



AGENDA
June 6, 2017

CITY COUNCIL SPECIAL BUDGET WORKSHOP
4:00 p.m.
City Council Chambers
311 Vernon Street
Roseville, California

- 1. CALL TO ORDER**
- 2. ROLL CALL**

Vice Mayor: Bonnie Gore
Councilmember: Scott Alvord
Councilmember: Tim Herman
Councilmember: John Allard
Mayor: Susan Rohan

- 3. PLEDGE OF ALLEGIANCE**
- 4. MEETING PROCEDURES**

NOTICE TO THE PUBLIC

All Items on the agenda will be open for the public comment before final action is taken. Speakers are requested to restrict comments to the item as it appears on the agenda and stay within a five (5) - minute time limit. The Mayor has the discretion of limiting the total discussion time for an item.

- 5. PUBLIC COMMENTS**

NOTICE TO THE PUBLIC

Persons may address the City Council on items not on this agenda. Please complete a "Speaker Information Card" and present it to the City Clerk prior to the start of the meeting. Speakers shall restrict their comments to issues that are within the subject jurisdiction of the City Council and limit their comments to three (3) minutes per person. The total time allocated for Public Comment is 25 minutes. The Brown Act, with certain exceptions, does not permit the City Council to discuss or take action on issues that are not listed on the agenda.

6. SPECIAL REQUESTS/REPORTS/PRESENTATION

6.1. BUDGET WORKSHOP

- A. Introduction - Rob Jensen, City Manager
- B. Fiscal Overview - Jay Panzica, Chief Financial Officer
- C.
 - 1. Development Services
 - 2. Public Works
 - 3. Parks and Recreation
 - 4. Police
 - 5. Fire
 - 6. Electric
 - 7. Environmental Utilities

CONTACT: Jay Panzica 916-774-5362 jpanzica@roseville.ca.us

7. COUNCIL / STAFF / REPORTS/ COMMENTS

8. ADJOURNMENT



City Manager's Proposed FY 2017-2018 Operating and Capital Budgets Presented June 6, 2017

Rob Jensen, City Manager

Agenda

- Budget Overview (Jensen)
- Fiscal Position and Service Departments (Panzica)
- Department Presentations
 - Development Services (Payne)
 - Public Works (Herndon)
 - Parks, Recreation and Libraries (Louthan)
 - Fire (Bartee)
 - Police (Hahn)
 - Electric (Bertolino)
 - Environmental Utilities (Plecker)

Budget Schedule

October 11, 2016 - Council Goals Workshop #1

- Maintain core services
- Identified new goal – Enhance Core Neighborhoods
- Direction to adopt policy to fund Other Post Employee Benefits (OPEB)
- Direction to engage community in service level discussion

February 2, 2017 – Council Goals Workshop #2

- Confirm actions from Workshop #1
- Direction to form Community Priorities Advisory Committee

Budget Schedule (continued)

April 17, 2017 – Budget Workshop #1

- Identified \$2.0 million general fund budget shortfall
- Received Council direction to balance budget

June 6-7, 2017 – Budget Workshop #2

- City-wide budget presentation
 - Current fiscal position and trends
 - Department operating budgets
 - Capital Improvement Projects
- June 21, 2017 – Budget Adoption

Purpose for Budget Workshop

- Define the City's overall fiscal position
 - General Fund
 - Utilities
 - Enterprise Funds
- Define the City's general fund fiscal position
 - Revenues
 - Expenses
 - Trends
 - Challenges
- Receive Council confirmation/direction on:
 - Allocation of discretionary general fund revenues
 - Appropriate Service Levels
 - Utility Operations
 - Capital Improvement Projects (CIP)

Council Priorities

- Public Safety
- Fiscal Soundness
- Economic Development
- Sound and Stable Utilities
- Great Downtown
- Infrastructure
- Legislative Advocacy
- Civic Engagement
- Core Neighborhoods

Budget Principles and Priorities

Principles are:

- Fiscally Sustainable
- Maintain Core Services
- Civic Engagement

Priorities are:

- Public Safety
- Sound and Stable Utilities
- Infrastructure
- Economic Development
- Great Downtown
- Legislative Advocacy
- Core Neighborhoods

Fiscal Sustainability

Balanced Budget:

- Match revenues with expenses
- No use of reserve funds
- Establish Appropriate Emergency Reserve Funds

Council Adopted Internal Service Fund Policies:

- General Liability
- Workers Compensation
- Automotive Replacement
- OPEB

New CIP Rehabilitation Internal Service Funds:

- IT Rehab
- Building Maintenance Rehab
- Equipment Replacement
- Parks, Recreation and Libraries Rehab

General Fund Budget Overview

	Actual FY 15-16	Approved FY 16-17	Proposed FY 17-18
Operating Revenues	\$141,155,700	\$143,271,750	\$138,149,453
Operating Expenses	\$133,576,436	\$141,149,771	\$137,030,721
Non Operating Revenue	\$6,594,650	\$13,022,883	\$8,456,446
Non Operating Expenses	\$7,615,451	\$14,664,500	\$9,575,178
Balance	\$6,558,463	\$480,362	\$0

GF Operating Expenses

	Actual FY 15-16	Approved FY 16-17	Proposed FY 17-18
Operating Obligations	\$10,128,034	\$10,175,806	\$11,270,032
Department Expenses	\$123,448,402	\$130,095,106	\$124,560,689
Contingency	\$0	\$878,859	\$1,200,000
Total Operating Expenses	\$133,576,436	\$141,149,771	\$137,030,721

Operating Expenses Definitions

Operating Obligations	\$11,270,032	
▪ Annexation Payments		
▪ Other Post Employment Benefits		
▪ Storm Water		
Non-Discretionary Department Expenses	\$38,284,089	
▪ Indirect Costs		
▪ CFD funding		
▪ Gas Tax		
▪ User Fees		
▪ Grants		
▪ Franchise Fees		
▪ Prop 172 Funds		
Discretionary Department Expenses	\$86,276,600	
Contingency Funds	<u>\$1,200,000</u>	
TOTAL	\$137,030,721	

FY 2017-18 Department Expenses

	Total Operating Expense	Revenue Offsets	Net-Discretionary General Fund Expense
Police	\$39,565,603	\$6,606,772	\$32,958,831
Fire	\$29,314,651	\$4,860,739	\$24,453,912
Parks, Recreation & Libraries	\$23,411,923	\$7,950,089	\$15,461,834
Development Services	\$8,960,729	\$4,768,018	\$4,192,711
Public Works	\$7,200,082	\$4,039,930	\$3,160,152
Other Departments	\$16,107,701	\$10,058,541	\$6,049,160
TOTAL	\$124,560,689	\$38,284,089	\$86,276,600

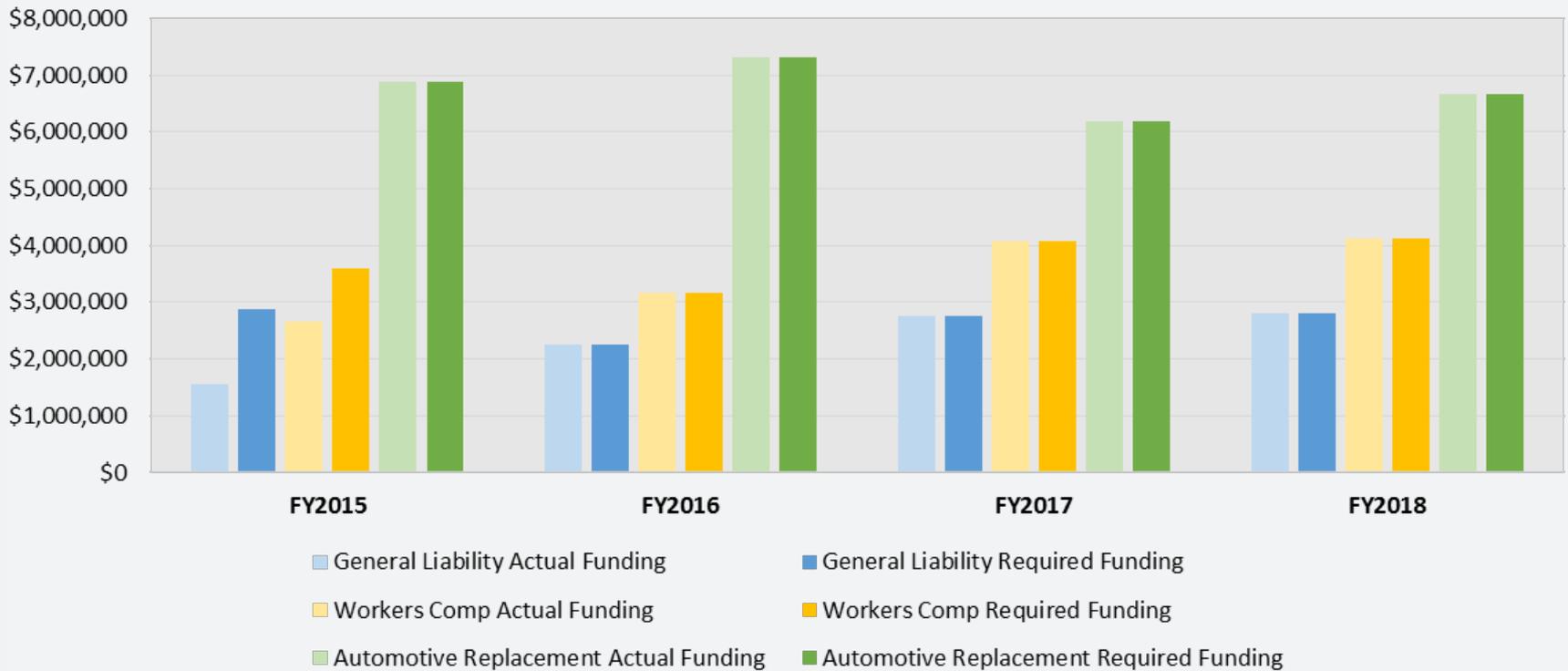
FY 2017-18 Department Expenses

	Total Operating Expense	Revenue Offsets	Net-Discretionary General Fund Expense
Finance	\$4,389,665	\$3,922,947	\$466,718
Central Services	\$2,435,590	\$2,194,133	\$241,457
Human Resources	\$2,283,995	\$1,125,058	\$1,158,937
City Attorney	\$1,961,931	\$453,433	\$1,508,498
Econ Development	\$1,142,599	\$633,360	\$509,239
City Manager	\$1,077,633	\$522,589	\$555,044
City Clerk	\$1,017,465	\$547,046	\$470,419
Public Affairs and Communication	\$779,700	\$315,460	\$464,060
Development Operations	\$560,391	\$114,905	\$445,486
City Council	\$458,732	\$210,971	\$247,761
TOTAL	\$16,107,701	\$10,058,541	\$6,049,160

Internal Service Funds

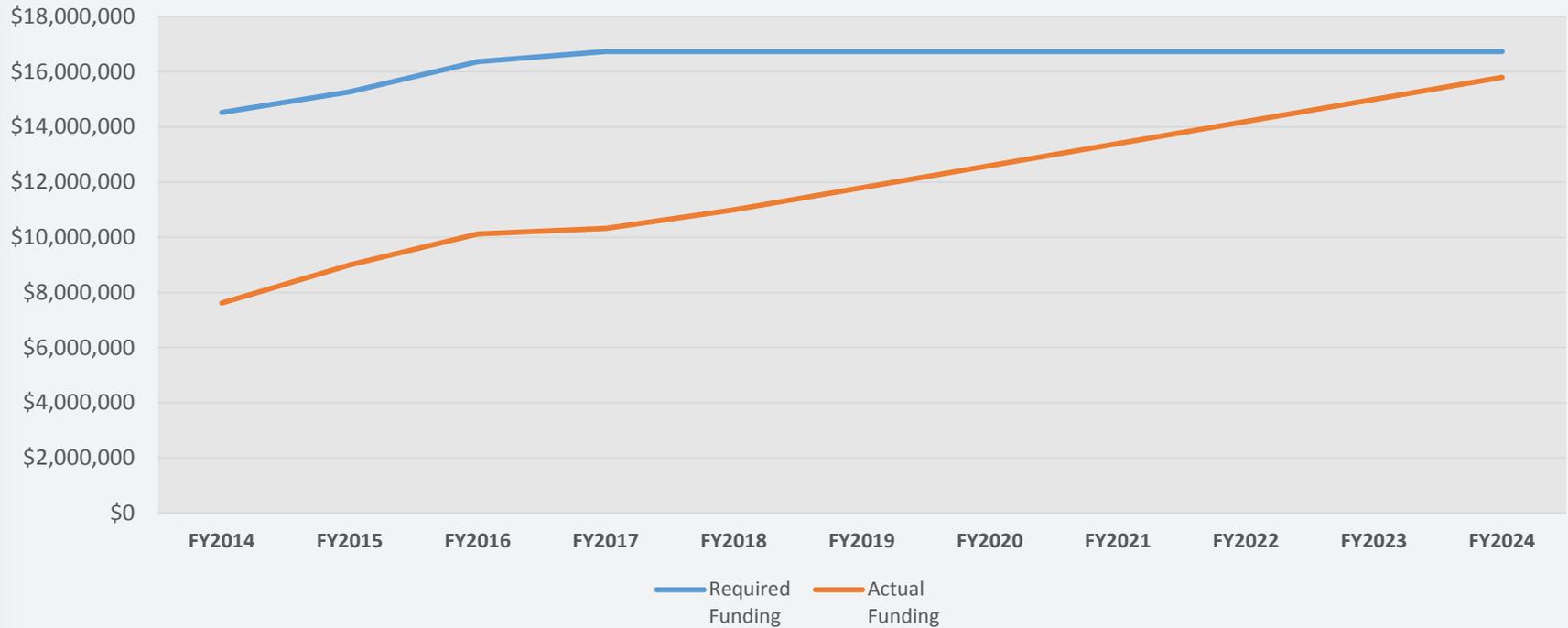
Internal Service Funds

Funding Status Comparison Internal Service Funds



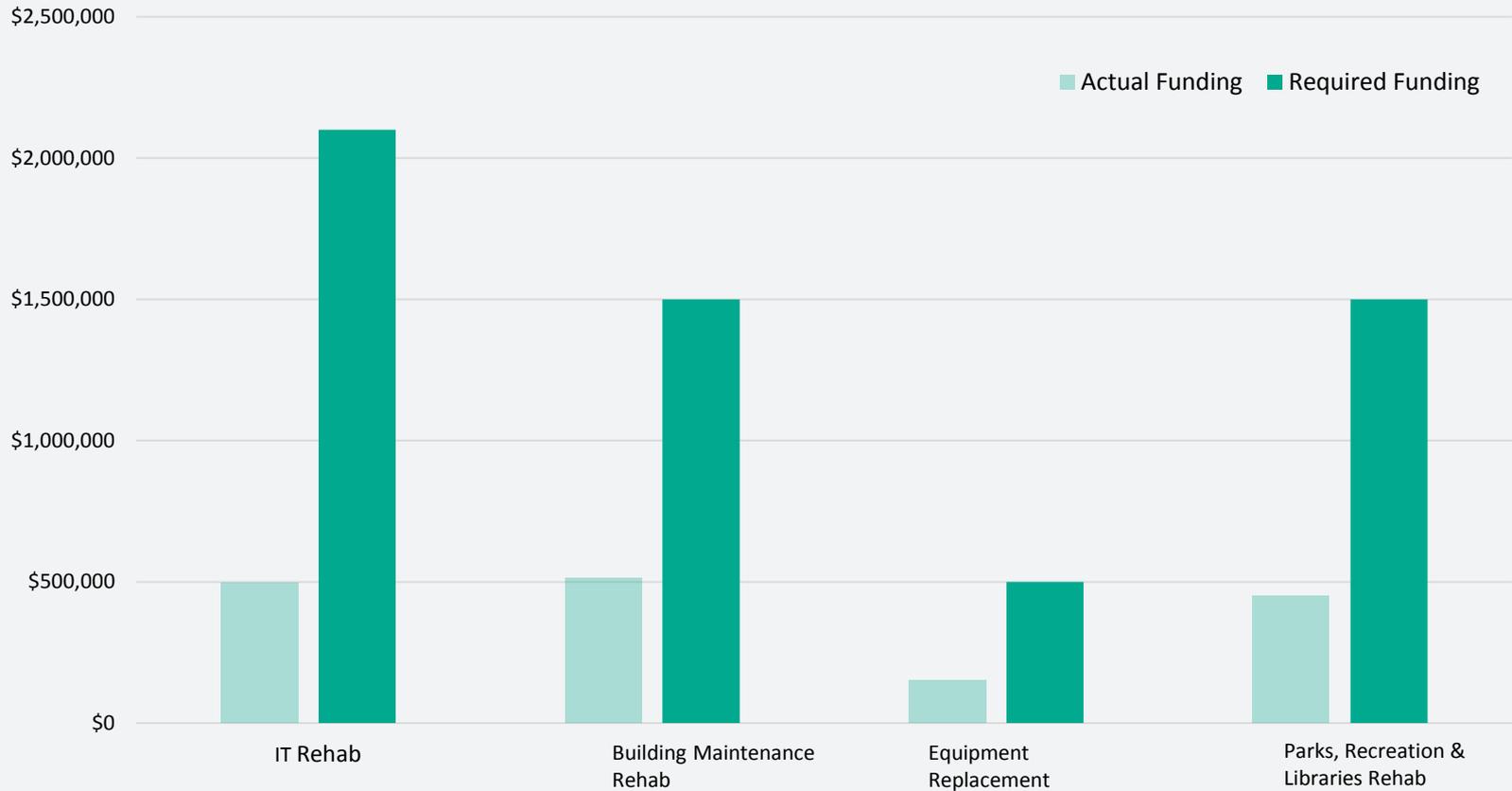
OPEB Funding

10 year OPEB Funding Status - General Fund
(assumes no funding increases after FY18)

