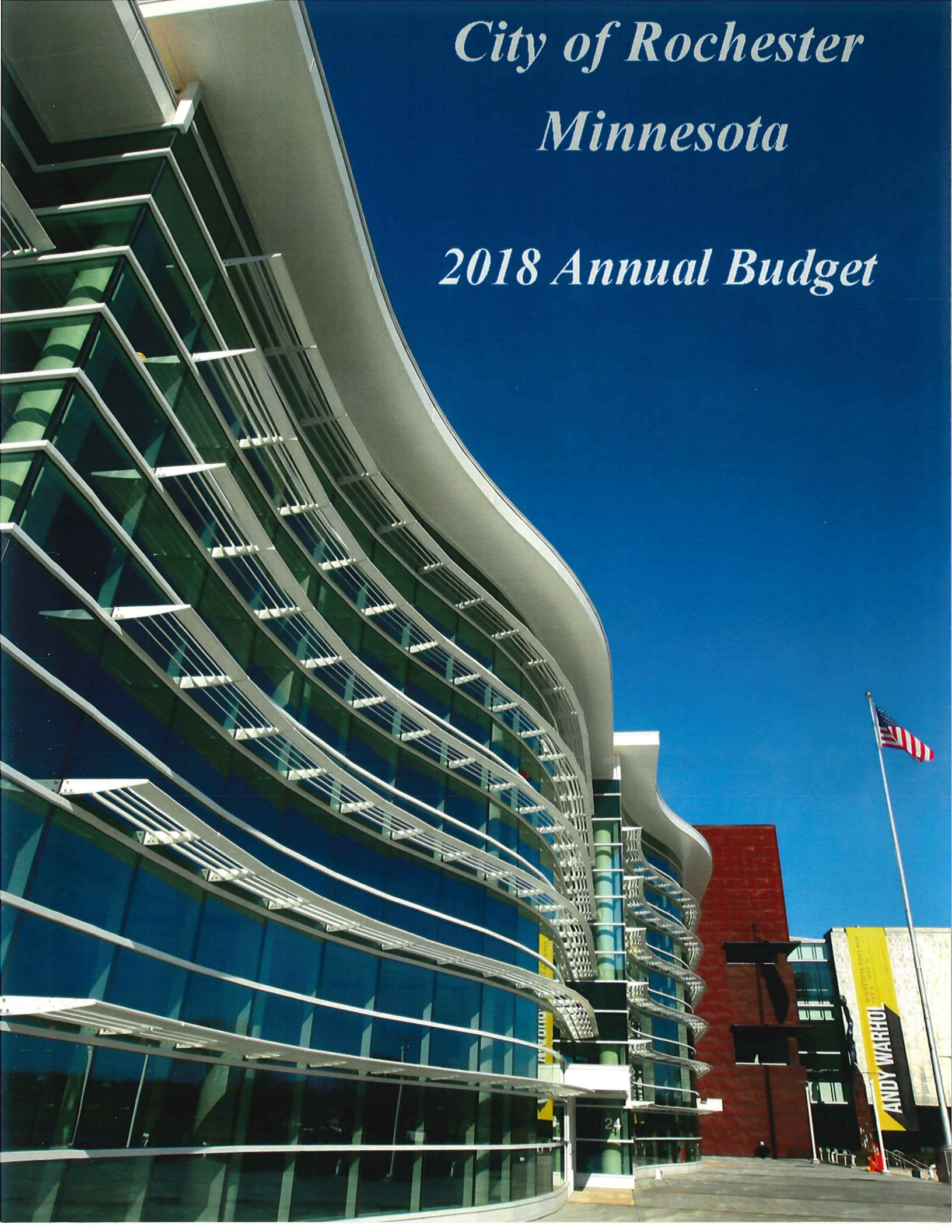


*City of Rochester*

*Minnesota*

*2018 Annual Budget*



**ADOPTED  
ANNUAL BUDGET  
OF THE  
CITY OF ROCHESTER, MINNESOTA  
FOR THE FISCAL YEAR ENDING  
DECEMBER 31, 2018**



## CITY OF ROCHESTER, MINNESOTA

### MISSION STATEMENT

The mission of the City of Rochester is to provide a safe, attractive environment through the responsive, efficient and cost-effective delivery of municipal services.

The City will strive to enhance community pride by improving the physical, environmental, economic, cultural and social quality of the community.



# RISE to the top in *Customer Service*

FIRST CLASS CITY

Identify, plan for, and support customer needs

FIRST CLASS SERVICE

Seek and consider input from our customers to continually improve services

Treat every customer well

## Respect

Treat customers in a personal and professional manner while being firm, fair, and compassionate

Be an active listener to the customer

Maintain a work environment that is free of disrespect and false information

## Integrity

Provide equitable and honest treatment to all customers

Follow through in a timely manner or as communicated

Maintain privacy and confidentiality as applicable to Minnesota State Laws

## Safety

Employees act responsibly and take ownership for their actions

Documented safety procedures for employees and customers

Communicate clearly when dealing with emergencies or safety concerns

## Excellence

Be knowledgeable in my area of responsibility

Be professional in my actions, manners and appearance

Meet or exceed customer needs for City services

CITY OF ROCHESTER, MINNESOTA

2018

ADOPTED ANNUAL BUDGET

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**SECTION I**

**TRANSMITTAL**

**AND**

**GENERAL SUMMARIES**



# ROCHESTER

*Minnesota*

FIRST CLASS CITY • FIRST CLASS SERVICE



STEVE RYMER  
City Administrator  
City Administrator's Office  
201 4th Street SE, Room 266  
Rochester, MN 55904-3781  
(507) 328-2004  
FAX (507) 328-2727

December 22, 2017

Honorable Mayor and Council Members,

On behalf of our entire organization, I am pleased to provide you and the Rochester community with the Adopted 2018 Operating Budget and 2018-2022 Capital Improvement Program. In total, the adopted budget includes expenditures of \$285,843,645 of which \$68,554,151 is supported by the property tax levy. This includes \$6,253,877 of tax levy for capital projects.

