As a steward of taxpayer dollars, the City of Rochester, MN prides itself on providing transparency and accountability in its budget.

In an effort to ensure that the budget process is transparent, accessible and easily understood, the Budget in Brief was created for the first time in 2018. This document is intended to provide you with information about your City’s budget process. Included in the Budget in Brief are totals for revenues and expenditures. Also included in the Budget in Brief are facts about the various departmental budgets.

It is important to note that the City of Rochester is able to maintain its positive financial condition and AAA credit rating due to the fiscally responsible actions taken in the prior years and by prudently investing in service level enhancements as resources allow.

The Goals of the Process are:

- Ensure sufficient revenues exist to deliver existing and proposed services and projects
- Prioritize both operating and capital expenditure
- Advance the City’s commitment to financial sustainability
- Align resources with City Council strategic priorities

The City of Rochester has a AAA Rating

Rochester has received a Certificate of Achievement for Excellence in Financial Reporting for almost 50 years, the longest in the state of Minnesota.

City of Financial Distinction

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Budget Process

April
City Council adopts budget priorities

April-August
Budget Development

August
Finance Department Prepares Budget

September
Team presents City Council with 2020 recommended operating budget and CIP

September
City Council Reviews Budget Documentation

November
City Council Finalizes Budget and Capital Improvement Program

September-December
- Public Engagement on Budget & Service Modifications
- City Council Discusses Any Revisions to Recommended Budget

December
Public Hearing & Adoption
The development of the budget is guided by the City of Rochester’s strategic priorities, budget policies, long-range fiscal sustainability, legal mandates, and service level prioritization.

The adopted budget is $393,537,733. This includes Operating and Capital Improvement expenditures. It does not include the Rochester Public Utilities budget, which is a separate budget. Combined, the two budgets equal $587 million.

Rochester Public Utilities (RPU) is owned by the City of Rochester. RPU serves more than 55,000 electric customers and 40,000 water customers. RPU functions with a budget separate from the rest of the City of Rochester. The total 2020 budget is $193.8 million.

**Budget Formula**

- Baseline Budget
- + Service Modifications
- + Capital Improvement Program
- = Budget
WHERE THE MONEY COMES FROM

General Fund
$97.7 million

Tax dollars are accounted for in the General Fund, along with license fees, permit fees, state shared revenues, interest income, miscellaneous revenues, and prior year revenue. This portion of the budget is comprised largely of discretionary funds, since the Mayor and City Council can allocate the funds to programs and services in any area. There are few restrictions on how these resources may be allocated. The City cannot use fees collected from services for discretionary use.

General fund dollars are used to support such City services as police and fire, as well as streets, community development and administrative support services.

Enterprise, Special Revenue, and Capital Improvement Program Funds
$84.3 million

The City of Rochester has a few different enterprise and special revenue funds. Enterprise funds are entirely funded through customer charges and do not require tax support. These include: sewer utility, storm water utility, and the parking fund. Special revenue funds are include a combination of customer charges and taxes. These include: municipal recreation, library, and transit.

2020 Total Operating Revenue

As shown in the chart, the majority of funding for the City of Rochester budget comes from sources other than property taxes. Those taxes fund 20% of the total revenues. Items like charges for services, which are items like parking, sewer, and water fund the total budget by 15%.
In total, the City of Rochester receives $79.5 million from residential and commercial property tax. This reflects the 37.3% of residential and 31.6% of commercial property tax of the total portion paid by Rochester property taxpayers. Of the $79.5 million, 69% supports the General Fund, while 10% supports the Parks & Recreation department and 9% supports the Rochester Public Library.
WHERE DOES THE MONEY GO?

Overall, the adopted 2020 budget includes expenditures in six major categories for all funds. The largest being the Capital Improvement Program at $190.7 million dollars. Approximately 25% of the City's total budget is invested in Employee Services, with a total of $94.8 million dollars. This expense is for the City's full-time and part-time employees, which allows the City of Rochester to deliver high quality services. Approximately 70% is related to salaries, while 30% is related to benefits.