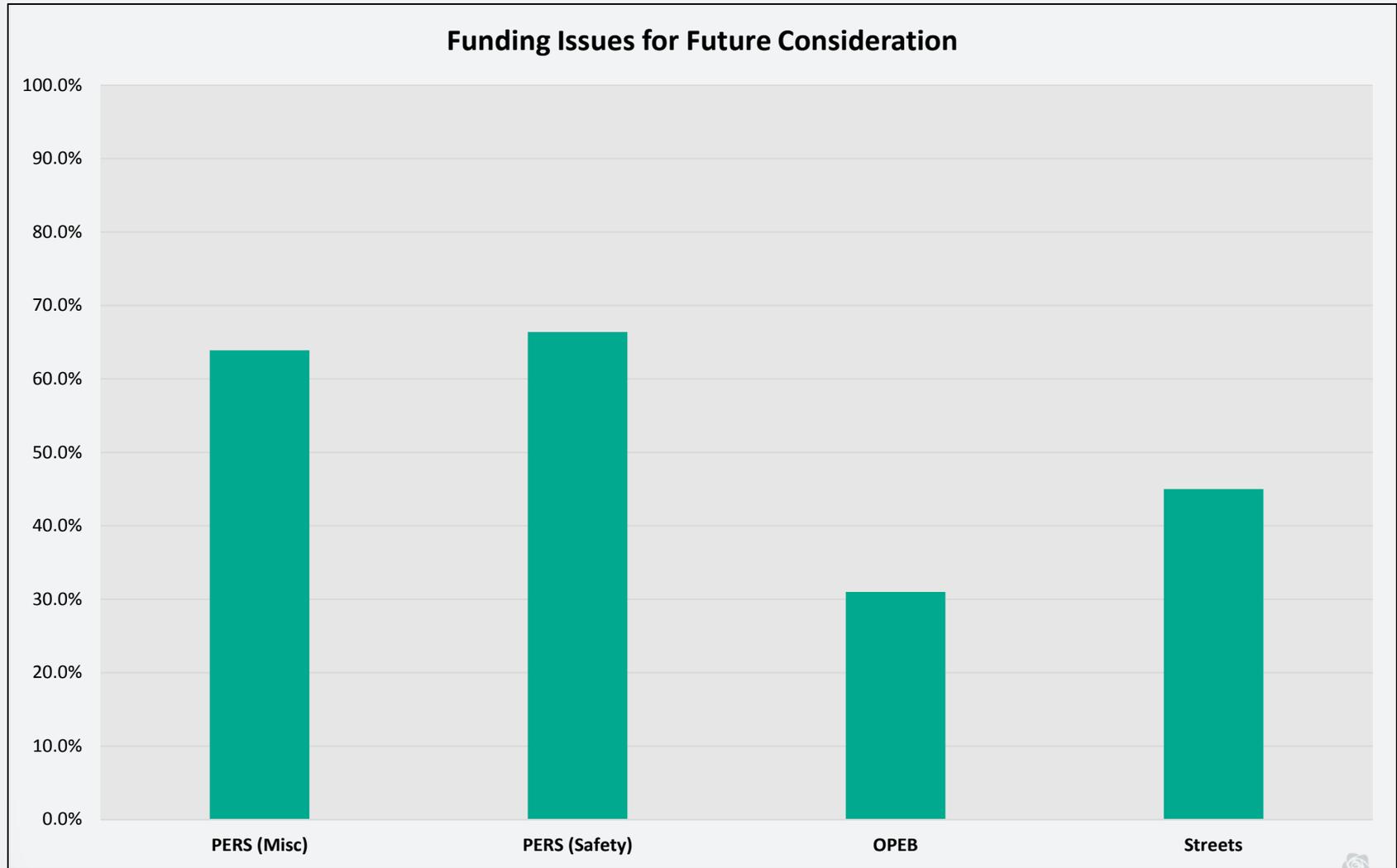


CIP Rehab Service Funds

**Actual vs Required Funding
FY2017-18 General Fund
Funding Levels for CIP Rehab**



Other Future Budget Challenges



General Fund Budget Findings

- 1. Balanced budget for FY17-18**
 - *Required \$2.0 million in service level reductions.*
- 2. Expenses growing faster than revenues**
 - *Absent revenue growth, service level reductions will be required next FY*
- 3. Significantly underfunding rehabilitation funds**
 - *Funding at 30 percent level*
- 4. Overall we are underfunding long term obligations by \$14 million annually.**
 - *Fiscally unsustainable with current service levels*
- 5. Shifting legislative and regulatory environment adds unfunded mandates, cost to City**

Actions Taken to Address Budget Issues

1. Live within our means. Match expenses to revenues.
2. Established Policies to fund obligations first.
3. Partnered with labor groups to reduce long term pension costs and other post retirement benefits.
4. Moved labor costs to median in market.
5. Performed performance audits of all departments to maximize efficiencies.
6. Contracted out for services where cost savings would be realized.
7. Engaged in State and Federal legislation to protect our interests.

Next Steps – Engage Roseville

- Council direction to initiate community process to evaluate General Fund operations and revenues
- Balance fiscal stability, long-term obligations, and valued services
- Gather feedback about quality of life services important to the broader community
- Inform residents about City's fiscal situation, including revenue, expenses & challenges
- Highlight tradeoffs associated with allocating limited resources
- Align resources with community's priorities
- Support continued transparency of decision-making process
- Extensive community participation essential
- Inform Council about the type of community residents want and services they value

Questions?



Fiscal Year 2017-18 Financial Summary

Budget Hearings
June 6, 2017

Tonight's agenda

- Citywide budget
- Impact of new Internal Service Funds
- Staffing levels
- General Fund budget
- 5-year General Fund forecast
- Department overviews
- Enterprise funds

There will be a break for questions between each section

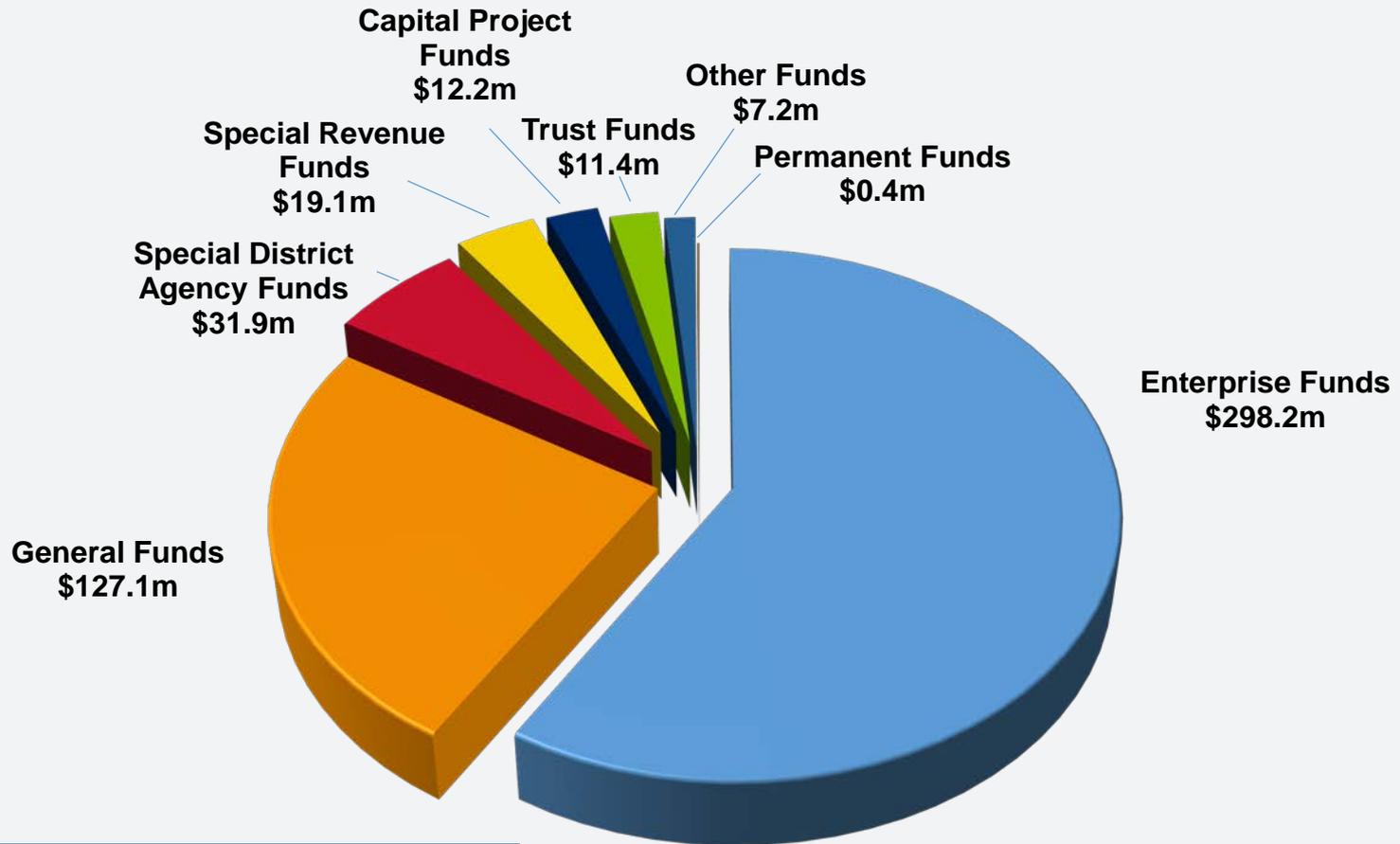
Citywide Budget

Citywide Budget: Revenue

FY2018 Citywide Revenue *(\$ millions)*

Fund type	Budget FY2016	Budget FY2017	Proposed FY2018
General Fund operating	\$135.3	\$140.4	\$138.1
General Fund non-operating	\$5.5	\$7.1	\$8.5
Less transfers in	- <u>\$25.8</u>	- <u>\$27.3</u>	- <u>\$20.7</u>
General Fund net	\$115.0	\$120.2	\$125.9
Enterprise funds	\$260.7	\$287.9	\$298.2
Special revenue funds	\$33.9	\$17.0	\$19.1
Capital project funds	\$15.1	\$15.2	\$12.2
Permanent funds	\$0.2	\$0.5	\$0.4
Special district agency funds	\$34.7	\$31.2	\$31.9
Trust funds	\$12.7	\$10.9	\$11.4
Other	\$6.3	\$12.5	\$8.4
Total revenue	\$478.5	\$495.5	\$507.5

Operating and capital revenues by fund type



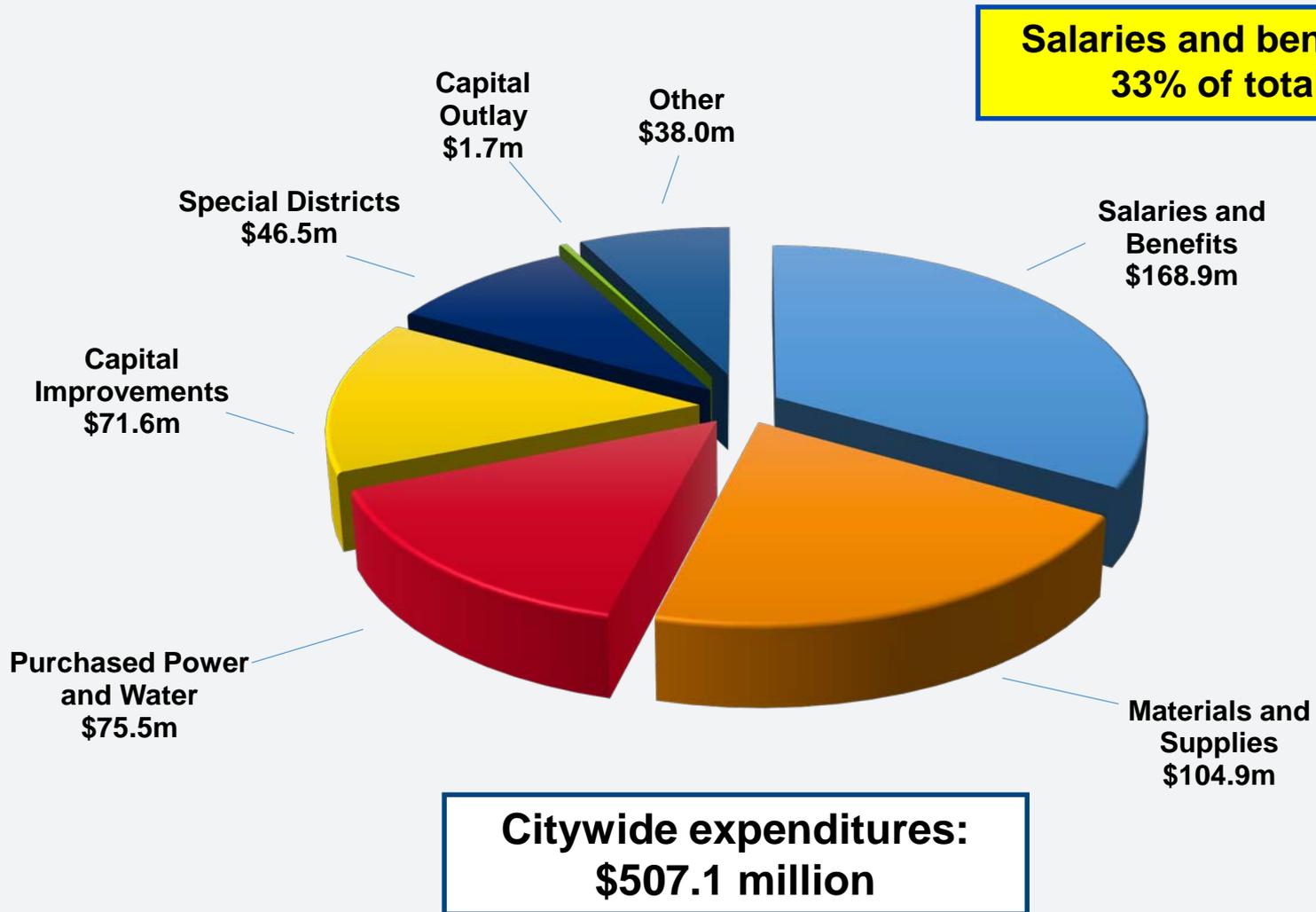
**Citywide revenue:
\$507.5 million**

Citywide Budget: Expenditures

FY2018 citywide expenditures (*\$ millions*)

Major service area	Budget FY2016	Budget FY2017	Proposed FY2018
General Fund operating	\$133.1	\$139.1	\$137.0
General Fund non-operating	\$6.8	\$8.3	\$9.6
Less transfers out	<u>-\$1.7</u>	<u>-\$2.2</u>	<u>-\$2.8</u>
General Fund net	\$138.3	\$145.2	\$143.8
Enterprise Funds	\$216.2	\$261.7	\$281.5
Special Revenue Funds	\$32.2	\$15.8	\$14.4
Capital Project Funds	\$32.8	\$27.9	\$25.0
Permanent Funds	\$0.2	\$0.4	\$0
Special District Agency Funds	\$32.8	\$31.8	\$31.7
Trust Funds	\$8.5	\$9.0	\$8.9
Other	\$0.7	\$1.9	\$1.7
Total expenditures	\$461.7	\$493.8	\$507.1

Citywide expenditures by resource category



Additional Budget Add-Ons

- Add \$250k in appropriations for Litigation Reserve Fund
 - Funds are available the Litigation Reserve Fund, however were not included in the Budget document
- Add \$400k appropriations for Citizen's Benefit Trust
 - Funds are available the Citizens Benefit Trust fund, however were not included in the Budget document
- Both will be included in the final Adopted Budget that will be distributed in July

New Internal Service Funds (ISFs)

New Internal Service Funds (ISFs)

- During FY2016-17 staff created ISFs for:
 - IT department
 - Building maintenance and facilities divisions
- Purpose was to:
 - Identify the actual costs of delivering the services
 - Allocate those costs to the departments
- Used the same model as the Automotive Replacement and Services Funds

New Internal Service Funds (ISFs)

- The IT and building maintenance functions no longer appear as separate “departments” in the General Fund budget
 - They now appear as expenses in the departments, funds, and projects that the functions support
 - Resulted in significant one-time variations in the appearance of the budget document
 - Operating revenue down \$5.1 million (3.7%)

New Internal Service Funds (ISFs)

- Transferred responsibility for identifying funding for the services to the users of the services
- All users of the IT and building maintenance functions had their portion of the expenses moved into their operating budget

New Internal Service Funds (ISFs)

- Resulting changes to the General Fund Budget from the prior year:
 - IT: **\$7.8M to \$0M**
 - Central Services: **\$5.1M to \$2.4M** Building maintenance was originally budgeted as part of Central Services

Staffing Levels

FY2018 citywide staffing

Regular staffing levels	Year End FY2016	Year End FY2017	Proposed FY2018
General Fund	694.0	699.9	608.6
Other Funds (Non-General Fund)	442.4	448.8	538.9
	1,36.4	1,148.7	1,147.5

Net loss of 1.25 positions citywide for FY2018

General Fund Staffing

Net decrease of 91.25 positions:

- **+2.25** new positions added to GF
 - **+1** Park Development Analyst
 - **+1** Park & Recreation Manager
 - **+0.25** Senior Engineer
- **-93.5** positions removed/transferred from GF
 - **-55.75**: IT and Building Maintenance/Janitorial positions moved out of GF into ISFs
 - **-30.25**: Utility Billing moved out of GF into Electric and EU
 - **-7.5**: removed positions
 - some to offset funding of new position
 - majority removed to defund vacant positions

Non-General Fund staffing

Net increase of 90 positions:

- **+6** new positions
 - **+1** Finance Tech
 - **+1** Finance Clerk
 - **+1** Sr. Transportation Tech
 - **+1** Child Care Site Coordinator
 - **+1** Power Plant Operator
 - **+1** Streets Maintenance Worker
- **+55.75**: moved to ISFs from GF (IT and Building Maintenance/Janitorial positions)
- **+30.25**: Utility Billing moved from GF to Electric and EU
- **-2** positions: used to offset funding of new position

General Fund

General Fund Highlights

- New ISF and related accounting changes
- Utility Billing function moved to utilities
- As a result:
 - Operating revenue down \$5.1 million (3.7%)
 - Operating expenses down \$4.1 million (2.9%)
 - No city wide impact, simply an accounting change

General Fund: Revenue

General Fund Revenue Highlights

- **Two Largest Sources of Revenue:**
 - **Property tax**: increase of \$1.7 million (4.2%)
 - **Sales tax**: increase of \$1.6 million (3.1%)

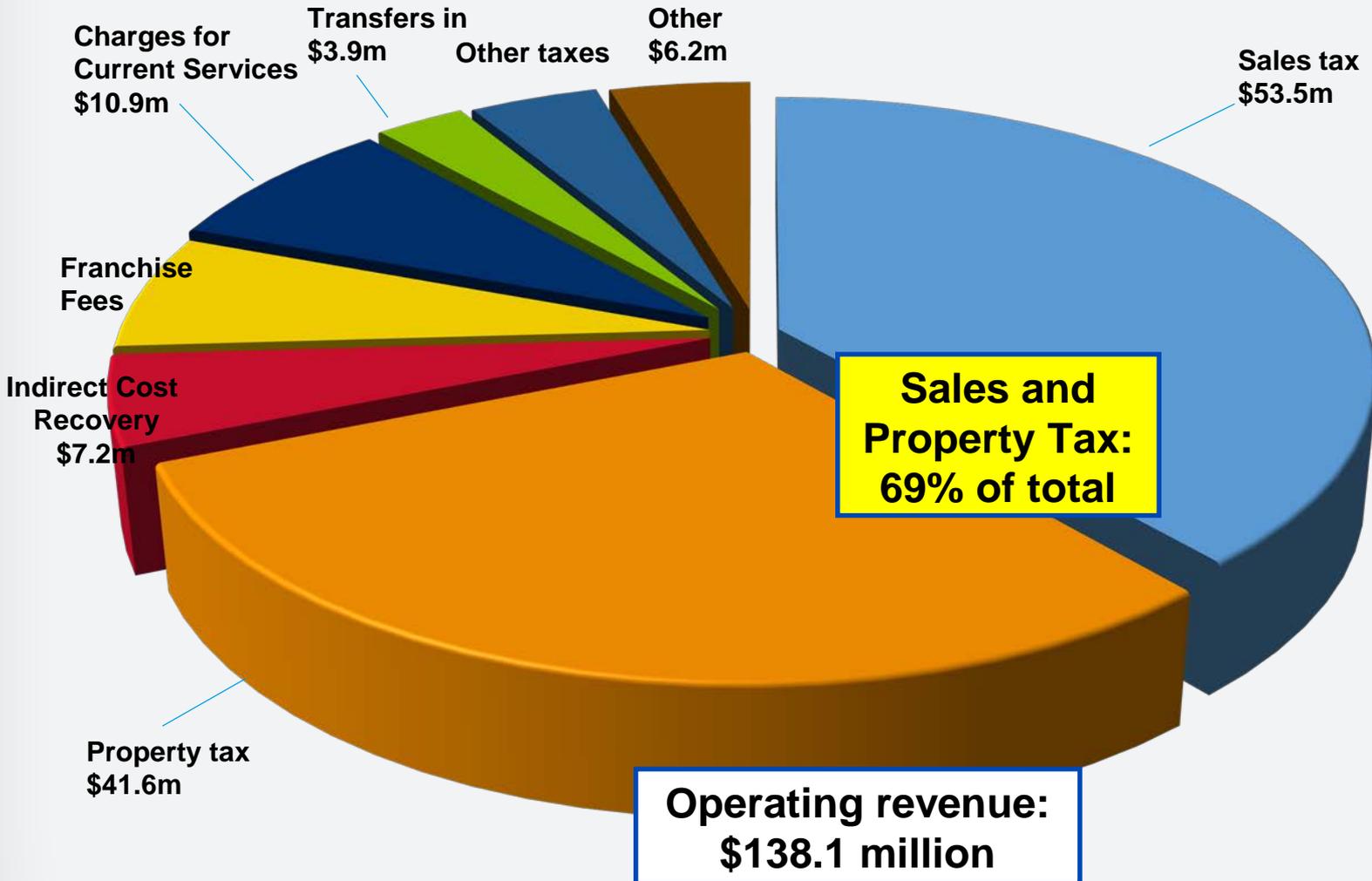
- **Indirect costs**: decrease of \$6.2 million (46%) due to accounting method of new ISFs and Utility Billing now a direct charge to the Utility instead of a cost reimbursement