During the City Council's review of the recommended budget on December 4 and 5, the City Council decided to include the following revisions in the adopted budget.

**Budget Additions:**

- New Positions: Records Manager, Communications & Engagement Manager, Records Technician, Library Assistant II, IT Security Technician, Arborist, Computer Forensic Analyst, Equipment Operator. Total costs for these positions is \$633,606.
- Contingency Account: \$145,276

**Budget Reductions:**

- Mayor and Council: \$12,536
- Planning and Zoning: \$2,800
- Civic Theatre: \$80,000
- CIP: \$80,000

I wish to thank Gary Neumann, Rachel Houdek, Dale Martinson, and the Leadership and Finance Teams for their outstanding efforts in developing a budget that ensures we remain fiscally responsible while enhancing services as resource allow.

Sincerely,

Steve Rymer  
City Administrator



# ROCHESTER

*Minnesota*

FIRST CLASS CITY • FIRST CLASS SERVICE



STEVE RYMER

City Administrator

City Administrator's Office

201 4th Street SE, Room 266

Rochester, MN 55904-3781

(507) 328-2004

FAX (507) 328-2727

November 17, 2017

Honorable Mayor and City Council Members,

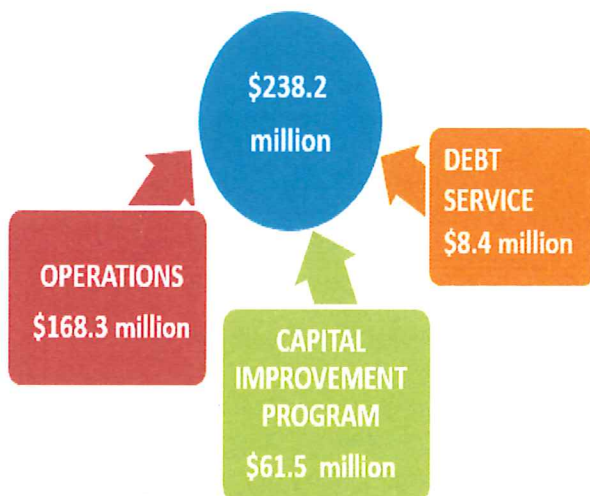
On behalf of the entire Rochester team, it is a privilege to present the Recommended 2018 Operating Budget and 2018-2022 Capital Improvement Program Budget (CIP). The budget document is the product of many employees working in a collaborative manner to align resources and propose service level enhancements while continuing the City Council's longstanding tradition of being fiscally responsible. I want to personally recognize the outstanding leadership of Gary Neumann, Dale Martinson and Rachel Houdek, for working with each department to develop the recommended budget for your consideration.

The recommended budget is intended to 1) maintain existing services, 2) enhance service levels within the limited resources, and 3) preserve financial sustainability. In implementing the City Council's approved budget, your professional team strives to advance our organizational values of customer service, respect, integrity, safety, and excellence.

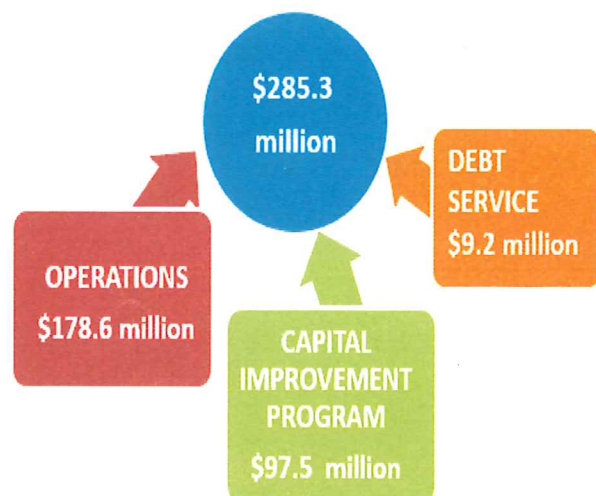
## Budget Overview

The total Recommended 2018 Budget is \$285,297,386. This includes all operating and CIP expenditures as shown below and compared to the City Council's 2017 Adopted Budget.