General Fund Expense
$97,675,808

BUDGET IN BRIEF

2020 Adopted Budget of $393.5 million

- Employee Services 24%
- Contractual Services 12%
- Other Charges 7%
- CIP 48%
- Debt Service 3%
- Miscellaneous 6%

Public Safety 57.6%

Public Works 16.9%

General Gov. 15.5%

Other 10%

- Police
- Animal Control
- Dispatch
- Fire
- Building Safety
- Flood Control and Emergency Management
- Engineering
- Street Infrastructure
- Fleet Maintenance
- Traffic and City Lighting

- Mayor and City Council
- City Administration
- City Clerk
- Elections
- Administration Fines
- Finance
- City Attorney
- Human Resources
- Planning and Zoning
- Information Technology
- City Hall Maintenance
- Music Art City/Civic Theatre/125 Live
- Community Reinvestment
- Development Administration
- Economic Development
- CBD
- Unallocated Contingency

Notable Capital Improvement Projects

- Airport Runway Reconstruction
- North Police Station and Service Center
- Heart of the City Phase I Construction
- Water Reclamation Plant Updates Phase I
- Stormwater Improvements
- Park Investments (includes Soldiers Field & Silver Lake master plans)
Public Works
Maintained nearly 500 miles of street

Chip sealed 89.2 lane miles, crack sealed 45 lane miles and poured 627 yards of concrete

CITY CLERK
Assisted over 25,000 people in person or through the City’s main phone line.

CITY ATTORNEY
Prosecuted 1,615 misdemeanor cases
Prosecuted 430 gross misdemeanor cases

Wastewater Utility collects and treats
5.4 billion gallons annually

ROCHESTER AT A GLANCE
Incorporated in 1854
Population 117,000+
OVER 3.3 MILLION Annual Visitors

PUBLIC WORKS
Chip sealed 89.2 lane miles, crack sealed 45 lane miles and poured 627 yards of concrete

Library
450,000 visits and 1.89 million titles borrowed

Park Sites
130
with 100 miles of trails and 5,000 acres of parkland

CITY ATTORNEY
Prosecuted 1,615 misdemeanor cases
Prosecuted 430 gross misdemeanor cases

2019 AWARDS & RECOGNITION
#15
BEST PLACES TO LIVE
money.com

#5
MOST AFFORDABLE PLACES TO LIVE
marketwatch.com

#5
‘TOP 100 BEST PLACES TO LIVE’
livability.com

1ST PLACE
“BUILD A BETTER MOUSETRAP”
PUBLIC WORKS
Minnesota LTAP

Over 60,000 calls for service for Rochester Police Department – over 10,000 for Rochester Fire Department
VISION, PRINCIPLES, AND PRIORITIES

Community Vision

The following Community Vision statement was developed via the comprehensive planning process and is a key piece of the Planning 2 Success Comprehensive Plan 2040 document.

Rochester is a city that cares: where all people are treated with dignity and respect; where residents, employees, and visitors enjoy a high quality of life; where business and industry thrive; and where the land and environment are renewed and sustained for the benefit of all. It is a welcome and diverse community:

Renowned for its reputation as a center for growth and innovation, its robust economy, and programs and institutions that support life-long learnings;

Characterized by its safe and friendly neighborhoods, diverse and affordable housing options for people of all ages and backgrounds, thriving downtown, vibrant public spaces, and easy access to parks and recreation amenities;

Committed to health and wellness for its people, and also of the air, water, and land they depend on for sustenance;

Connected both physically and socially – offering balanced transportation options; well-planned streets, sidewalks, trails, and neighborhoods; and hospitable cultural atmosphere; and

Dedicated to the sustainable and responsible use of public resources and provision of quality public services, supporting livability and long-term fiscal health.

Organizational Vision  |  A vibrant, compassionate, innovative team.

Foundational Principles
•  Compassion
•  Environmental Stewardship
•  Fiscal Responsibility and Sustainability
•  Public Safety
•  Social Equity

Strategic Priorities
•  Enhance quality of life
•  Foster a team-oriented culture
•  Manage growth and development
•  Balance public infrastructure investment

Community Survey Results

Between May 22 and June 20, 2018, 400 City of Rochester residents were randomly selected for telephone interviews to collect data for the City of Rochester Community Survey.

96% feel accepted, valued, and welcomed
96% rate the quality of life in Rochester as excellent or good
87% believe that Rochester is headed in the right direction
84% consider the general value of City services as excellent or good