FY2018 General Fund Revenue

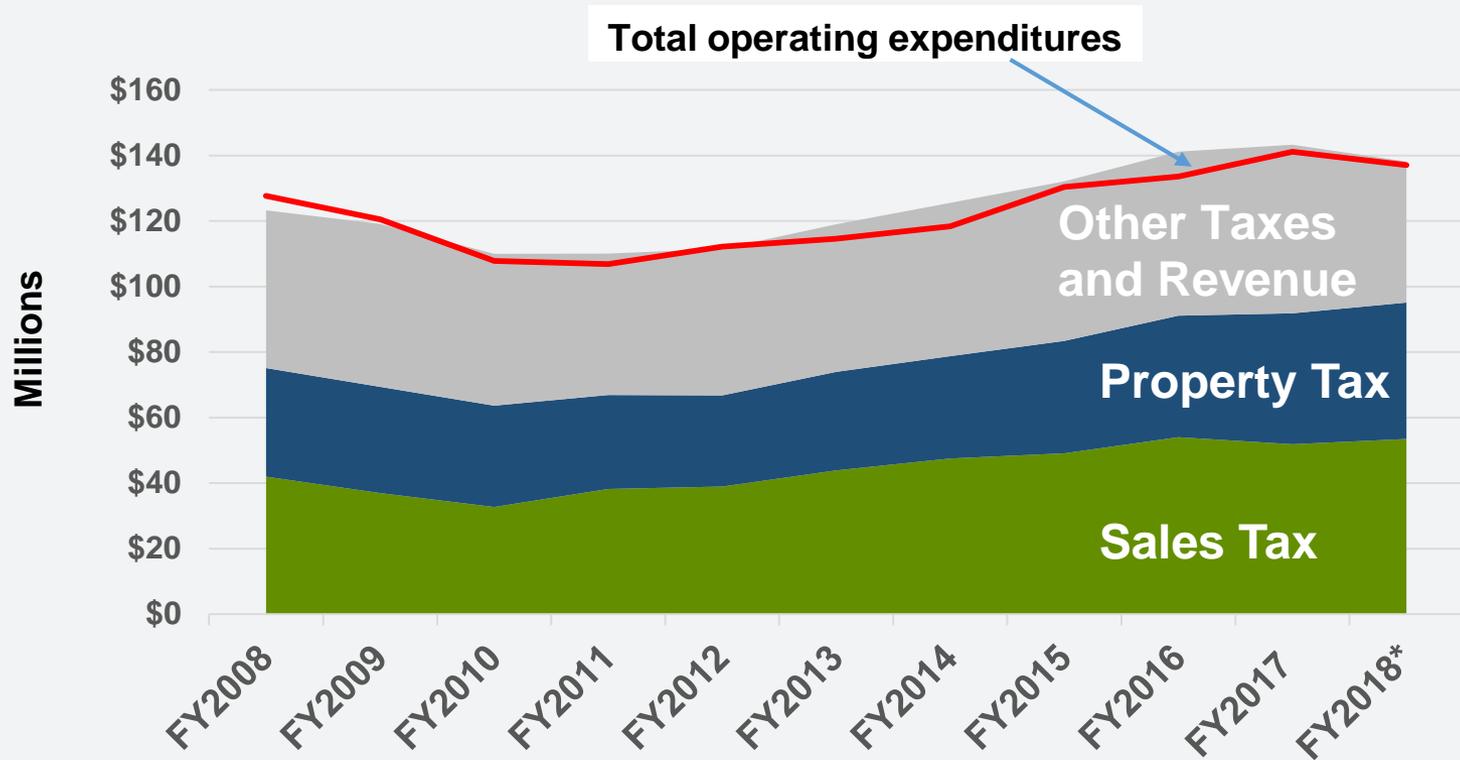
General Fund Revenue Source	% of Total
Sales tax	38.7
Property tax	30.1
Indirect cost recovery	5.2
Charges for current services	7.9
Franchise fees	6.6
Other revenue	4.5
Other taxes	4.1
Transfers in	2.9
Total	100.0%