### 2017 Approved Budget



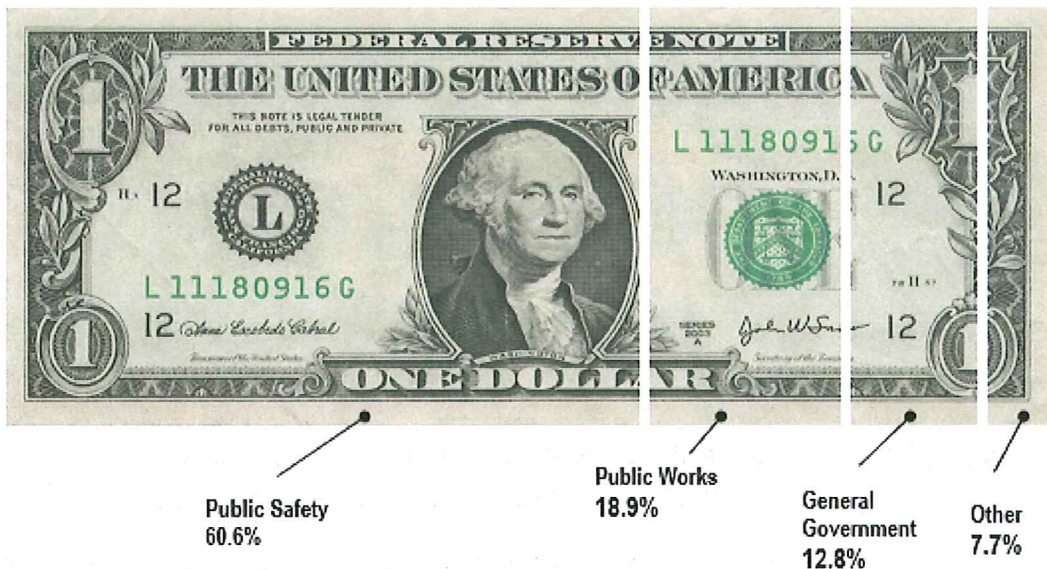
### 2018 Recommended Budget



The recommended 2018 budget is an increase of \$47,142,413 from the 2017 approved budget. This is attributed to a recommended \$10,317,613 increase in the operating budget, a recommended increase of \$35,980,894 in the CIP and a Debt Service increase of \$843,906.

On September 18, 2017, the City Council adopted the preliminary property tax of \$68,554,151, which is the maximum property that can be levied according to State law. As has been the City's historic practice, the majority of property taxes are recommended to be allocated for public safety services. Overall, total General Fund revenues are recommended to be appropriated as follows.

### General Fund



Public Safety: Police, Animal Control, Dispatch, Fire, Building Safety, Flood Control and Emergency Management

Public Works: Engineering, Street Infrastructure, Fleet Maintenance, Traffic and City Lighting

General Government: Mayor and City Council, City Administration, City Clerk, Elections, Administrative Fines, Finance, City Attorney, Human Resources, Planning and Zoning, Information Technology and City Hall Maintenance

Other: Music, Art Ctr/Civic Theatre, 125 Live, Community Reinvestment, Development Administration, Economic Development, CBD, Unallocated and Contingency

In addition, funding for Parks and Recreation, Library, MCC, Rochester International Airport, Storm Water Utility and CIP, among others are accounted for in their respective funds as shown on page i of the budget document. A portion of property tax revenue is appropriated to a limited number of these services, with the majority going to the Library (\$6,605,691), Parks and Recreation (\$6,912,436) and Capital Improvement (\$6,258,877).

To fund all recommended expenditures, Table 1 provides the detail of the proposed 2018 Major City Revenues. For comparison, the 2017 Adopted Budget revenues are also provided. It is important to note that the City's property tax levy accounts for approximately 24 percent of total revenues. The remaining 76 percent of revenues are derived primarily from charges for services by those receiving direct benefit from the respective City service (recreation program, parking, sewer utility to name a few) and intergovernmental revenues, which includes Local Government

Aid (LGA) from the State of Minnesota. The amount of LGA received by the City continues to be much lower than historically high levels.

**Table 1**  
**2018 MAJOR REVENUES VS 2017**

	<b>2017 Adopted Budget</b>	<b>2018 Recommended Budget</b>	<b>Increase/(Decrease)</b>	<b>Percent of Change</b>
Tax Levy & Tax Abatements	62,463,919	67,937,892	5,473,973	8.76%
Local Government Aid	7,215,571	7,497,955	282,384	3.91%
Hotel/Motel Tax	5,000,000	5,100,000	100,000	2.00%
Cable TV Franchise Fee	1,400,000	1,440,000	40,000	2.86%
Inspection Permits	3,542,005	3,400,000	(142,005)	-4.01%
In Lieu of Tax	11,862,031	11,962,882	100,851	0.85%
Sewer Utility Charge	24,000,000	25,000,000	1,000,000	4.17%
Storm Water Utility Fee	6,000,000	6,645,000	645,000	10.75%
<b>Library Fund</b>				
City Share-Levy	6,238,060	6,605,691	367,631	5.89%
County Share	937,394	969,820	32,426	3.46%
<b>Municipal Recreation Fund</b>				
Fee Revenues	4,018,970	4,227,750	208,780	5.19%
Non-Fee Revenues	6,941,573	7,051,416	109,843	1.58%
<b>Mayo Civic Center</b>				
Fee Revenues	3,281,100	3,811,300	530,200	16.16%
Non-Fee Revenues	1,786,102	1,850,237	64,135	3.59%
<b>Parking Fund</b>				
Parking Fines	310,000	346,000	36,000	11.61%
Parking Ramps	5,247,263	5,148,949	(98,314)	-1.87%
Street Meters	1,030,000	970,000	(60,000)	-5.83%
Parking Lots	550,695	551,769	1,074	0.20%

The City's seven percent hotel/motel tax is estimated to increase from \$8,750,000 in 2017 to \$8,925,000 in 2018 and is allocated as shown below to fund the Rochester Convention and Visitor Bureau (RCVB), MCC operations, General Fund, as well as MCC debt service for the recent expansion.

