment	104,869
Econ. Development	Organizational Management	7,744
		112,613
Code Enforcement	Building Codes Review and Permits	408,335
Code Enforcement	Nuisance Code Enforcement	33,981
Code Enforcement	Organizational Management	64,501
		506,817
GIS	GIS	65,679
GIS	Organizational Management	4,882
		70,561
	DEPARTMENT TOTAL	**1,097,324**

ADMINISTRATION

Communications	Newsletter / News Reporting	143,552
Communications	Audio / Visual	69,274
Communications	Internet / Website	48,154
Communications	NSCC Member Dues	84,500
	DEPARTMENT TOTAL	**345,480**

		2011
Department / Division	Program / Function	Budget

FINANCE

Department / Division	Program / Function	2011 Budget
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
		1,163,590
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
		1,275,384
	DEPARTMENT TOTAL	**2,438,974**

Department / Division	Program / Function	2011 Budget
ENTERPRISE FUNDS		
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
	WATER UTILITY TOTAL	**7,070,815**
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
Sewer	Organizational Management	254,045
	SEWER UTILITY TOTAL	**4,413,598**
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
	STORM WATER UTILITY TOTAL	**1,782,344**
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
	RECYCLING UTILITY TOTAL	**491,580**

Department / Division	Program / Function	2011 Budget
Golf	Clubhouse Operations	181,154
Golf	Grounds Maintenance	127,486
Golf	Department-Wide Support	51,310
	GOLF COURSE UTILITY TOTAL	**359,950**
	NON-TAX SUPPORTED BUDGET	**20,439,039**
	2011 BUDGET TOTAL	**39,370,908**