Over 100 Revenue Line Items

FY2018 General Fund Revenue

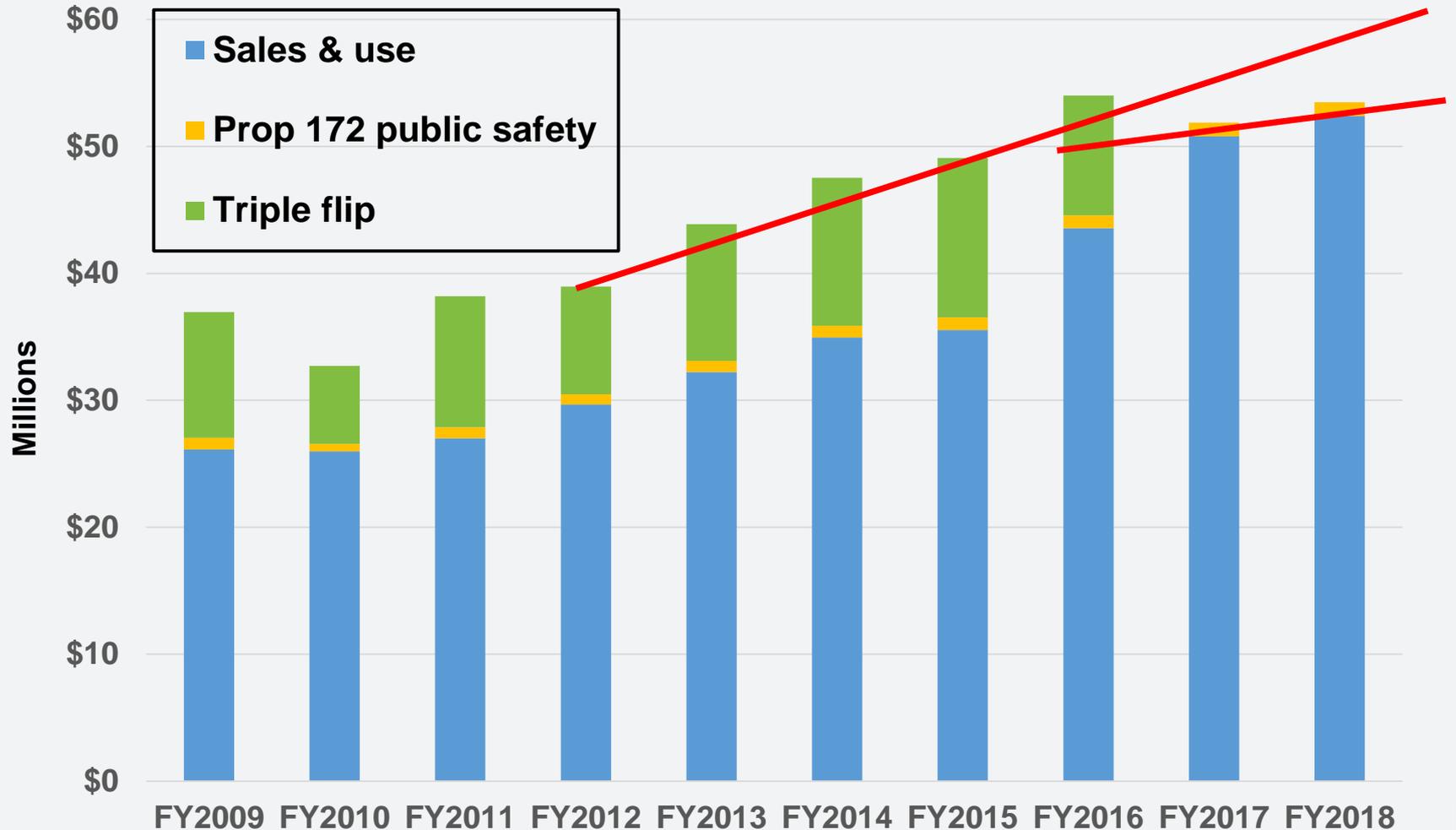


General Fund operations



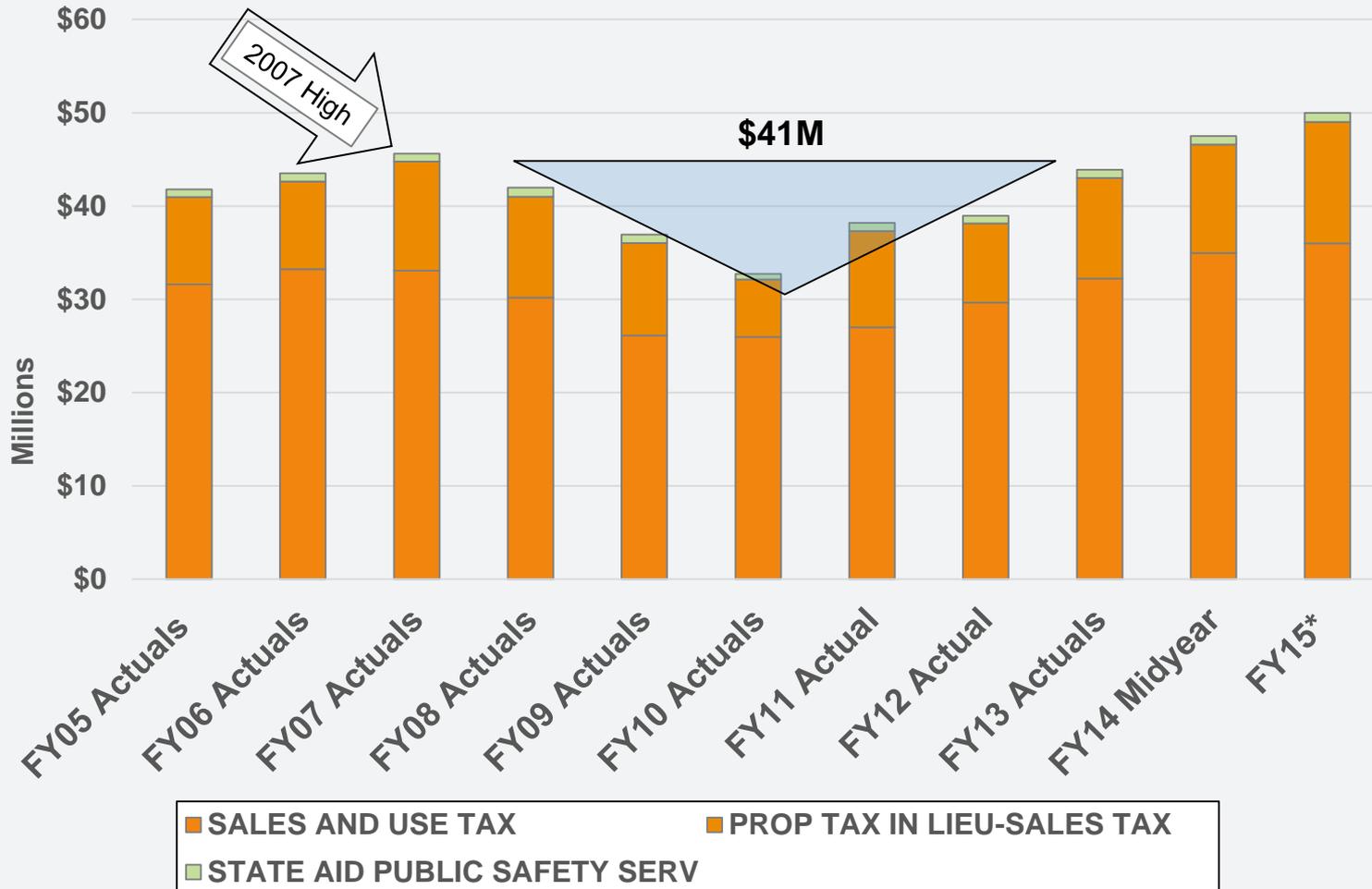
*Proposed budget

Slowdown in Sales Tax Growth



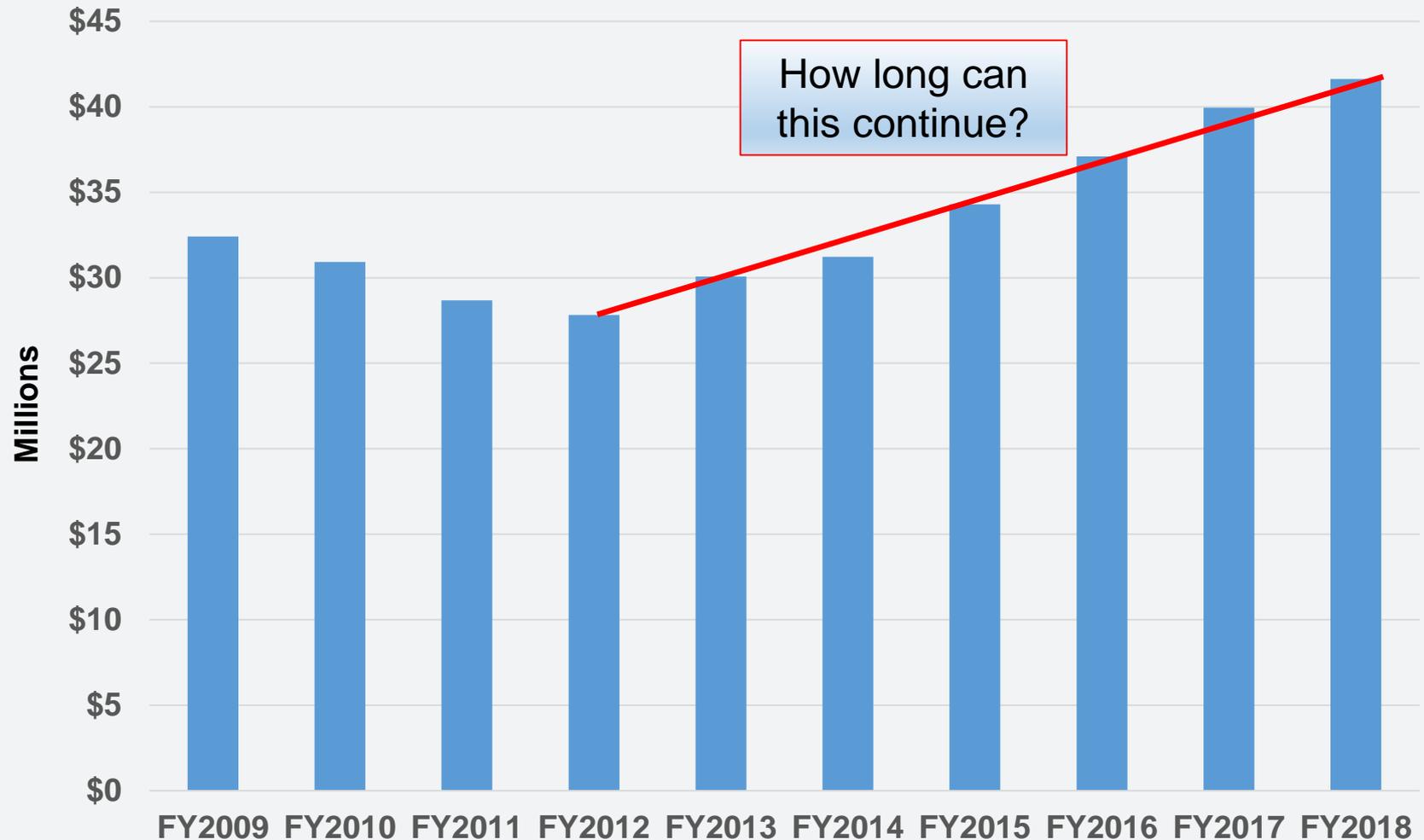
Historical Sales Tax Revenues

Prepared 9-21-2014



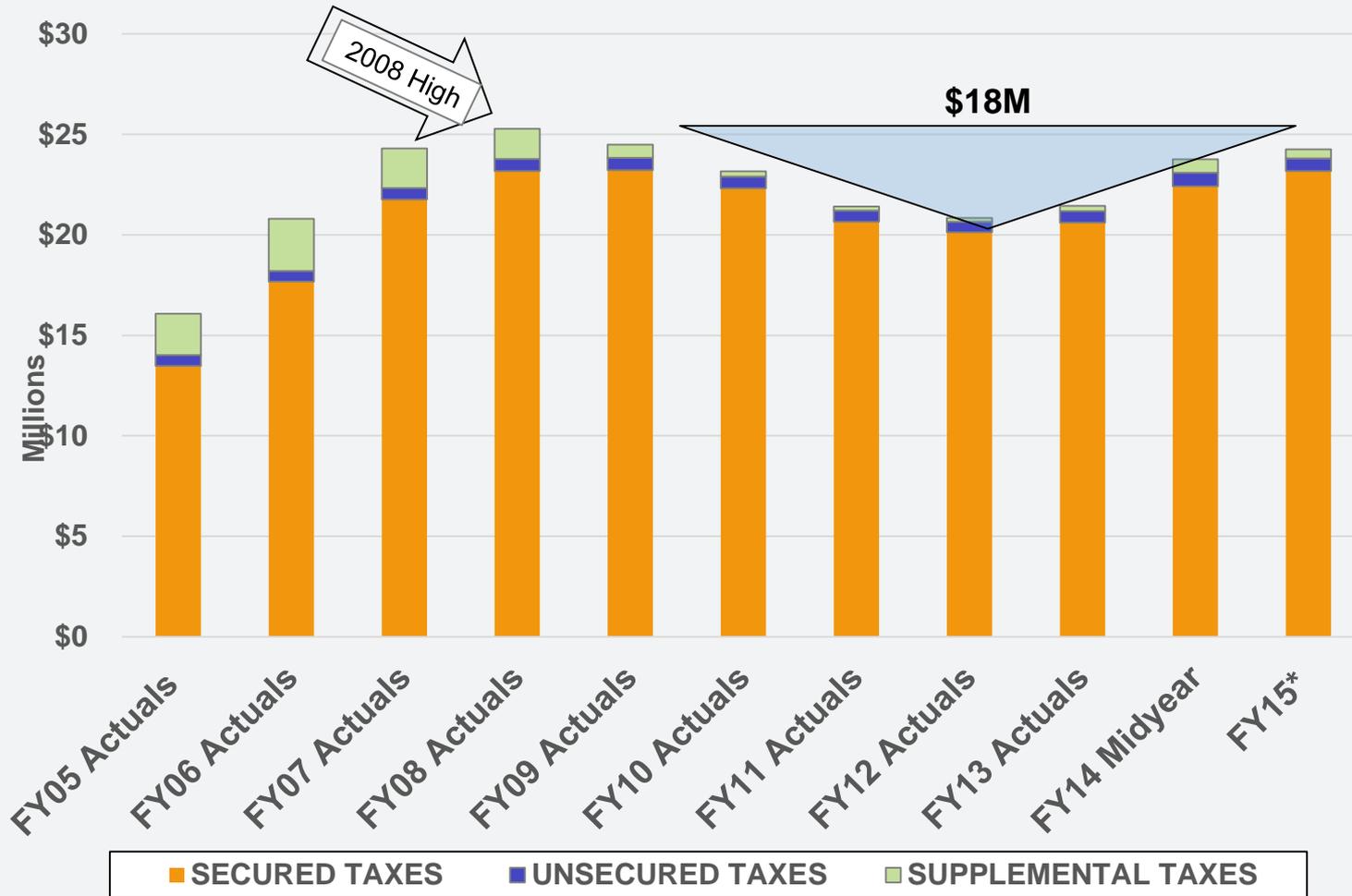
*Adopted Budget

Continued Property Tax Growth



Historical Property Tax Revenues

Prepared 9-21-2014

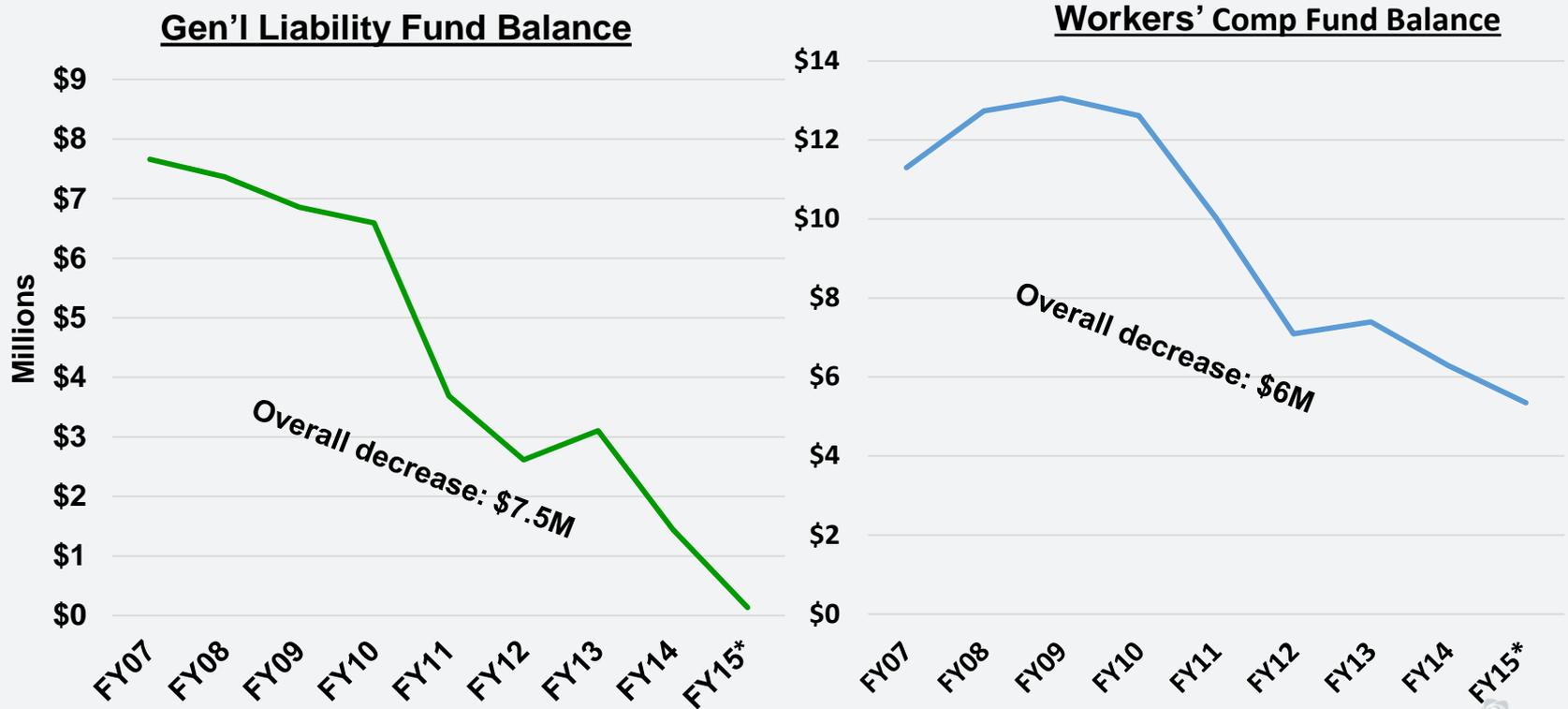


* Adopted Budget

** Estimates based on forecast provided by Muni Services (June 2014)

How Was the Shortfall Paid For? One Example: Funding Holidays to the Internal Service Funds

Prepared 9-21-2014



*Adopted Budget

Roseville Receives Small Portion of Sales Tax

- 7.25% sales tax rate in Roseville
 - The state minimum
- Roseville receives 1¢ of the 7.25¢ paid per dollar spent
 - Majority goes to State and County
- Approximate annual taxable sales in Roseville: \$5.4 billion
- Sales tax generated: \$392 million
- Roseville receives: \$54 million

\$240 Typical Household Sales Tax to Roseville

Roseville average household spending

- About \$80,000 annual household income
- About 30% of income spent on taxable items
- About \$24,000 spent on taxable items
- This generates \$1,740 in sales tax
- Roseville receives \$240

Roseville Receives Small Portion of Sales Tax

Galleria at Roseville

- Generates about \$500 million in sales
- Equates to \$36 million in sales tax
- Roseville receives \$5 million of this amount
- \$5 million is **3.5%** of General Fund revenue

Roseville Receives Small Portion of Property Tax

- California approximate property tax rate: 1%
- Roseville receives 15% of the 1% paid

- Approximate value of all property in Roseville: \$27.7 billion
- Property tax receipts generated: \$277 million
- Roseville receives: \$42 million

\$615 Typical Household Property Tax to Roseville

- Assume an average house value in Roseville is valued at \$410,000
- This generates \$4,100 in property tax
- Roseville receives \$615

\$855 Typical Household Taxes to Roseville

The combined tax receipts received by the City of Roseville by a typical residence:

Sales Tax: \$240

Property Tax: \$615

Total Tax \$855

\$1,012 Shortage of Household Taxes to Cover Cost of Services

Assumptions:

\$100 million sales tax and property tax received by Roseville

136,000 residents

2.54 residents per household

Cost of city services funded by taxes: \$1,867

Tax income received: \$855

Shortage in funding costs of services \$1,012

How is the Shortfall Funded?

- Roseville is a net importer of sales tax
- This results in significant sales tax is generated from non-Roseville residents

General Fund: Expenditures

General Fund Expense Highlights

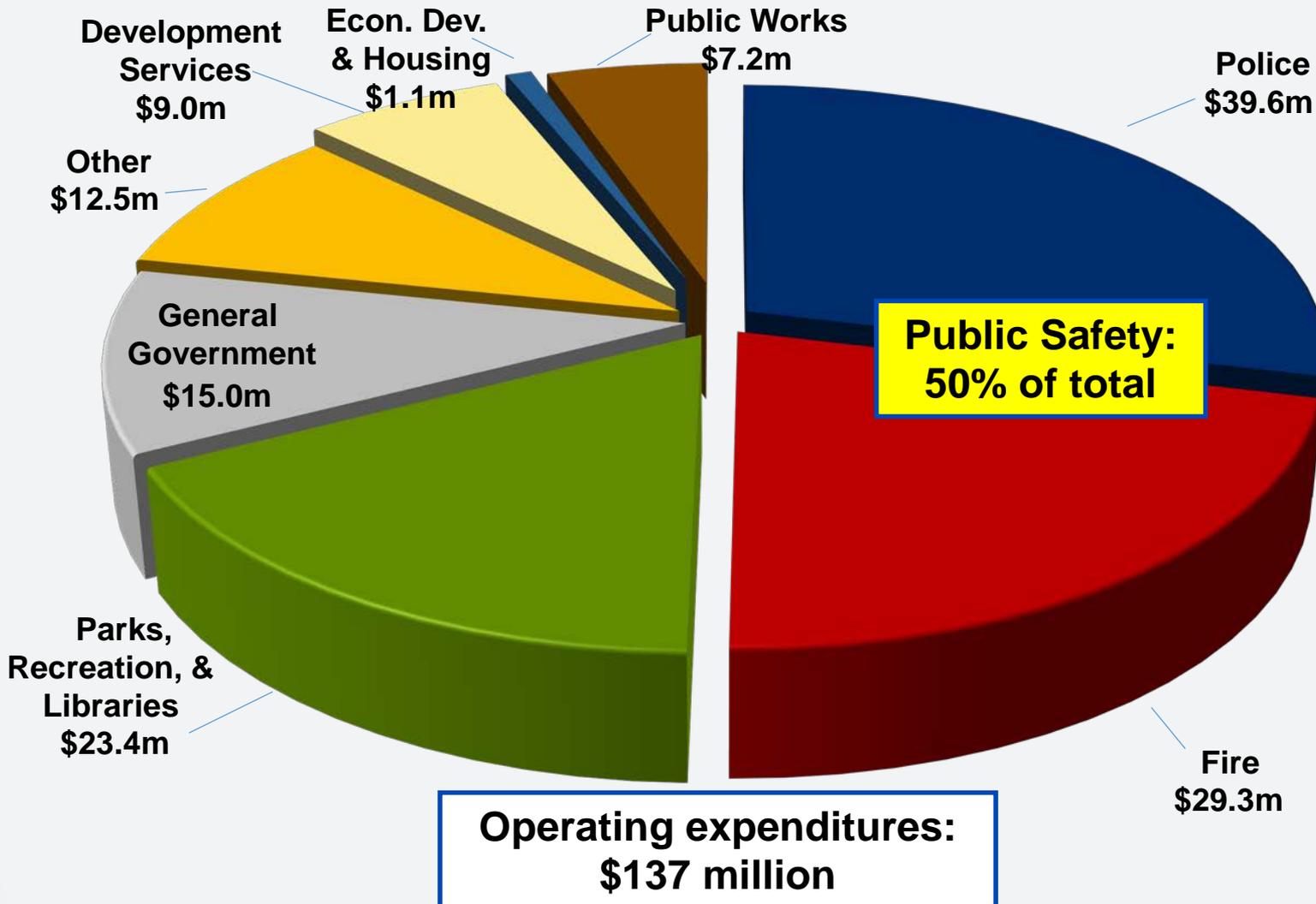
- General Fund contingency continued: \$1.2 million set aside as funding resource for unforeseen needs
- Some vacant positions de-funded
- Salary vacancy factor continued: 4% of salary and benefits removed from budgets

Budget balanced with service level impacts

FY2018 General Fund Expenditures

General Fund Expenditure by Service Area	% of Total
Police	28.9
Fire	21.4
Parks, Recreation, & Library	17.1
General Government	10.9
Other	9.1
Development Services	6.5
Public Works	5.3
Economic Development & Housing	0.8
Total	100.0%

FY2018 General Fund Expenditures*



*Rounded to nearest hundred thousand dollars

Identification of 'Actual' City Council General Fund Discretionary Spending

Council discretionary spending

- Some revenue received by the General Fund is reimbursement for services provided and is not discretionary. Examples:
 - User Fees (\$13.4M)
 - Electric Franchise Fees fund PD,FD & Parks (\$6.6M)
 - Reimbursement of Costs (\$7.2M)
 - Licenses and Permits (\$2.5M)
 - Grants (\$0.3M)
- Total of \$38.3M not available for discretion

Details Begin on Page A-20 in Budget Book

Council discretionary spending

- Some expenses paid by the General Fund are prior or contractual agreements that are not discretionary. Examples:
 - Annexation payments (\$5.5M)
 - OPEB (\$4.6M)
 - Stormwater management (\$0.57M)
- Total of \$11.3M not available for discretion

GF has very little discretionary spending

General Fund operating budget	\$137.0
Less revenue offsets	- \$38.5
Less non-discretionary expenses with offsets	- \$11.0
General Fund discretionary spending	\$87.5
Less Police & Fire expenditures	- \$57.4
Remaining funding to operate the City	\$30.1

Council Discretionary Spending (\$ millions)

Major service area	Proposed FY2018
Total City Wide Budget	\$507.1
Less Enterprise Funds	\$281.5
Less Special Revenue Funds	\$14.4
Less Capital Project Funds	\$25.0
Less Special District Agency Funds	\$31.7
Less Trust Funds	\$8.9
Less Other	\$8.6
Equals General Fund Operating Budget	\$137.0

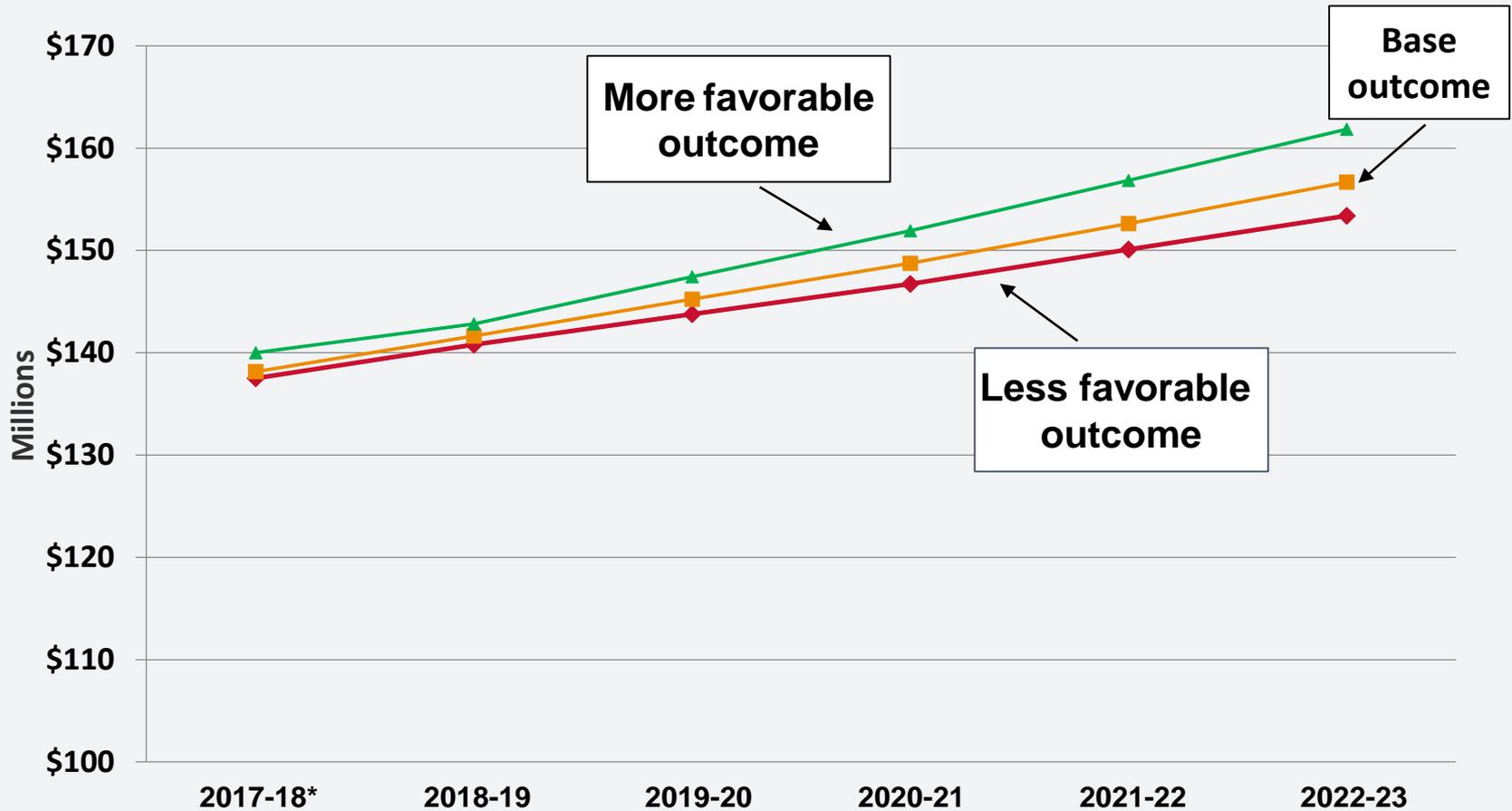
Council Discretionary Spending (\$ millions)

Resource category	Proposed 2018
Total General Fund operating expenses	\$137.0
Less revenue Offsets	\$38.5
Less non-discretionary expenses with offsets	\$11.0
Equals General Fund Discretionary Spending	\$87.5
Less Police and Fire expenditures	\$57.4
Equals Total discretionary spending	\$30.1

Questions on General Fund budget?