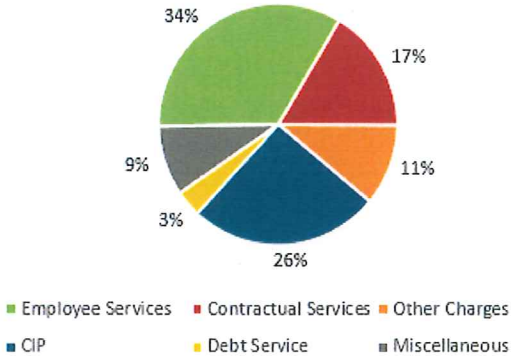
**ALLOCATION OF HOTEL MOTEL TAX  
(CURRENT TAX RATE 7%)**



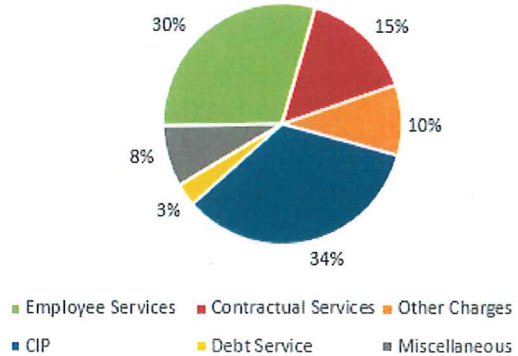
\* MCC - Mayo Civic Center

Overall, the Recommended 2018 budget includes expenditures in six major categories for all funds. The 2018 recommended CIP, totaling \$97,479,084 is higher in comparison to the 2017 approved CIP which was \$61,498,190. The CIP comprises a larger percentage of the overall budget due to several large projects such as funding for a potential ramp seven (\$30 million), increased DMC projects (\$22 million) and a potential CAT II runway project at the Airport (\$6 million). Employee Services comprises 30% of the 2018 budget and that compares with the 2017 budget where Employee Services comprised 34%. Please reference pages v and vi for detailed listings of each category.

**2017 Approved Budget**



**2018 Recommended Budget**



The City's full-time and part-time employees are the most important resource for the delivery of high quality services. Of the City's annual investment in its employees, approximately 70 percent is related to salaries and the remaining 30 percent is attributed to benefits (health insurance, retirement, etc.).

The 2018 cost of employee services is recommended to increase by \$4,204,537 over 2017. The majority increase is a result of a three percent increase in base compensation per the existing collective bargaining agreements and fourteen percent in the cost of health insurance. The City of Rochester is self-insured for health insurance and high health care expenses continued in 2017 necessitating the need to significantly increase 2018 funding.

As recommended, there is approximately \$600,000 remaining within the maximum tax levy for the Council and Mayor, which could be used to enhance services by funding new positions. It is important to note the following positions are NOT included in the 2018 recommended budget, nor are any other requested positions by departments.

<b>Levy Funded Positions (In Priority Order)</b>			
	<b>Department</b>	<b>12 month</b>	<b>9 month</b>
Records Manager	City Clerk	\$ 90,000	\$ 67,500
Communications & Engagement Manager	Administration	\$ 135,000	\$ 101,250
Records Technician	Police	\$ 76,000	\$ 57,000
Library Assistant II	Library	\$ 76,000	\$ 57,000
IT Security Technician	Information Tech	\$ 85,000	\$ 63,750
Arborist	Park & Recreation	\$ 75,000	\$ 56,250
Computer Forensic Analyst	Police	\$ 107,000	\$ 80,250
		\$ 644,000	\$ 483,000
Fixtures, furnishings, equipment		\$ 32,000	\$ 32,000
<b>Levy Supported Total</b>		\$ 676,000	\$ 515,000
<b>MSA Funded Position</b>			
Equipment Operator	Public Works	\$ 72,000	\$ 54,000
Fixtures, furnishings, equipment		\$ 4,000	\$ 4,000
		\$ 76,000	\$ 58,000

In addition, there are several recommended enterprise fund and new revenue positions that will be coming back to Council through the PAC review process in January or February of 2018. Those positions include: Grading Plan Engineer, Right of Way Specialist and Fire Marshall. The recommended budget also includes the following service level enhancements and capital projects.

### **Operating budget**

- Administration – Strategic Plan \$100,000 (Contingency reduced to \$900,000)

- 2018 Election costs - \$225,885
- Information Systems – Office 365, fully hosted back office Microsoft software, \$100,000.
- Street Maintenance – Contracted Services increased by \$333,317 to \$2,436,000
- MCC – IT/Technology Replacement Fund \$235,000
- MCC – Contractual Security Services \$216,000

## **CIP Budget**

- Airport – CAT II Runway Lighting - \$6,000,000 request for State funding
- Parks – Diseased Tree Removal/Urban Forest Master Plan \$275,000, Tax Levy
- Parks – Cascade Lake improvements \$1,175,000 (Tax Levy of \$100,000, State Grant, Wedum Foundation Funding and Flood Control Reserves)
- Parks – Gamehaven Park, \$425,000 (\$100,000 Reserves, \$325,000 State Grant)
- Golf – Northern Hills Clubhouse, \$265,000 Tax Levy
- Major Streets - \$2,000,000 Street Rehab, Reserves
- Major Streets - \$3,210,000, 18<sup>th</sup> Avenue NW construction Phase 2. (State \$2,300,000, \$50,000 County and \$860,000 Assessments)
- Traffic - \$300,000 Traffic signal at West Circle Drive/3<sup>rd</sup> St. NW (\$150,000 State Aid, \$150,000 County)
- Mass Transit - \$2,854,260 Expansion Buses (6), (\$282,852 Tax Levy, \$288,000 Operating Transfer, \$2,283,408 State)
- Parking - \$30,000,000, initiate Ramp 7 Construction Bonds
- Storm Water - \$1,000,000, initiate sub drain system multi-year replacement, Retained Earnings
- DMC – Total of \$22,191,908 in funding
- Other Projects – RPD Precinct at 41<sup>st</sup> Street, \$735,000 GO Bond Funding for design and construction plans
- Other Projects – City IT integration \$300,000 (Various Funding)
- Other Projects – Energy Performance Contract City Hall \$200,000 (internal borrowing Flood Control)

