



# General Fund Budget Workshop

April 10, 2018

# Agenda

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- Budget Process Overview (Rob Jensen)
- Fiscal Report (Jay Panzica)
- Level of Service Reductions (Dom Casey)

# FY 18/19 Budget

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- Purpose for Budget
  - Policy Document
  - Operationalizes Council Goals
- Budget Goals
  - Balanced Budget
  - Revenues = Expenses
  - No use of reserve funds
  - Implement policies to fund long term liabilities
  - Preserve core service levels
  - Consider EngageRoseville Recommendations

# Budget Realities & Trends

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- Revenues up, but revenue growth slowing
- Costs increasing faster than revenue
  - Minimum Wage
  - PERS
  - State/Federal Mandates
  - Materials and Supplies (Fuel)
  - Jail Fees
  - Golf Courses
- Internal funds significantly underfunded
  - Building ISF
  - Information Technologies ISF
- Need to evaluate service levels

# Past Service Level Reductions

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- As a Service Organization people, not products drive our costs. To meet budget targets since 2010 the City has:
  - Reduced per capita staffing by 32%
  - Eliminated programs & reduced facility hours
  - Implemented MOU's with labor groups to reduce long term liabilities
  - Moved to contract services where appropriate
  - Completed efficiency audits in all Departments

# Service Level Reductions 17/18

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- Eliminated goat grazing in General Fund
- Closed Libraries and Museum on Fridays
- Eliminated special events, such as 4<sup>th</sup> of July Fireworks
- Eliminated (6) Vacant Positions
  - Community Services Officer
  - Recreation Leader
  - Parks Maintenance Worker
  - Public Works Maintenance Worker
  - (2) Associate Engineers
  - Several Part time positions throughout the City



# Deferred Costs 17/18

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- Building ISF - \$1.0 M
- Technology ISF - \$1.7 M
- Equipment Replacement - \$0.3 M
- PR&L CIP – \$1.2 M
- Road Maintenance - \$5.0 M
- \$9.2 M
  
- Delayed hiring of needed positions
  - Police, Public Works, Parks, IT, and Building Maintenance

# Fiscal Update

Jay Panzica



# Balancing the budget

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- Revenue and Expenses forecast independently
- Targets provided to the departments
- Service level reductions were required to get to the targets
  - Ex. Reductions in park fertilizations
- In addition, certain unavoidable costs were added to the budget
- Resulted in further reductions to balance the General Fund budget
- This is the purpose of tonight's discussion

# FY 18-19 Budget Development

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- Increases in Revenue
  - \$2.2M - Sales Tax
    - Continued growth, but continued slower growth
  - \$1.6M -Property Tax
    - Continued strong growth
  - \$0.2M - User Fees
    - EngageRoseville recommendation
  - \$2.0M - Use of One-Time Money
    - \$0.5M forecasted + \$1.5M accumulated balance
    - GF Contribution By Developers
    - One time contribution to cover potential WRSP shortfall in initial years
    - Unrestricted - Can be used for any General Fund needs
  - \$0.7M – Other
  
- \$6.7M - Total

# FY 18-19 Budget Development

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- Increases in Expenses
  - \$1.3M – PERS
  - \$1.1M – Salaries
    - PY Full year impact/Step Increases
  - Council Policies
    - \$0.6M – OPEB
    - \$0.5M – CIP
  - \$4.5M - Cost Increases (Next Slide)
  - (\$0.19M) – Other
  - \$7.81M - Total

# Cost Increases to Budget (000's)

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- \$ 100K Fire staffing audit recommended by CPAC
- \$ 125K Labor negotiations consultant/comp study
- \$ 100K Executive recruitments
- \$ 171K New parking garage operating costs
- \$ 22K Increased utility and facility costs at leased properties
- \$ 50K Additional police dispatcher (partial funding from reclass)
- \$ 326K Fire turnouts
- \$ 947K Eliminate Fire Ops vacancy factor
- \$ 500K Increase Fire Ops overtime
- \$2,200K Subsidize golf operations fund \$1.5M estimated through June 2018 and \$700K for FY2018-19  
(\$2.0M from WRSP Dev Ag fee fund)
- \$ 4,541K Total increases to budget

# General Fund Contingency

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- \$1.2M - Base Level
- \$0.675M - Salaries
  - Potential costs as a result of any adjustments due to goal of being at median
  - Actual amount will be identified in the fall
- \$1.9M - Total Contingency

# FY 17-18 Budget Development

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- Increased Revenue \$6.70M
  - Increased Expenses \$7.81M
  - Contingency Increase \$0.68M
  - Total (\$1.79M)
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- Additional Service Level Reductions Required \$1.79M

# Level of Service Impacts

Dom Casey



# Additional Proposed Service Level Reductions

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\$0.75M	Fire Operational Changes
\$0.22M	Eliminate department director
\$0.11M	Eliminate vacant position in City Manager's Office
\$0.13M	Youth School Officer
\$0.13M	Maidu Museum Reductions
<u>\$0.45M</u>	Parks Dep't restructure/defunding
\$1.79M	Total

# Additional Proposed Service Level Reductions

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\$0.75M	Fire Operational Changes
\$0.22M	Eliminate department director
\$0.11M	Eliminate vacant Executive Assistant position in City Manager's Office
<b>TOTAL:</b>	<b>\$1.08M</b>

# Police Department

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- New Revenue for School Resource Officers  
OR
- Eliminated a vacant Police Officer and move from the school to patrol
  
- TOTAL Reduction \$130k

# Parks, Recreation & Libraries

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- Reduce Maidu Museum Hours
- Further Reduced:
  - Playground Maintenance
  - Pruning Schedule
  - Turf Maintenance
  - Library Data Base
  - Removed portable restrooms
  - Increased user fees
  - Unfunded positions for department reorganization
- Total reduction \$580k

# Other General Fund Departments

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- Reduced service levels in all Departments
- Reduced safety consultant contract
- Adjusted employee recognition program and reduced from 2 to 1 employee appreciation lunches

# Unfunded needs 18/19

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- No net increase in General Fund positions  
**Result: Continued reduction in service levels**
- Deferred Maintenance in FY2017 = \$9.2M
  - Carry Over funded \$4.0 Million
  - Net FY 2017 Deferred Maintenance = \$5.2M
- Deferred Maintenance in FY 2018 = \$5.7M
  - Reduced \$3.0 Million from FY2017 due to SB1 Funding
  - Reduced \$0.5 Million from FY 2017 due to Council Policy to increase CIP rehab fund
- **Total deferred in FY17 and FY18 = \$10.9M**

# Budget Schedule

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- Week of May 21 – City Council Receives Budget
- June 4/5 – Budget Hearings
- June 20 – Budget Adoption



# Recommended Action

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- Approve use of one time monies to fund golf course debt service
- Approve service level reductions as proposed by staff to balance FY18/19 budget

# Questions

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