General Fund: 5-Year Forecast

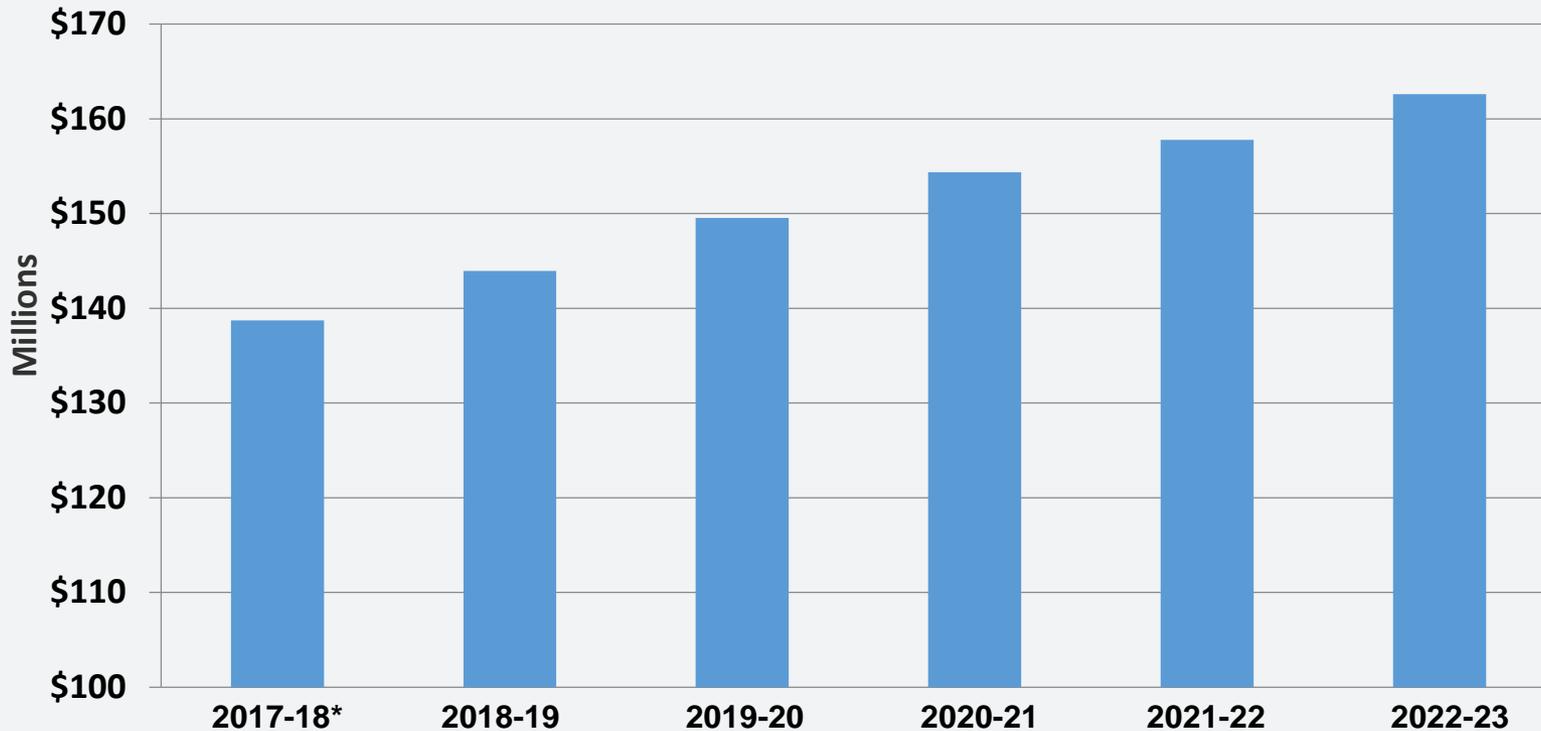
General Fund operating revenue forecast



*Proposed

General Fund operating expenditures forecast

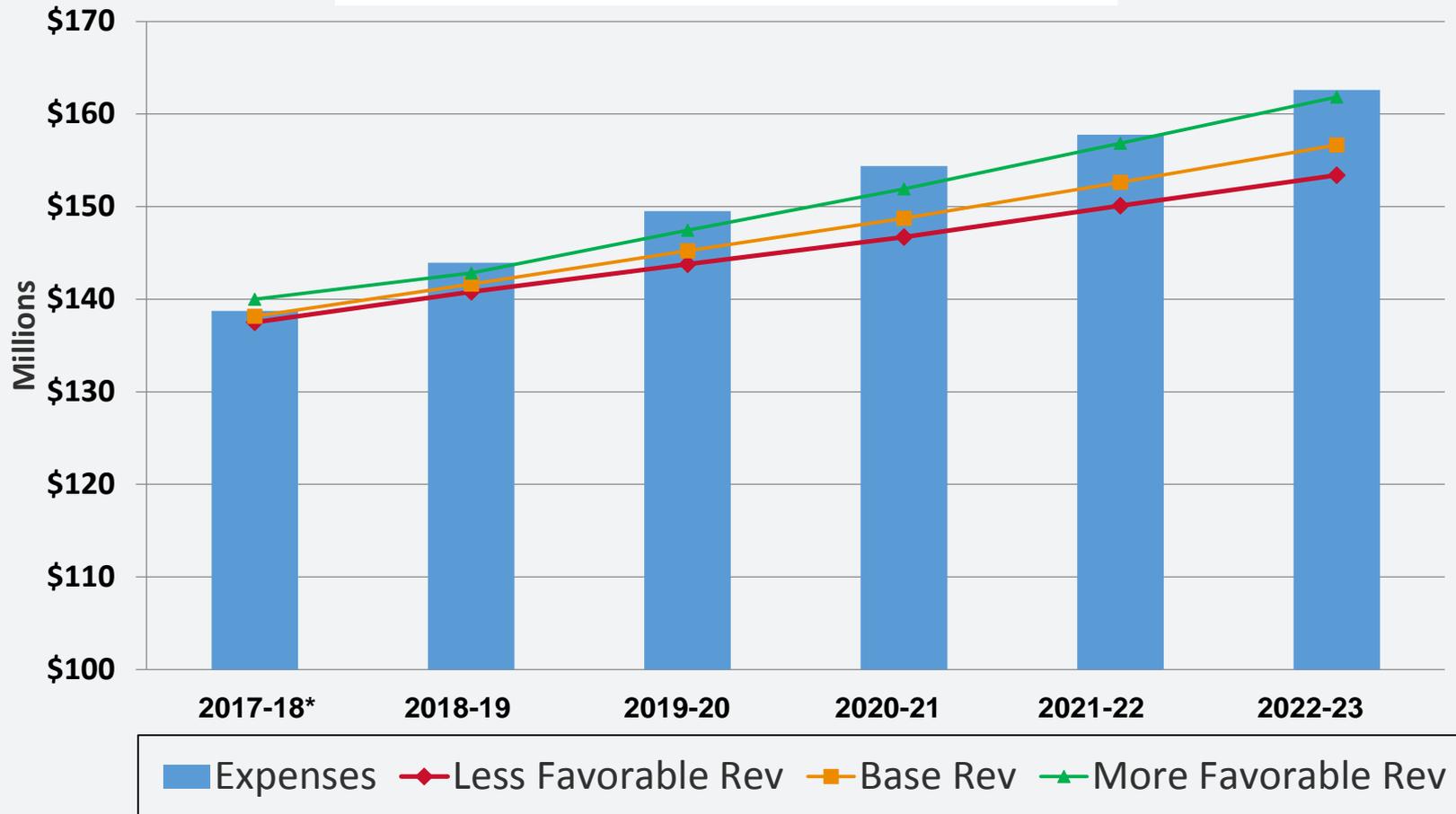
Assuming the addition of 5 FTEs per fiscal year



*Proposed

General Fund 5-year forecast

Assuming the addition of 5 FTEs per fiscal year



*Proposed

Impacts on the 5-year forecast

- Slowing sales tax in the era of internet sales (-)
- Healthy property tax (+)
- MOU agreements (+/-)
 - New wage/benefit increases(-)
 - Implementation of Salary/Benefit changes to future employees (+)
- Unfunded Liabilities
 - PERS & OPEB contributions (-)
 - CIP (-)
 - State/Federal mandates(-)
- Increasing public expectations (-)

Questions?

General Fund Support Departments

Support Departments

- City Council
- City Manager
- City Clerk
- City Attorney
- Finance
- IT
- Human Resources
- Central Services
 - Building Maintenance
 - Fleet Maintenance
- Public Affairs & Communications

Department	FY2016-17 Adopted Budget (\$ thousands)	FY2017-18 Proposed Budget (\$ thousands)	Variance (\$ thousands)
City Council	\$448.1	\$458.7	\$10.6
City Manager	\$1,124.9	\$1,077.6	(\$47.3)
City Clerk	\$982.7	\$1,017.5	\$34.8
City Attorney	\$1,821.7	\$1,961.9	\$140.2
Development & Operations	\$629.7	\$560.4	(\$69.3)
Economic Development	\$840.3	\$1,142.6	\$302.3
Finance	\$8,089.9	\$4,389.7	(\$3,700.2)
IT	\$7,488.3	\$0.0	(\$7,488.3)
Human Resources	\$2,206.9	\$2,284.0	\$77.1
Public Affairs & Communications	\$724.2	\$779.7	\$55.5
Central Services			
Bldg Maint/Janitorial	\$3,372.1	\$0	(\$3,372.1)
Purch/Stores, etc.	\$1,576.5	\$2,435.6	\$859.1
Total Expenditures	\$29,305.3	\$16,107.7	(\$13,197.6)

Capital Improvement Projects

Citywide Technology

Capital Improvement Projects

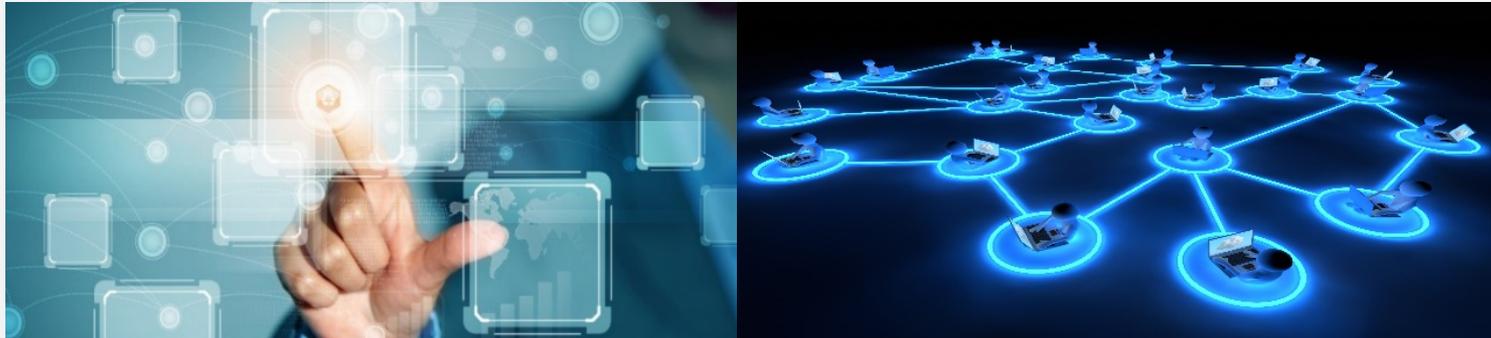
- Citywide Network Infrastructure Upgrades/ Replacement Phase II - \$775k
- East Site Radio Tower Installation - \$1.5M
- 800-megahertz Radio System Replacement - \$6.9M



Citywide Technology

Citywide Business Projects

- Financial & Human Resources Information System Replacement (ERP) - \$11.2M
- Citywide Single Sign-On (SSO) Application



Citywide Technology

Departmental Business Projects

- Transit Passenger Information Intelligence System – \$260k
- Public Safety New World Phase III – \$150k



Central Services

Facility CIP Rehab

General fund Rehab Projects	\$449,219
Electric Dept. Rehab Projects	\$171,584
Environmental Utilities Rehab Projects	\$ 14,585
Auto Service Rehab Project	\$ 20,000
Golf Course Rehab Projects	\$ 63,500
Youth Development Fund Project	\$ 613
Total	\$719,500

Questions?



Development Services

Kevin Payne

Development Services Director

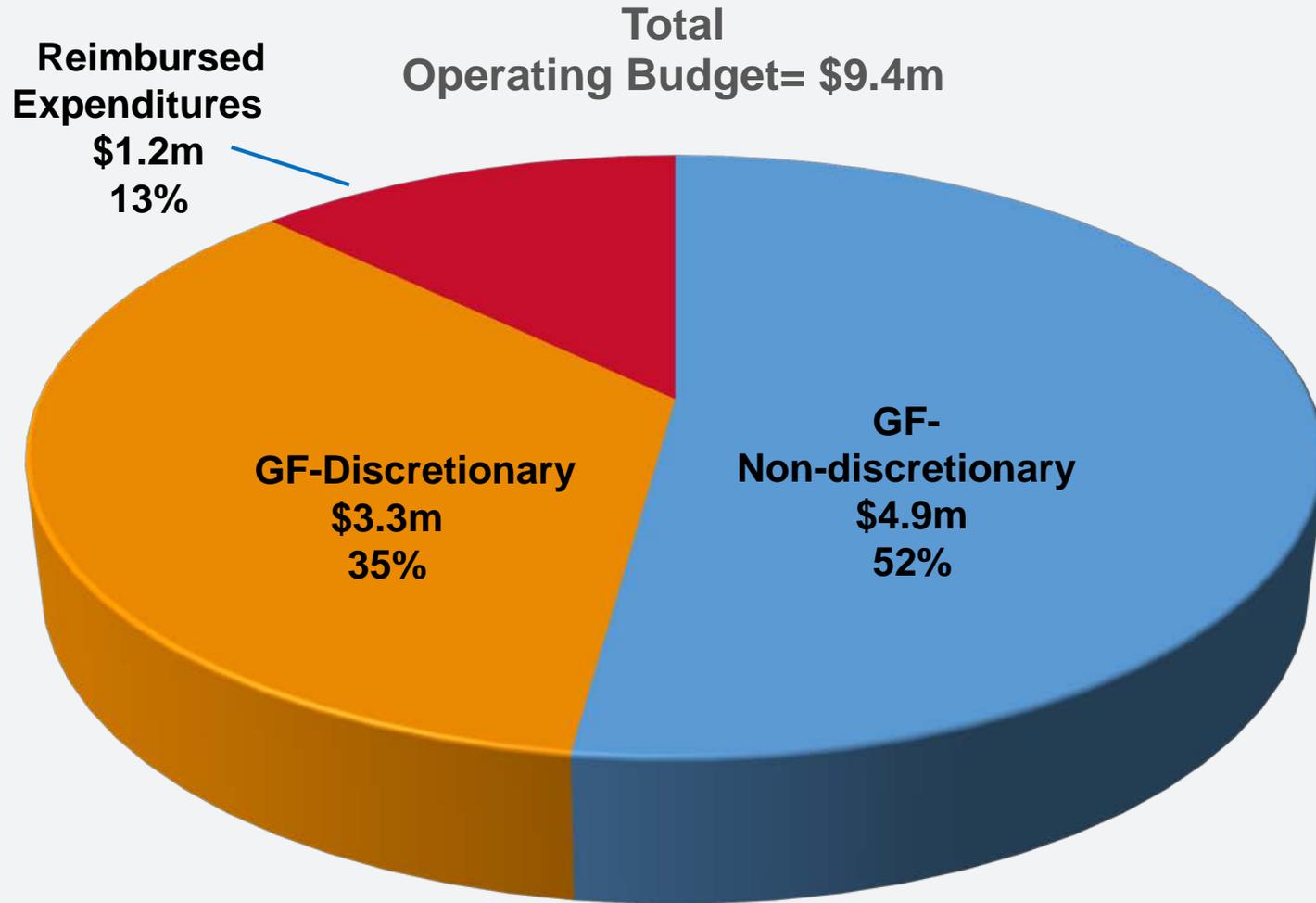
What is Development Services?

Comprised of 5 divisions

Staffed by approximately 76 employees.

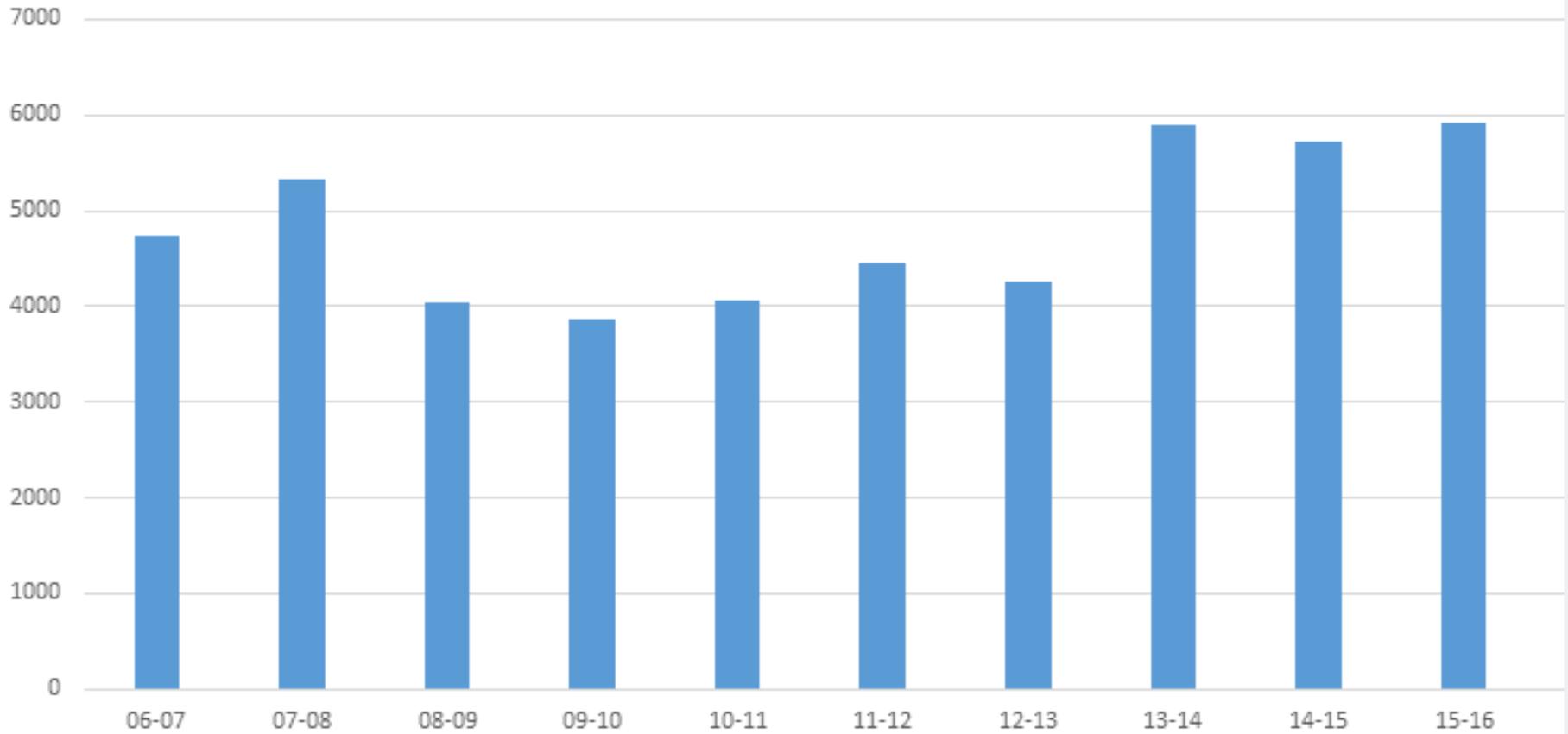
- Administration
- Building and Code Enforcement
- Business Services and the Permit Center
- Engineering Land Development
- Planning

Development Services Operating Budget



Building Permit Work Volume

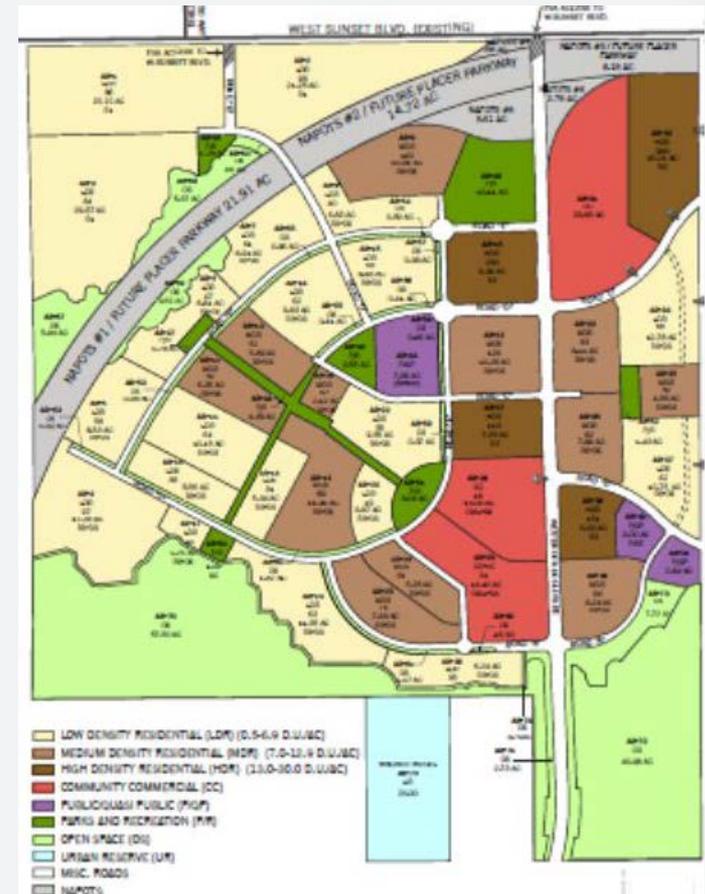
ISSUED PERMITS 2006 - 2016



Work Volume

Long Range Projects

- Amoruso Ranch tax share and annexation
- General Plan Update and Climate Action Plan
- Roadway CIP and Drainage Fee Updates
- Capital Corridor 3rd Track
- Regional Coordination



Work Volume

Major Construction Projects

- Adventist Health Office
- Sutter Hospital Expansion
- Kaiser MOB
- Pappas MOB Building
- Project One
- NCRSP Parcel 49
- Campus Oaks and Avia Apartments
- 900 single family permits



Work Volume

Downtown Projects

- Parking Structure
- Fire Station One
- Mercy Housing
- Meta Housing
- Junction Lofts
- Warwick University



What are our future challenges?