- Other Projects – Fire Panel and Code Upgrade, City Hall, \$610,000 Tax Levy

Like many communities across the country, Rochester has a need for additional annual investment in its streets, parks, library, and other public facilities. The City recognizes that ongoing revenue is insufficient to fund these vital community assets at a sustainable level. The condition of the publicly-owned infrastructure is declining and the deferred maintenance backlog is increasing. The expense to repair these assets grows as each year passes so it is fiscally responsible to address this issue now, though additional resources are necessary.

### Summary

On behalf of the entire organization, Gary Neumann and I are proud to recommend the 2018 Operating Budget and 2018-2022 CIP. We want to personally thank everyone who has been involved in the process with a special thanks to the Leadership Team and members of the Finance Department. The City is able to maintain its positive financial condition due to the fiscally responsible actions taken in the prior years and by prudently investing in service level enhancements as resources allow. Moving forward, there are many signs that the Rochester community will continue to prosper. At the same time, the City Council and professional team will need to evaluate strategies to improve the community's existing public infrastructure and enhance services in the coming years as Rochester continues to grow. These efforts will position our organization to meet our community's needs and maintain our high quality of life, so Rochester remains a highly desirable place to live, work, play, and do business.

Sincerely,



Steve Rymer  
City Administrator

Sincerely,



Gary Neumann  
Assistant City Administrator

**CITY OF ROCHESTER, MINNESOTA**

**2018**

**ADOPTED ANNUAL BUDGET**

# **GENERAL SUMMARIES**

City of Rochester, MN

Revenue Summary of Means of Financing the Adopted Budget

2018

Description	Taxes Ad Valorem	Other Taxes	Special Assessments	Licenses and Permits	Fines, Forfeits and Penalties	Intergovernmental Revenues	Charges for Services	Miscellaneous Revenue	Prior Year Revenue	Total Budget
General	46,147,332	4,715,668		3,994,476	430,600	10,960,563	3,510,898	13,087,020	757,909	83,604,466
Library	6,670,354				141,000	989,453	25,500	9,000	69,561	7,904,868
Municipal Recreation System	6,990,099			2,000		71,954	4,227,750	58,670		11,350,473
Mayo Civic Center		1,830,332				4,580	3,811,300	15,325		5,661,537
F.E. Williams								6,356	13,644	20,000
Rochester International Airport	522,500					249,935	1,669,770	2,798,269	(468,461)	4,772,013
Transit						7,998,567	2,426,128	858,200	777,297	12,060,192
EDA Administration								2,670,418	(97,533)	2,572,885
Total Governmental Operating Budget	60,330,285	6,546,000		3,996,476	571,600	20,275,052	15,671,346	19,503,258	1,052,417	127,946,434
Parking Enterprise				26,000	346,000		6,670,718	180,000	(630,058)	6,593,237
Sanitary Sewer Utility				1,600		9,219	25,157,400	300,917	2,625,299	28,094,435
Storm Water Utility				16,000			6,648,600	119,000	(1,666,638)	5,116,962
Total Enterprise Funds Budget				43,600	346,000	9,796	38,476,718	599,917	328,603	39,804,634
Total Operating Budget	60,330,285	6,546,000		4,040,076	917,600	20,284,848	54,148,064	20,103,175	1,381,020	167,751,068
Internal Service Funds	316,178					1,396		5,116,163	4,830,638	10,264,375
Capital Improvement	6,253,877	150,000	2,305,000			22,128,524		59,759,683	6,807,000	97,404,084
Debt Service	1,653,811					313,664		7,357,105	(74,743)	9,249,837
Rochester EDA								1,174,281		1,174,281
Total Budget	68,554,151	6,696,000	2,305,000	4,040,076	917,600	42,728,432	54,148,064	93,510,407	12,943,915	285,843,645
Percent of Total	24%	2%	1%	1%	0	15%	19%	33%	5%	100%

City of Rochester, MN  
 Expenditure Summary of Adopted Budget by Fund and Character  
 2018

Description	Employee Services	Other Current Expenses	Capital Outlay	Capital Improvements	Debt Service	Total
General	64,379,438	19,113,928	111,100			83,604,466
Library	6,177,865	1,062,950	664,053			7,904,868
Municipal Recreation System	6,657,218	4,693,255				11,350,473
Mayo Civic Center	2,458,797	3,202,740				5,661,537
F. E. Williams		20,000				20,000
Rochester International Airport		4,772,013				4,772,013
Transit	451,208	11,608,984				12,060,192
EDA Administration		2,572,885				2,572,885
<b>Total Governmental Operating Budget</b>	<b>80,124,526</b>	<b>47,046,755</b>	<b>775,153</b>			<b>127,946,434</b>
Parking Enterprise	419,863	6,173,374				6,593,237
Sanitary Sewer Utility	4,296,571	21,891,155	86,000		1,820,709	28,094,435
Storm Water Utility	476,054	4,640,908				5,116,962
<b>Total Enterprise Funds Budget</b>	<b>5,192,488</b>	<b>32,705,437</b>	<b>86,000</b>		<b>1,820,709</b>	<b>39,804,634</b>
<b>Total Operating Budget</b>	<b>85,317,014</b>	<b>79,752,192</b>	<b>861,153</b>		<b>1,820,709</b>	<b>167,751,068</b>
Internal Service Funds						
Capital Improvement		5,384,395	4,832,641	97,404,084	47,339	10,264,375
Debt Service		1,600			9,248,237	9,249,837
Rochester EDA		18,750			1,155,531	1,174,281
<b>Total Budget</b>	<b>85,317,014</b>	<b>85,156,937</b>	<b>5,693,794</b>	<b>97,404,084</b>	<b>12,271,816</b>	<b>285,843,645</b>