- Work volume
- New legislation
- Market conditions
- Regulatory uncertainty
- Revenue generation
- Age of housing stock



Questions?



Public Works Department

Rhon Herndon

Public Works Director

Public Works services

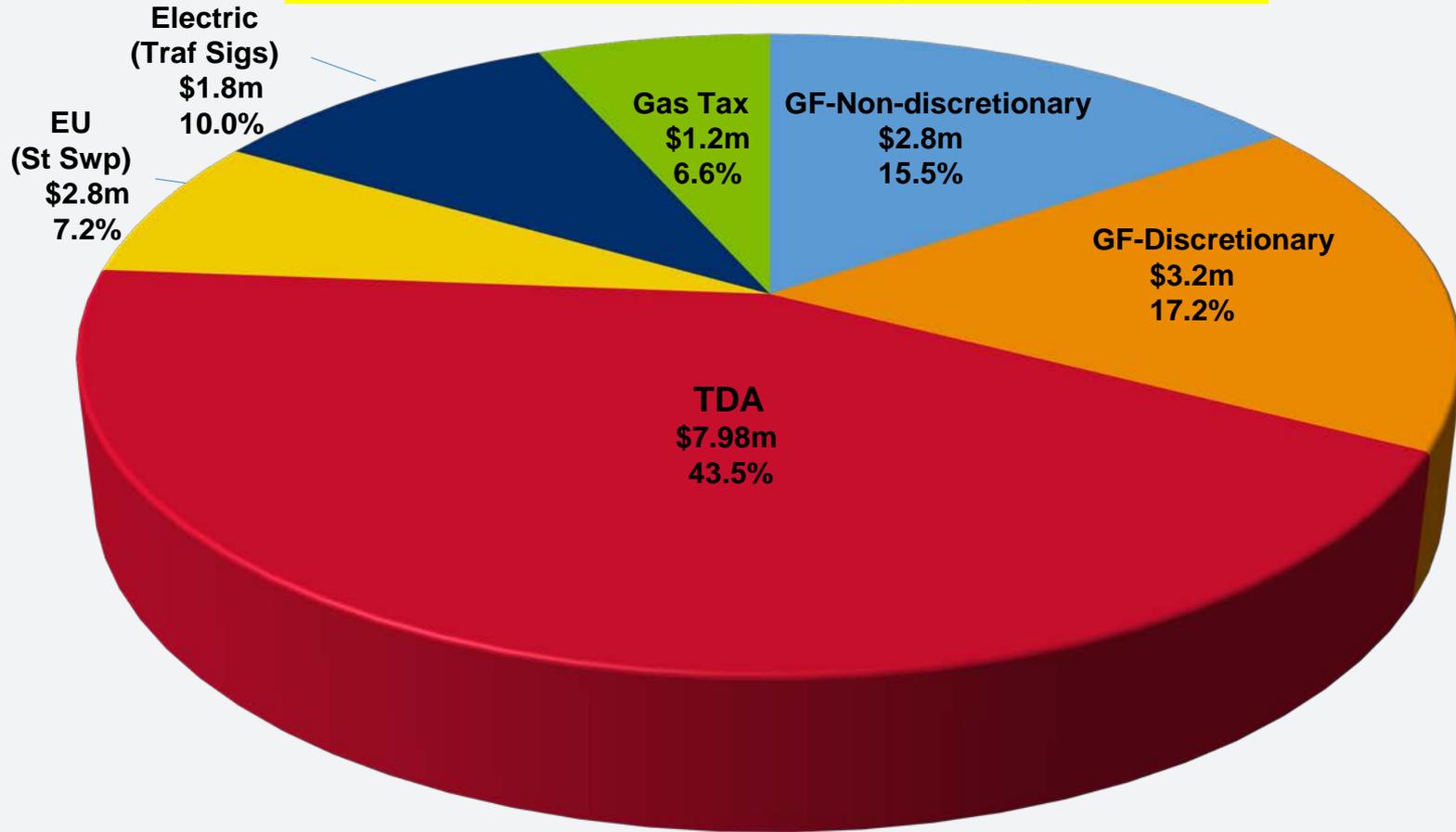
- PW Administration
- CIPs:
 - Roadways, bike trails, transit, bike/ped bridges, city buildings
- Traffic Operations
- Floodplain Management
- Roadway Maintenance
- Drainage Systems Maintenance

Public Works services

- Traffic Signs & Pavement Markings
- Traffic Signal Maintenance
- Street Sweeping
- Fall Leaf Pickup
- Roseville Transit
- TSM Program
- Safe Routes to School
- Regional Project Coordination

Public Works Operating Budget

Total Public Works Operating Budget=\$18.4m



Public Works reductions/impacts

Deletion of one Assistant Engineer position will result in longer turnaround time for hydraulic studies

Deletion of one Street Maintenance Worker position will result in reduction in number of drain inlets replaced, curb & gutter reconstructed, and storm drain outfalls cleaned

Public Works future needs/trends

Maintenance of roadway infrastructure will continue to be a challenge despite approval of Senate Bill 1

Traffic congestion on regional facilities (SR65 and I-80) will continue to worsen without additional funding for capacity improvements

Public Works CIPs

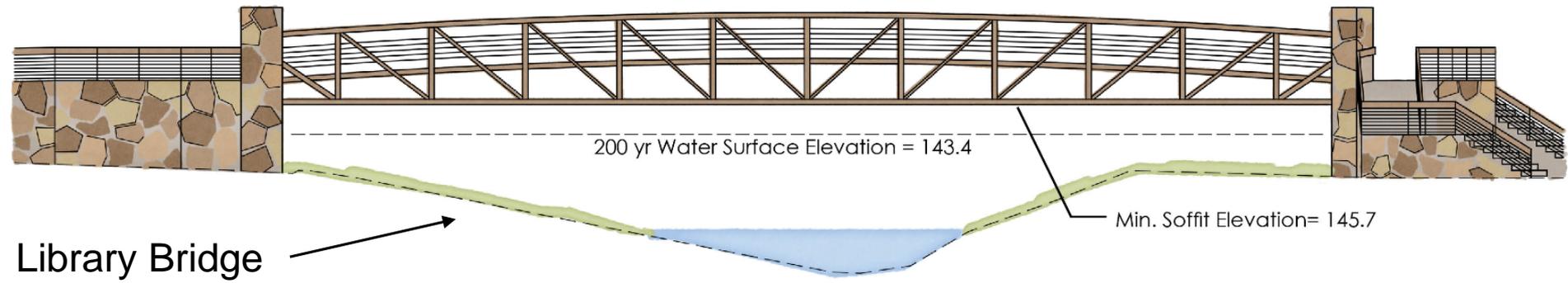
Oak Street Parking Garage	\$14.0M
Fire Station #1 Construction	\$7.0M
Downtown Bridges – Phase 1	\$3.1M
Harding/Royer Bike Trail Phase 3	\$0.4M
Louis/Orlando Transfer Point	\$3.7M
Sierra Gardens Transfer Point	\$1.7M
Woodcreek Oaks Widening	\$6.7M
Oak Ridge Bridge Replacement	\$4.0M
Roller Compacted Concrete	\$8.0M
Hillcrest/Piedmont Storm Drain	\$3.1M
2017 Pedestrian Ramp Project	\$1.8M
Roadway Resurfacing	\$5.0M
Total	\$58.5M



Public Works: Oak Street Parking Garage



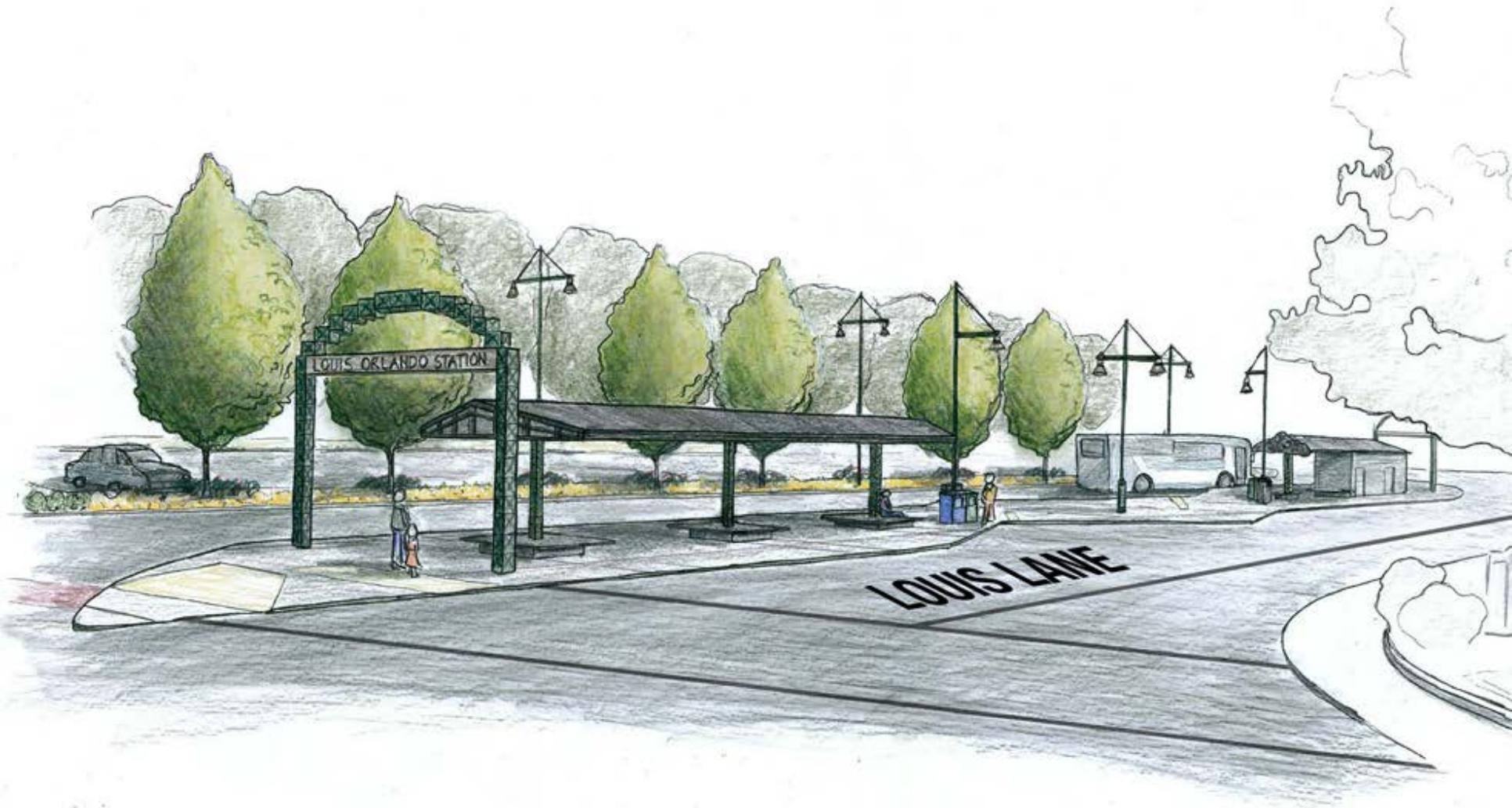
Public Works: Fire Station #1



Public Works: Downtown Bridges – Phase 1



Public Works: Harding To Royer Bike Trail – Phase 3



Public Works: Louis/Orlando Transfer Point



Public Works: Sierra Gardens Transfer Point



Public Works: Woodcreek Oaks Widening



Public Works: Oak Ridge Bridge Replacement



Public Works: Roller Compacted Concrete (RCC)



Public Works: Hillcrest & Crestmont Storm Drain Improvements



Public Works: 2017 Pedestrian Ramp Project

Questions?



Parks, Recreation & Libraries

Dion Louthan

Parks, Recreation & Libraries Director

Parks, Recreation & Libraries

Divisions

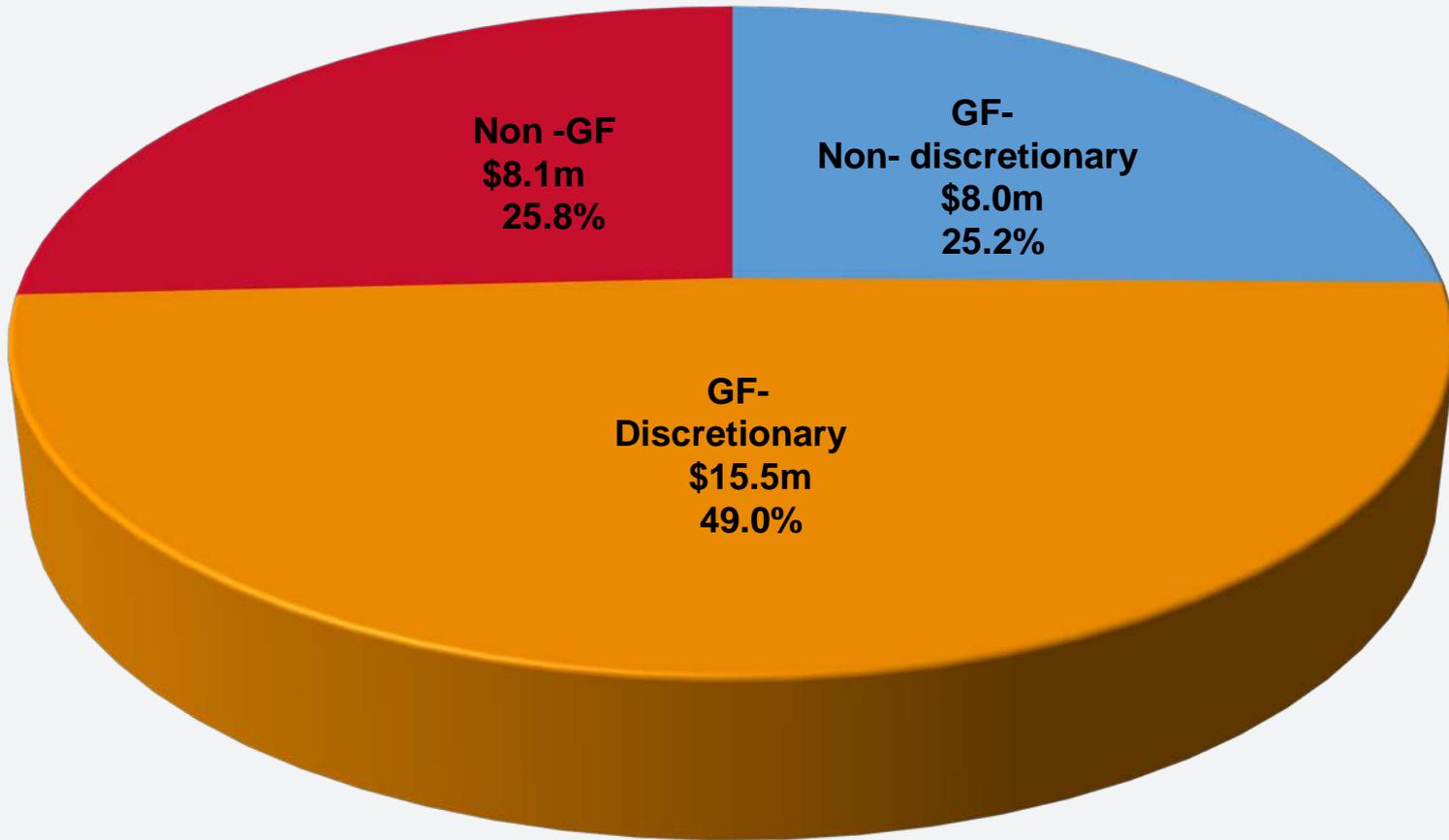
- Parks
- Recreation
- Libraries

Overview

- 73 developed parks and facilities
- 4,080 acres of open space
- 2 championship golf courses
- 18 Adventure Club programs
- Maidu Museum & Historic Site
- 3 Libraries

Parks, Recreation & Libraries Operating Budget

Total Operating Budget=\$31.6m



Reductions & Service Level Impacts

- Close Libraries and Maidu Museum on Fridays
- Contract phone customer service for Libraries
- Reduce customer service model at Riley Library
- Eliminate vacant Recreation Leader

Reductions & Service Level Impacts

- Eliminate Goat Grazing in General Fund Open Space
- Reduce non-routine tree maintenance
- Eliminate vacant Natural Resource Worker
- Eliminate July 4th fireworks for 2018
- Reduce programming – concert, VSTS programs, etc.

Capital Improvement Projects

Construction

Kennedy (Stone Point) Park	\$0.80M
EJ Fiddymment Pocket Park	\$0.75M
Stizzo School/Park	\$2.00M
Sierra Crossing School/Park	\$1.20M
Astill Park	\$0.80M
CIP Rehab Projects	\$1.39M
Total	\$6.94M

Future Trends/Needs

- Defer maintenance & CIP rehabilitation projects
- Minimum wage increases
- Management strategies for escalating contract costs
- Unfunded State/Federal mandates
- Growing department demands
- Alternative funding source depletion
- Subsidized community programs decreasing due to funding limitations

Questions?



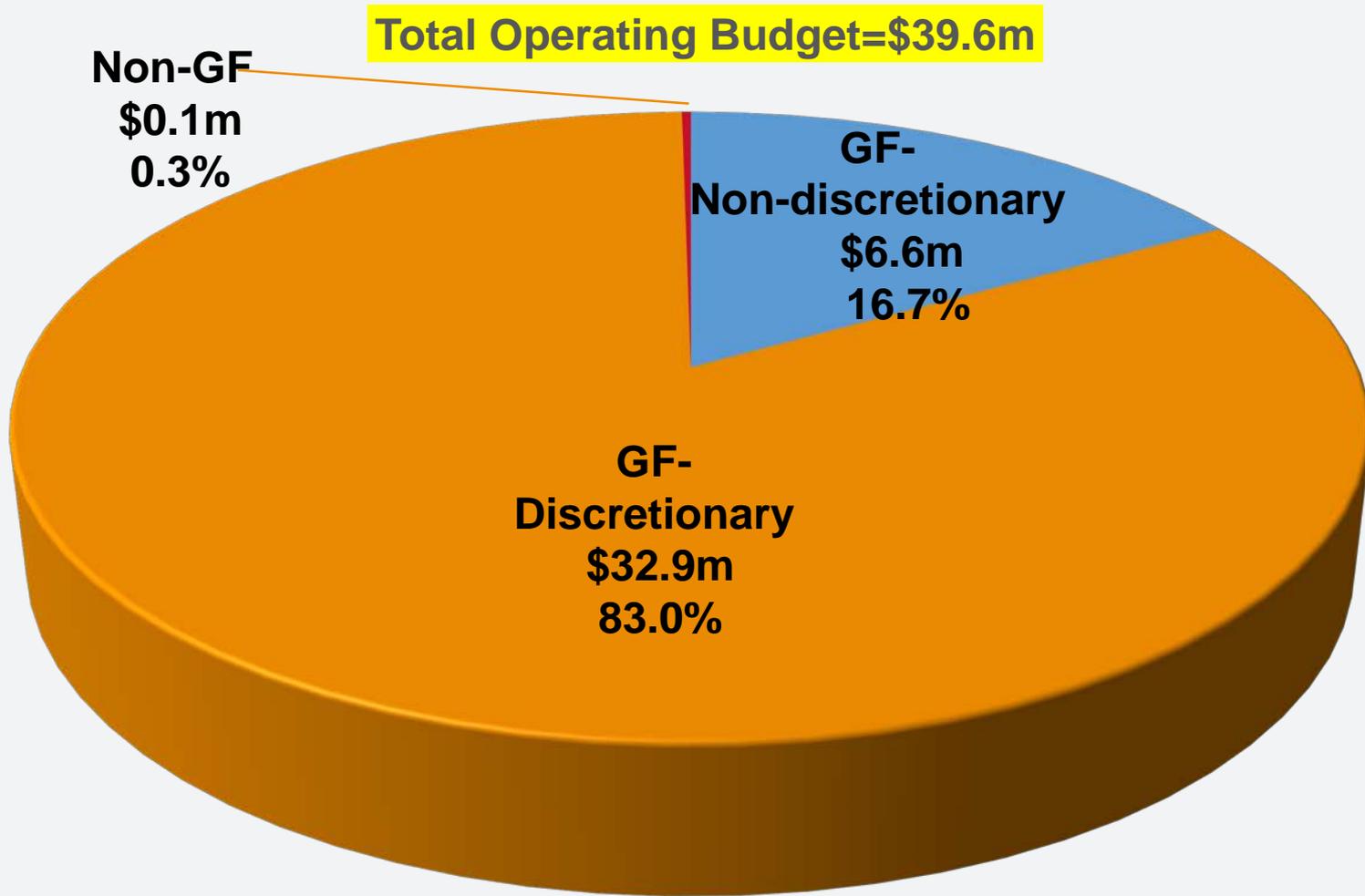
Police Department

Daniel Hahn, Police Chief

Major Divisions

Administration	Operations	Services
Recruiting & hiring	Patrol	Investigations
Professional Standards & Training	Community Service Officers & Cadets	Vice, narcotics, crime suppression
Communications	Animal Control	Traffic
Records	Critical incident teams: SWAT, CINT, RCT, EOD	Crime Analysis
Property, evidence, CSI		Social Services & Youth Service Officers
Public Information		Community Services/volunteers
Finance/budget		

Police Department Operating Budget



Budget reduction: \$200,000

One community service officer (unfilled)	School resource officer	Records division temporary hours
\$58,000	\$128,000 (through increased district contribution or elimination of one position)	\$14,000
<h2>Service Impacts</h2>		
Longer waits for non-emergency calls	If eliminated, less police officer presence on high school campuses	Increased wait time for front counter service, records requests
Longer waits for 72-hour tows, on-line reports, graffiti abatement	Shift of school-based investigations to patrol & detectives	Increased lag-time for crime analysis & response

Future trends & challenges

- Growth (residential, non-residential, schools & entertainment venues)
- Traffic safety & enforcement
- Mental health & other social service challenges
- Homelessness
- Statewide criminal justice reforms
- Public expectations: more information, more collaboration, more transparency

Questions?



Fire Department

Fire Chief Rick Bartee

Services – Full Service, All Hazards

- Fire Suppression Including Wildfires.
- Emergency Medical Services / TEMS
- Hazardous Materials Emergency Response
- Technical Rescue / USAR

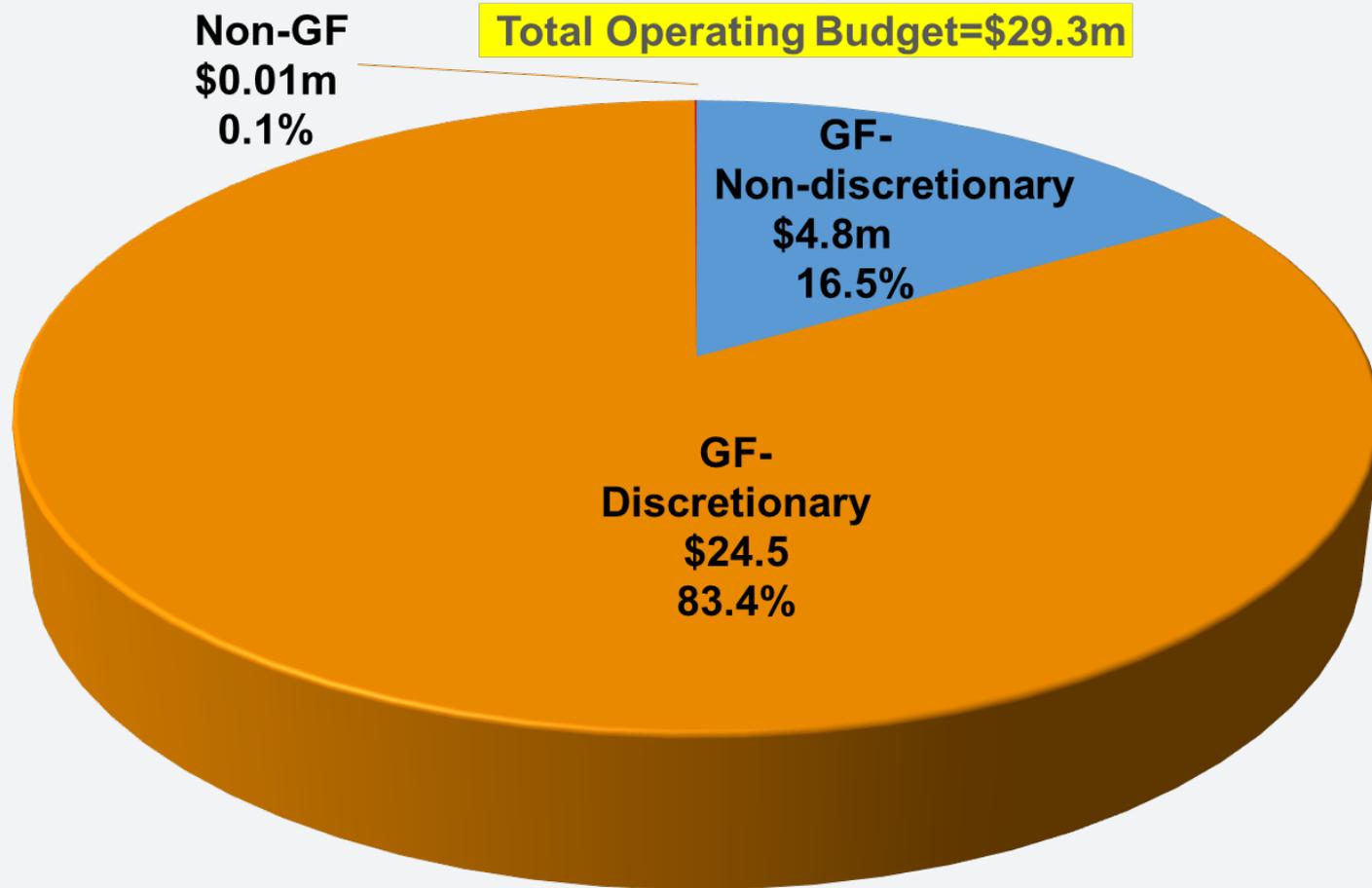


Services – Full Service, All Hazards

- Community Outreach and Public Education
- Fire and Hazardous Materials Plan Review and Inspection Services.
- Citywide Emergency Preparedness Management.



Fire Department Operating Budget



Fire Department Proposed Budget

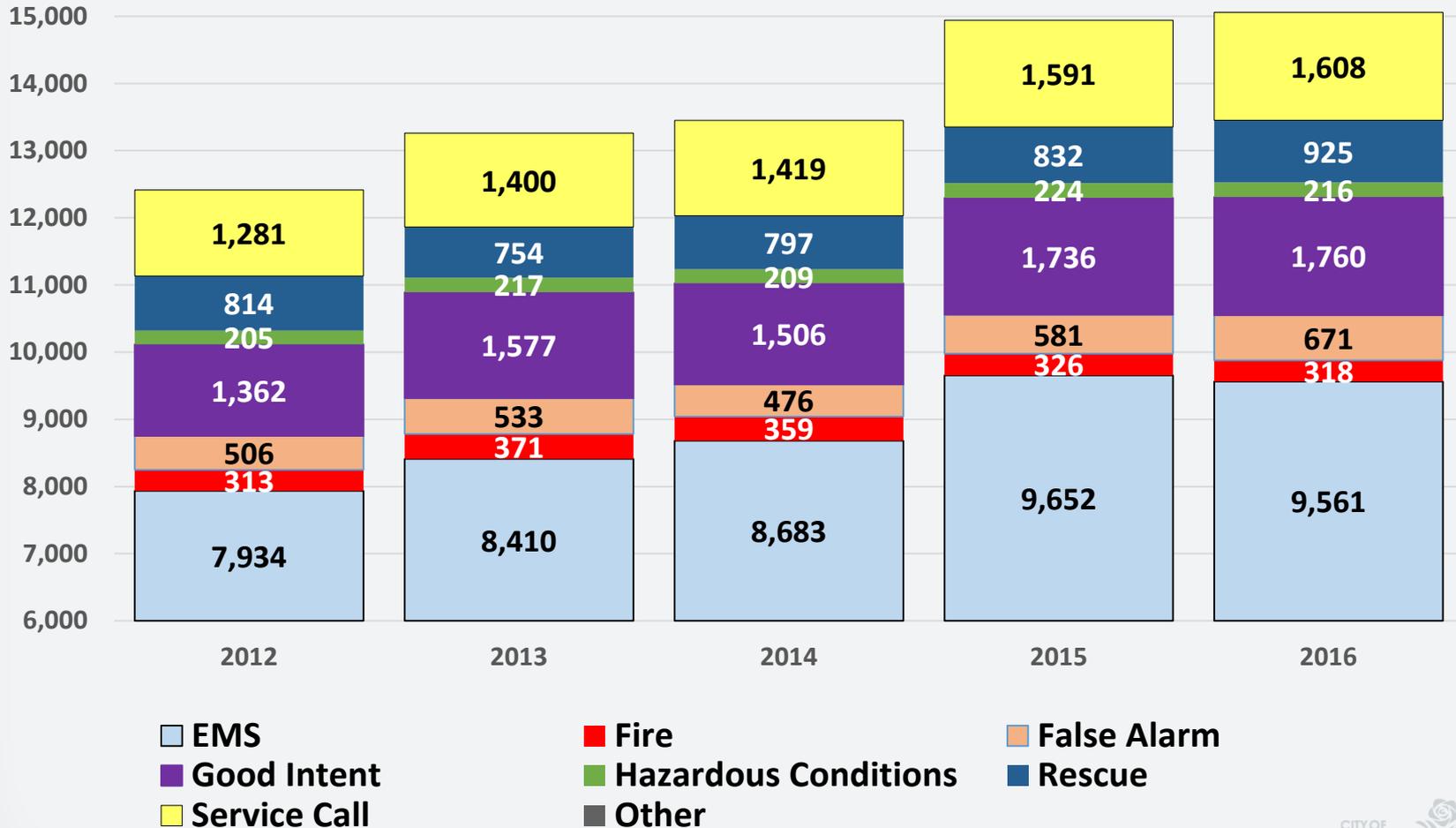
	FY 2016-17	FY 2017-18
	Approved	Proposed
Fire Budget	26.4	25.8
Internal Service Fund (ISF)		3.5
Total Fire General Fund Budget	26.4	29.3
	FY 2016-17	FY 2017-18
	Approved	Proposed
FTES		
Sworn	112	112
Non-Sworn	7.5	7
Total	119.5	119

Fire Department Proposed Budget

- Fire proposed FY2017-18 budget assumes an \$800k savings in overtime.
- The City and Roseville Firefighters Local 1592 are currently discussing a proposal to change fire's response model to best serve the community.

Call Volume 2012-2016

Fire Department Calls for Service



Highlights

- Placed three Pierce Fire Engines Into Service
- Received a \$550,000 Grant from OES/CSTI for HazMat Equipment and Training Props at FTC
- Fire Administration Moved to 316 Vernon
- Broke Ground on New Fire Station 1



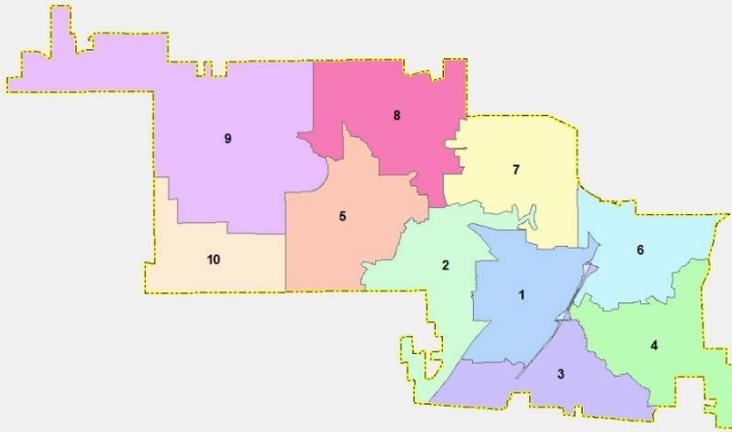
Service Level Impacts

- Eliminated Vacant Public Outreach Position
- Reduction in Part-Time Temporary Salaries



Future Trends/Needs

Planning for Growth in
Service Areas



Technology Innovations/
PPE-EMS



Mobile Integrated Health/
Community Paramedicine/
Behavioral Health



Community Response Van

Questions?



Budget Hearing Environmental Utilities

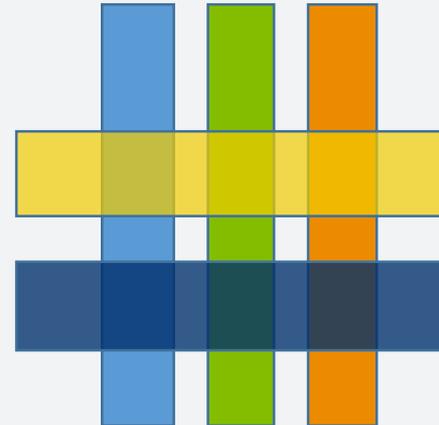
Richard Plecker, EU Director

June 6, 2017

About Environmental Utilities

- 5 Operating Divisions
 - Water
 - Wastewater
 - Solid Waste,
 - Technical Services
 - EU Admin

- 224 FTEs
- 4 primary work locations
- Over \$2 billion in assets



FY2017-18 EU Highlights

- Water, Wastewater, and Solid Waste rate increases in FY18 and FY19
 - *Proposed budgets consistent with rate modeling assumptions*
 - *New: contingency planning reserve*
- Continued labor/workforce and structure changes
- Unfunded state/federal mandates
- Ongoing technology investments (Billing System, ERP, and AMI)

Environmental Utilities Operating Revenues

(\$ millions)

Utility	Actual FY2016	Estimated FY2017	Proposed FY2018
Water	\$24.0	\$28.6	\$34.3
Wastewater	\$35.0	\$36.0	\$36.1
Solid Waste	\$22.9	\$22.2	\$22.4

Environmental Utilities Operating Expenditures

(\$ millions)

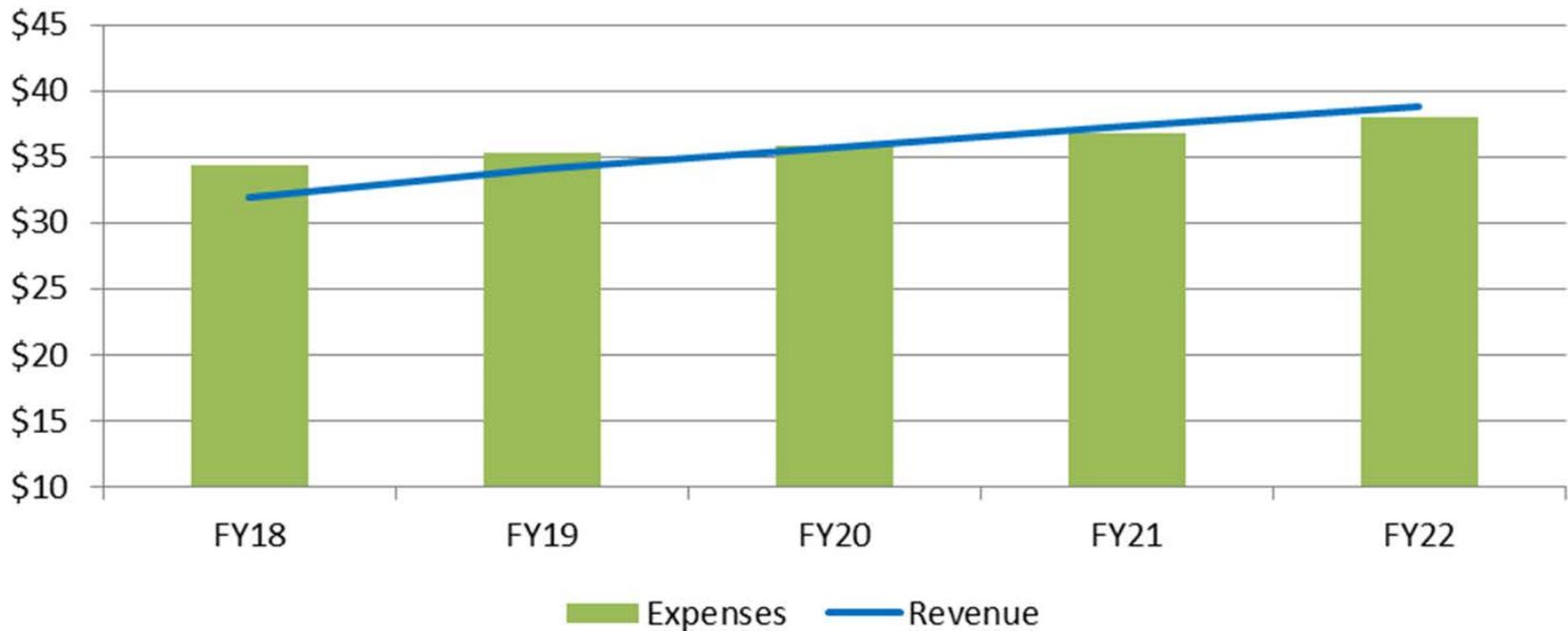
Utility	Actual FY2016	Estimated FY2017	Proposed Budget FY2018
Water	\$26.5	\$27.8	\$30.2
Wastewater	\$31.5	\$36.5	\$38.9
Solid Waste	\$21.2	\$24.1	\$24.2

Utility Reserve Fund Targets

Utility	FY18 (Budget)	Fiscal Policy Reserve Goals
Water	55%	75%
Wastewater	57%	75%
Solid Waste	35%	25%