**City of Rochester, MN**  
**Expenditure Adopted Budget Recapitulation**

Description	2015 Actuals	2016 Actuals	2017 Budget	Requested	2018 Budget Recommended	Adopted
<b>General Fund</b>						
Mayor and City Council	766,090	807,662	848,385	917,289	871,745	859,209
City Administration	656,193	664,721	1,039,778	1,161,952	1,253,952	1,361,164
City Clerk's Office	429,007	407,687	498,928	427,635	426,635	511,051
Elections	23,132	208,623	15,841	241,726	241,726	241,726
Administrative Fines	2,011	29,501	2,170	41,345	41,345	41,345
Finance	1,397,761	1,494,425	1,646,604	1,735,381	1,735,381	1,735,381
City Attorney's Office	2,029,993	1,965,566	1,547,564	1,711,937	1,711,937	1,711,937
Human Resources	1,347,616	1,460,800	1,646,461	1,762,007	1,730,044	1,730,044
Planning and Zoning	30,584	13,729	46,878	47,180	47,180	44,380
Information Technology	1,580,704	1,779,735	1,832,899	1,937,039	1,935,519	2,019,937
City Hall Maintenance	558,665	585,109	589,578	640,691	635,091	635,091
<b>Total General Government</b>	<b>8,821,755</b>	<b>9,417,559</b>	<b>9,715,086</b>	<b>10,624,182</b>	<b>10,630,555</b>	<b>10,891,265</b>
<b>Police</b>	<b>22,270,669</b>	<b>23,574,012</b>	<b>25,655,308</b>	<b>27,350,974</b>	<b>26,839,924</b>	<b>26,992,871</b>
Animal Control	288,885	324,291	341,867	446,552	437,467	437,467
Dispatch	802,770	845,305	942,510	971,690	971,690	971,690
Fire	14,571,025	15,324,607	16,607,198	17,524,473	17,358,955	17,358,955
Hazmat	70,792	105,767				
Building Safety	3,046,821	3,210,012	3,605,491	3,834,379	3,831,379	3,831,379
Flood Control	486,811	464,961	582,756	659,072	628,622	628,622
Emergency Management	279,468	276,718	284,431	378,742	304,452	304,452
<b>Total Public Safety</b>	<b>41,817,242</b>	<b>44,125,673</b>	<b>48,019,561</b>	<b>51,165,882</b>	<b>50,372,489</b>	<b>50,525,436</b>
<b>Engineering</b>	<b>2,553,072</b>	<b>2,563,910</b>	<b>3,011,226</b>	<b>3,375,520</b>	<b>3,352,324</b>	<b>3,352,324</b>
Street Infrastructure Mtce	6,903,139	6,939,535	7,937,633	9,100,877	8,873,261	8,873,261
Fleet Mtce & PWTOC Bldg	505,165	544,835	555,689	626,820	654,478	654,478
Traffic	1,195,099	1,351,053	1,396,436	1,474,037	1,473,037	1,473,037
City Lighting	1,175,740	1,186,557	1,281,006	1,332,206	1,332,206	1,332,206
<b>Total Public Works</b>	<b>12,332,215</b>	<b>12,585,890</b>	<b>14,181,990</b>	<b>15,909,460</b>	<b>15,685,306</b>	<b>15,685,306</b>
<b>Music</b>	<b>1,042,879</b>	<b>1,057,441</b>	<b>1,037,000</b>	<b>1,154,447</b>	<b>1,081,441</b>	<b>1,081,441</b>
Art Ctr/Civic Theatre/125 Live	667,987	983,339	910,246	862,136	884,836	804,836
Community Reinvestment	252,000	264,000	372,000	394,500	375,000	375,000
Development Administration	156,545	163,566	171,167	181,791	181,791	181,791
Economic Development	2,525,352	2,507,426	2,551,000	2,625,000	2,625,000	2,625,000
CBD Maintenance	219,788	251,094	258,504	287,259	281,109	281,109
Unallocated	808,181	1,608,742	1,608,316	108,006	108,006	108,006
Contingency	2,164,300	213,000	1,000,000	1,000,000	900,000	1,045,276
<b>Total General Fund</b>	<b>70,808,242</b>	<b>73,177,730</b>	<b>79,824,870</b>	<b>84,312,663</b>	<b>83,125,533</b>	<b>83,604,466</b>

**City of Rochester, MN**  
**Expenditure Adopted Budget Recapitulation**

Description	2015	2016	2017	Requested	2018 Budget	Adopted
	Actuals	Actuals	Budget		Recommended	
Library	6,948,763	7,207,156	7,396,418	7,906,062	7,840,205	7,904,868
<b>Municipal Recreation System Fund</b>						
Park and Rec Admin	461,244	508,075	551,303	576,959	576,959	576,959
Recreation	690,576	612,076	623,820	653,578	648,106	648,106
Tennis Center	45,823	45,045	48,216	50,910	50,310	50,310
Swimming Pools	234,768	115,304	125,625	135,483	137,676	137,676
Parks	4,221,148	4,560,062	4,746,729	4,866,362	4,830,423	4,908,086
Parkway Landscape Maint	438,764	480,435	564,197	569,480	567,986	567,986
Plummer House	65,739	80,193	80,986	83,917	81,917	81,917
Golf	1,432,851	1,493,840	1,553,865	1,637,945	1,624,004	1,624,004
Graham Arena	736,862	828,891	815,642	819,377	837,077	837,077
National Volleyball Center	349,686	339,523	365,602	367,468	368,568	368,568
Recreation Center	1,338,821	1,417,426	1,557,171	1,543,584	1,549,784	1,549,784
<b>Total Municipal Recreation System</b>	<b>10,016,283</b>	<b>10,480,871</b>	<b>11,033,156</b>	<b>11,305,053</b>	<b>11,272,810</b>	<b>11,350,473</b>
Mayo Civic Center	3,826,086	4,027,589	5,067,202	5,619,687	5,661,537	5,661,537
F. E. Williams				20,000	20,000	20,000
Airport Operations	3,267,706	3,443,990	3,526,461	4,555,013	4,555,013	4,555,013
US Customs	163,614	154,737	217,000	217,000	217,000	217,000
<b>Total Airport</b>	<b>3,431,319</b>	<b>3,598,728</b>	<b>3,743,461</b>	<b>4,772,013</b>	<b>4,772,013</b>	<b>4,772,013</b>
Transit	7,245,667	7,544,556	10,055,391	12,945,199	12,060,192	12,060,192
EDA Administration	2,441,371	2,506,633	2,550,376	2,572,885	2,572,885	2,572,885
<b>Total Governmental Operating Budget</b>	<b>104,717,732</b>	<b>108,543,263</b>	<b>119,670,874</b>	<b>129,453,561</b>	<b>127,325,174</b>	<b>127,946,433</b>
CBD Parking Admin/Operations	5,110,866	5,124,204	7,961,648	6,094,047	6,593,237	6,593,237
Sewer Infrastructure Mtce	4,087,098	3,997,718	5,802,544	9,879,123	9,929,655	9,929,655
Water Reclamation Plant	15,355,355	15,663,739	16,003,760	16,387,271	16,344,071	16,344,071
Sanitary Sewer Fund Debt	3,634,968	3,359,760	2,991,354	1,820,709	1,820,709	1,820,709
<b>Total Sanitary Sewer Utility</b>	<b>23,077,421</b>	<b>23,021,216</b>	<b>24,797,658</b>	<b>28,087,103</b>	<b>28,094,435</b>	<b>28,094,435</b>
Storm Water Utility	4,160,526	4,334,158	4,657,790	5,117,204	5,116,962	5,116,962
<b>Total Enterprise Funds Budget</b>	<b>32,348,813</b>	<b>32,479,579</b>	<b>37,417,096</b>	<b>39,298,354</b>	<b>39,804,634</b>	<b>39,804,634</b>
<b>Total Budget with Transfers</b>	<b>137,066,544</b>	<b>141,022,842</b>	<b>157,087,970</b>	<b>168,751,915</b>	<b>167,129,808</b>	<b>167,751,067</b>
Internal Service Funds	26,218,330	31,189,053	10,003,096	11,300,697	10,264,375	10,264,375
Capital Improvements			61,498,190	104,782,614	97,479,084	97,404,084
Debt Service	3,968,745	7,851,167	8,405,931	8,709,197	9,249,837	9,249,837
Rochester EDA	1,176,839	1,152,487	1,159,786	1,174,281	1,174,281	1,174,281
<b>Grand Totals</b>	<b>168,430,458</b>	<b>181,215,549</b>	<b>238,154,973</b>	<b>294,718,704</b>	<b>285,297,385</b>	<b>285,843,644</b>