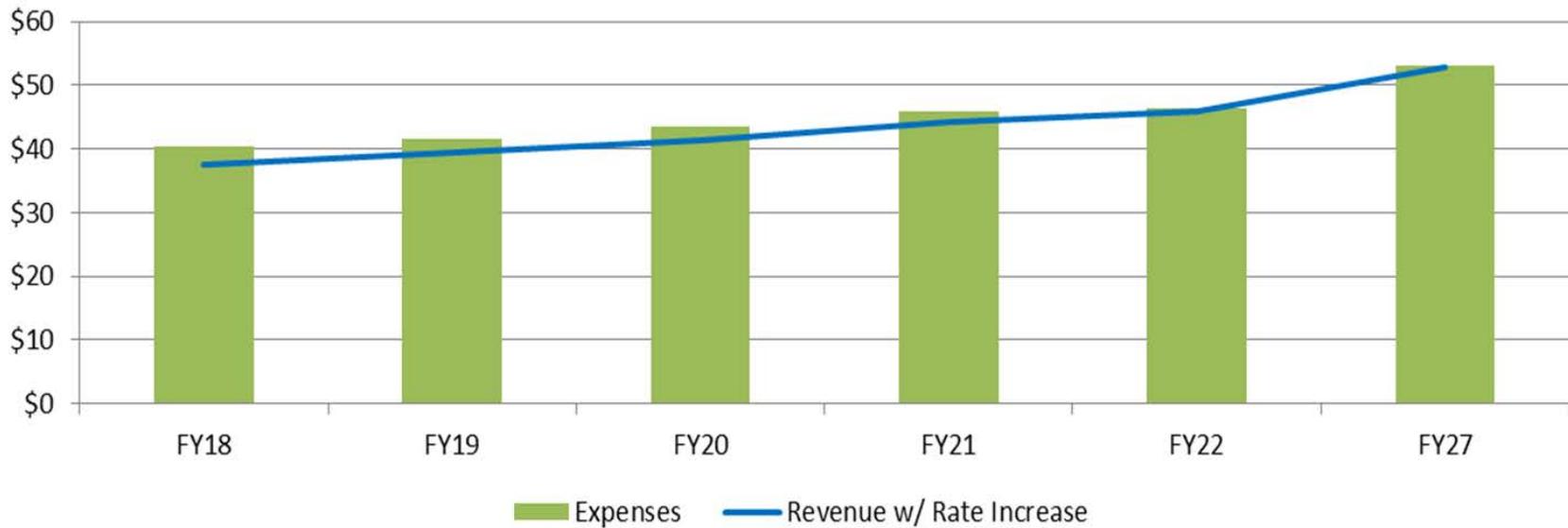
Budget Forecast

Water (\$ millions)



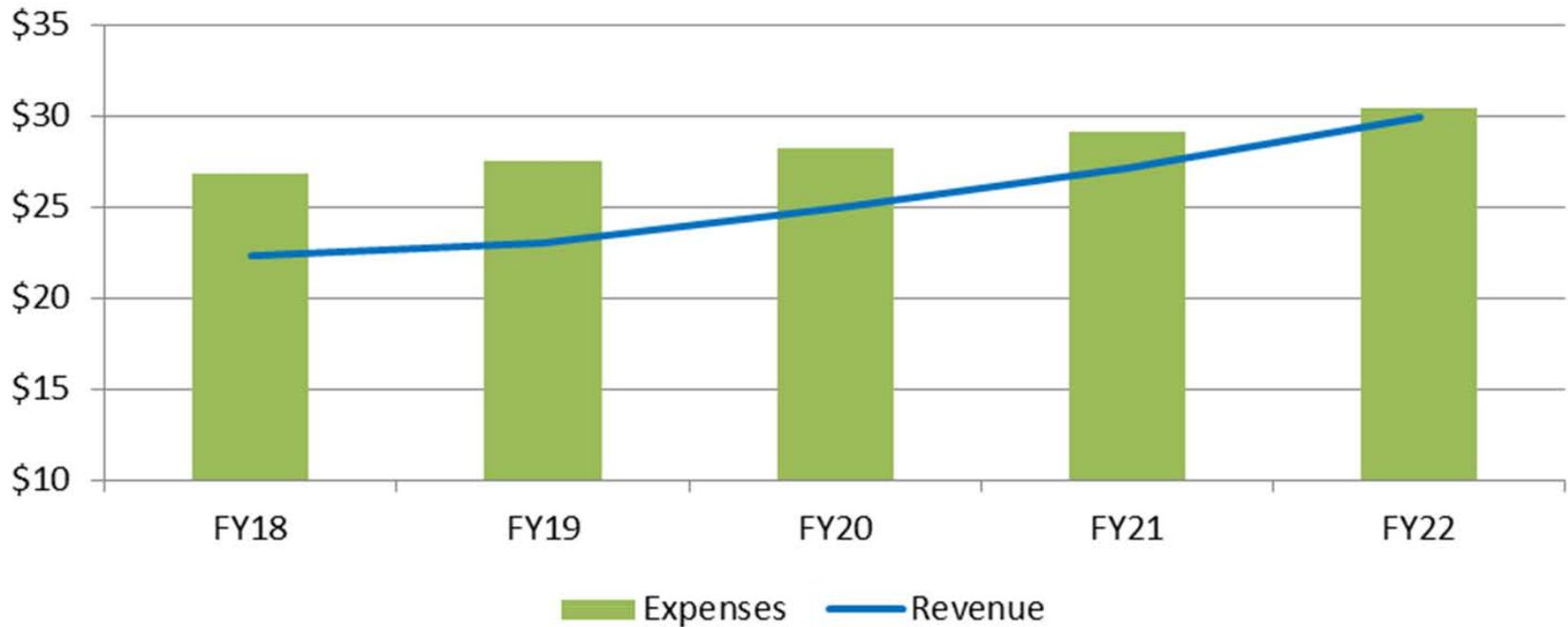
Budget Forecast

Wastewater (\$ millions)



Budget Forecast

Solid Waste (\$ millions)



Over the Horizon...

- Resource reliability and resilience
- Advocacy and coalition building
- Developing next-generation leaders
- Increasing dexterity and speed
- Mega-project development

Major EU Capital Projects

Cook Riolo to Baseline 24" Water Main	\$ 2.0M
Well 18 Pump Station	\$ 1.0M
DCWWTP Cogeneration	\$ 0.4M
DCWWTP Nitrate Reduction	\$ 3.8M
Other	<u>\$ 2.7M</u>
Total	\$ 9.9M

Other EU Capital Projects

Facilities / IT Projects	\$ 1.8M
Water Projects	\$ 0.1M
Wastewater Projects	<u>\$ 0.8M</u>
Total	\$ 2.7M

Questions?



Budget Hearing Roseville Electric Utility

Michelle Bertolino, Electric Utility Director
June 6, 2017

Electric Utility Services

- City-wide distribution system
 - 17 substations
 - 880 miles of electrical lines
 - 59,000 meters
- Two natural gas power plants
- Streetlight system
- Energy-related services
- 150 employees
- Over \$9 million to support city services for:
 - Police
 - Fire
 - Parks & libraries
 - Traffic signals

Electric Highlights

- Revenues up slightly (1%)
 - Electricity sales and consumption flat
 - No hydroelectric adjustment
 - Capital reimbursements up

- Expenses up slightly (1.8%)
 - Operating expenses flat
 - Capital project expenses up

Electric Revenues

(\$ millions)

	Actual FY2016	Estimated FY2017	Proposed FY2018
Energy Sales	\$ 164	\$ 160	\$ 162
Other	\$ 7	\$ 8	\$ 8
Total	\$ 171	\$ 168	\$ 170

(Excludes greenhouse gas related revenues)

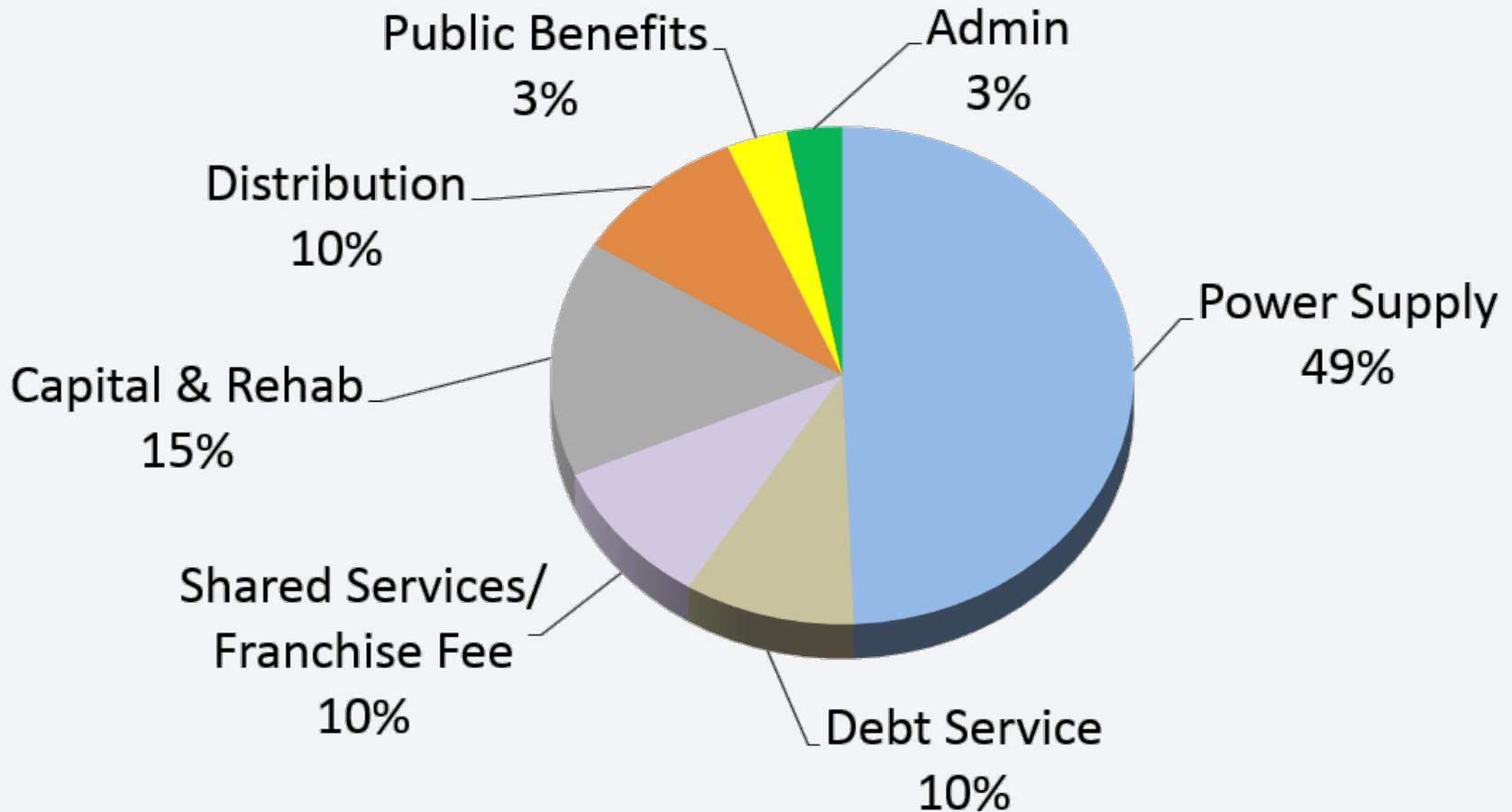
Electric Expenditures

(\$ millions)

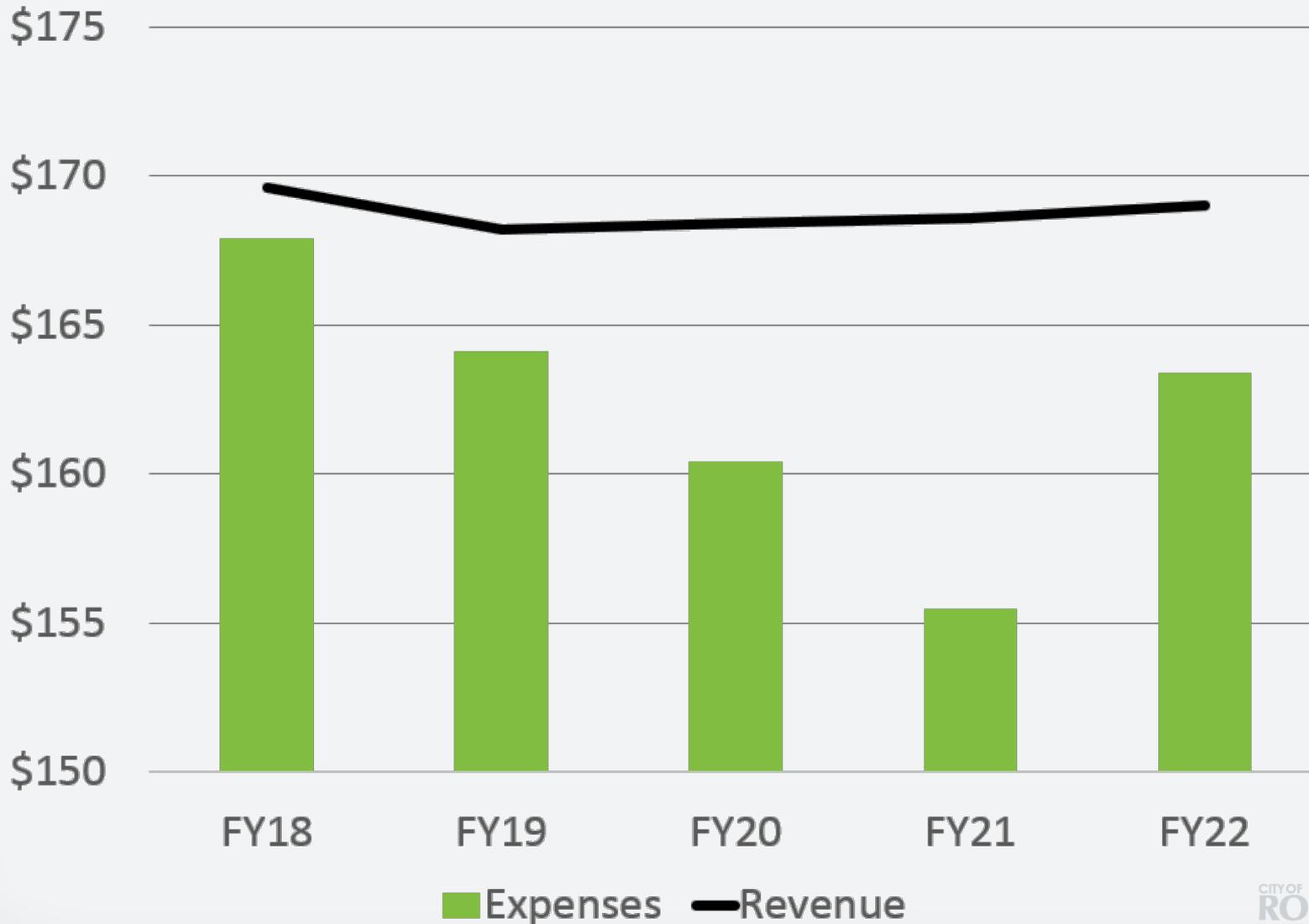
	Actual FY2016	Estimated FY2017	Proposed FY2018
Operating	\$ 131	\$ 131	\$ 131
Capital/Debt	\$ 27	\$ 34	\$ 37
Total	\$ 158	\$ 165	\$ 168

(Excludes greenhouse gas related expenditures)

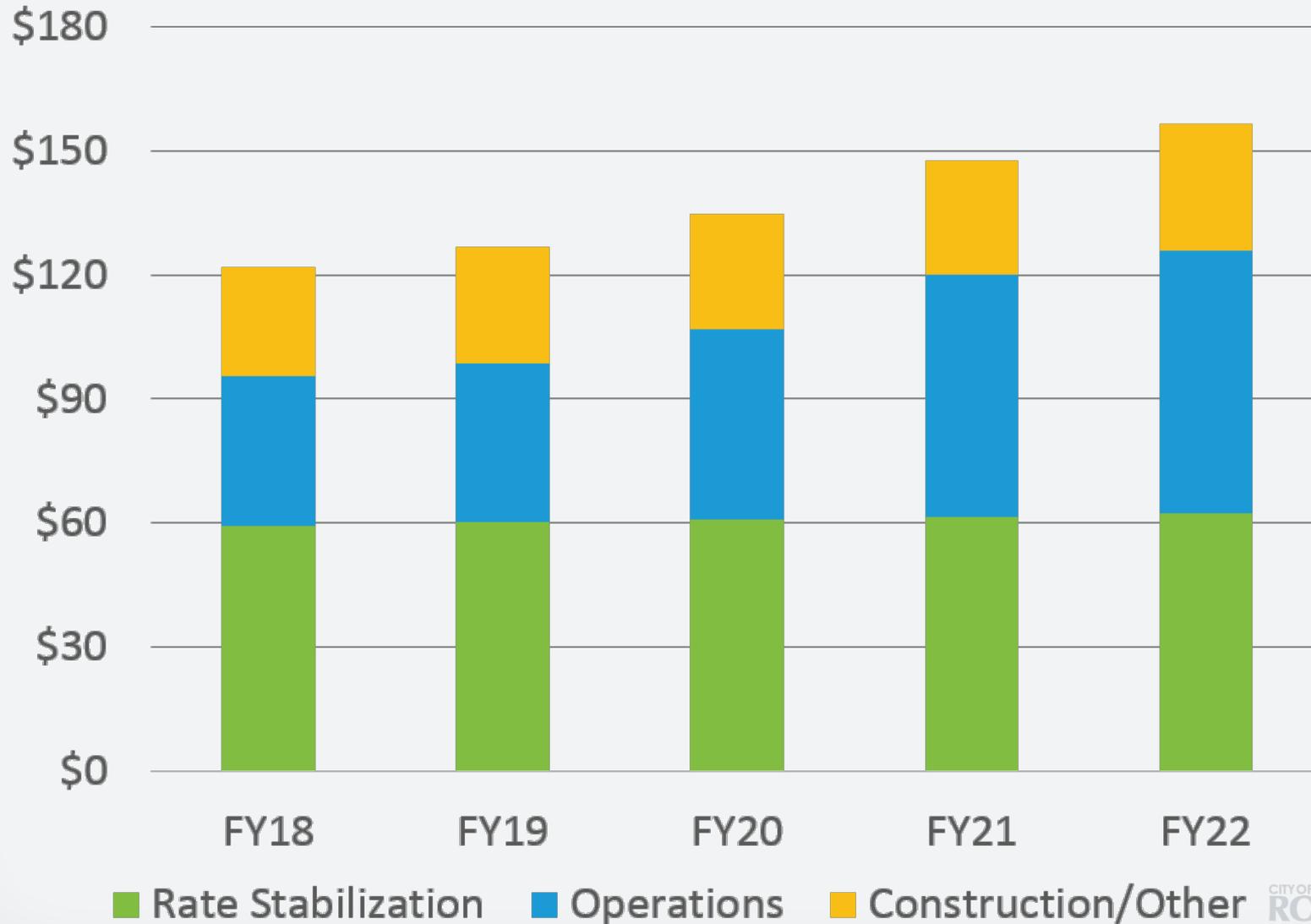
Electric Proposed Budget Breakdown



Electric Budget Trend



Electric Reserves & Fund Balances



FY2017-18 CIP Budget

Advanced Meters	\$8.2M
Power Plant Rehabilitation	4.6M
New Services	4.0M
Sierra Vista Substation	3.8M
Other Projects	3.0M
Total	\$23.6M

Roseville Electric

Advanced Metering Infrastructure (AMI)



Roseville Electric

Power Plant Rehabilitation



Roseville Electric

New Services



Roseville Electric

Sierra Vista Substation



Public Benefit Programs

Non-residential lighting, space cooling, refrigeration, custom rebates	\$1.4M
Residential rebates & home energy reports	1.0M
LED streetlights	0.5M
Low income discounts	0.3M
Other	0.2M
Total	\$3.4M

Key Trends and Issues

- Legislative and regulatory uncertainty
- Utility business model is changing, very quickly
 - Renewable energy
 - Customer generation
 - New and emerging technology
 - Energy storage
 - Electric vehicles
 - Internet of things
- New and evolving energy markets
- Aging infrastructure
- New rate case and restructuring

Questions?