City of Rochester, MN  
Expenditure Trend Data by Object

Description	2015	2016	2017	Requested	2018 Budget	
	Actuals	Actuals	Budget		Recommended	Adopted
<b>Expenditures</b>						
<b>Employee Services</b>						
Regular Salaries	47,238,315	49,570,570	53,817,745	55,882,066	55,869,347	56,250,533
Temporary Salaries	1,735,916	1,800,747	2,103,410	2,183,320	2,183,176	2,183,176
Regular Overtime	1,561,023	2,059,008	1,567,299	1,671,253	1,575,077	1,575,077
Other Pay	687,454	497,762	777,659	934,606	937,205	930,205
Employee Benefits - Pensions	8,155,611	8,552,012	9,243,008	9,612,285	9,593,621	9,650,835
Employee Benefits - Insurance	10,442,251	10,620,237	12,958,710	14,510,894	14,513,966	14,675,036
Other Employee Benefits	50,376	52,407	52,176	52,152	52,152	52,152
<b>Employee Services</b>	<b>69,870,946</b>	<b>73,152,743</b>	<b>80,520,007</b>	<b>84,846,576</b>	<b>84,724,544</b>	<b>85,317,014</b>
<b>Contractual Services</b>						
Rents and Leases	1,864,577	1,930,251	1,881,930	2,003,868	1,956,650	1,956,650
Adv, Publishing, & Printing	505,062	528,845	723,859	973,174	949,474	949,474
Contractual Mtce & Repair	3,977,366	3,918,388	4,572,898	5,326,342	5,120,279	5,120,279
Expert & Professional Services	12,769,608	13,146,234	13,821,869	17,337,847	16,517,471	16,517,471
Communications	578,380	608,534	650,151	658,045	640,693	640,693
Travel/Training/Business Meals	593,022	586,682	743,094	927,377	817,877	815,077
Subscriptions/Bks/Membership	523,277	558,403	439,698	503,257	472,283	472,283
Utilities	5,974,469	6,093,003	7,080,370	6,893,372	6,868,592	6,868,592
Insurance and Bonds	1,140,080	1,105,722	1,233,981	1,251,891	1,251,891	1,251,891
Contractual Services	7,116,795	7,587,540	8,345,912	8,984,662	8,904,308	8,842,021
<b>Contractual Services</b>	<b>35,042,635</b>	<b>36,063,601</b>	<b>39,493,762</b>	<b>44,859,835</b>	<b>43,499,518</b>	<b>43,434,431</b>
<b>Materials and Supplies</b>						
Office Supplies	286,153	266,690	307,572	433,573	389,946	423,546
Veh & Mach Operating Supplies	2,774,220	2,579,688	3,100,673	3,648,276	3,435,284	3,435,284
Clothing & Protective Equipment	330,851	487,853	464,705	504,122	446,067	446,067
Commodities	843,279	888,252	958,120	967,144	959,644	959,644
Equipment, Tools, & Misc Parts	913,100	977,992	934,370	1,184,684	1,072,495	1,072,495
Construction Materials	1,085,053	1,036,444	1,160,912	1,171,785	1,046,452	1,046,452
Supplies	888,787	930,709	1,008,833	1,107,042	1,041,851	1,041,851
<b>Materials and Supplies</b>	<b>7,121,443</b>	<b>7,167,628</b>	<b>7,935,185</b>	<b>9,016,626</b>	<b>8,391,739</b>	<b>8,425,339</b>
<b>Other Charges</b>						
Judgmnts/Penalties/Settlements	47,145	45,114	38,250	37,220	37,220	37,220
Contributions	3,352,202	3,854,884	4,784,477	4,815,272	4,704,472	4,764,748
Taxes and Licenses	3,421,415	3,617,155	3,735,234	3,883,879	3,883,219	3,883,219
Depreciation and Interest	10,784,139	11,070,180	11,219,500	11,392,500	11,392,500	11,392,500
Other Charges	5,029,798	5,508,207	6,151,480	7,034,606	6,877,662	6,877,662
<b>Other Charges</b>	<b>22,634,699</b>	<b>24,095,540</b>	<b>25,928,941</b>	<b>27,163,477</b>	<b>26,895,073</b>	<b>26,955,349</b>
<b>Capital Outlay</b>						
Furniture and Equipment	119,588	173,620	71,550	79,100	197,100	197,100
Library Media	639,985	659,540	625,500	673,000	664,053	664,053
<b>Capital Outlay</b>	<b>759,573</b>	<b>833,161</b>	<b>697,050</b>	<b>752,100</b>	<b>861,153</b>	<b>861,153</b>
<b>Bonds-Principal &amp; Interest</b>						
Principal and Interest on Bonds	3,429,454	3,347,960	2,991,354	1,820,709	1,820,709	1,820,709
<b>Bonds-Principal &amp; Interest</b>	<b>3,429,454</b>	<b>3,347,960</b>	<b>2,991,354</b>	<b>1,820,709</b>	<b>1,820,709</b>	<b>1,820,709</b>
<b>Allocated to Other Activities</b>						
Allocations to Other Activities	(7,073,115)	(7,742,582)	(8,210,503)	(8,334,074)	(8,300,234)	(8,300,234)
<b>Allocated to Other Activities</b>	<b>(7,073,115)</b>	<b>(7,742,582)</b>	<b>(8,210,503)</b>	<b>(8,334,074)</b>	<b>(8,300,234)</b>	<b>(8,300,234)</b>
<b>Total Operating Budget</b>	<b>131,785,635</b>	<b>136,918,051</b>	<b>149,355,796</b>	<b>160,125,249</b>	<b>157,892,502</b>	<b>158,513,761</b>
<b>Operating Transfers</b>						
Operating Transfers	5,280,910	4,104,790	7,732,174	8,626,667	9,237,307	9,237,307
<b>Operating Transfers</b>	<b>5,280,910</b>	<b>4,104,790</b>	<b>7,732,174</b>	<b>8,626,667</b>	<b>9,237,307</b>	<b>9,237,307</b>
<b>Total Budget with Transfers</b>	<b>137,066,544</b>	<b>141,022,842</b>	<b>157,087,970</b>	<b>168,751,916</b>	<b>167,129,809</b>	<b>167,751,068</b>
<b>Internal Service Funds</b>	<b>26,218,330</b>	<b>31,189,053</b>	<b>10,003,096</b>	<b>11,300,697</b>	<b>10,264,375</b>	<b>10,264,375</b>

**City of Rochester, MN**  
**Expenditure Trend Data by Object**

Description	2015	2016	2017	Requested	2018 Budget	
	Actuals	Actuals	Budget		Recommended	Adopted
Capital Improvements			61,498,190	104,782,614	97,479,084	97,404,084
Debt Service	3,968,745	7,851,167	8,405,931	8,709,197	9,249,837	9,249,837
Rochester EDA	1,176,839	1,162,487	1,159,786	1,174,281	1,174,281	1,174,281
<b>Total Budget</b>	<b>168,430,458</b>	<b>181,215,549</b>	<b>238,154,973</b>	<b>294,718,705</b>	<b>285,297,386</b>	<b>285,843,645</b>