



2020 Operating Budget and 2020-2025 CIP Budget

City Council Study Session
November 4, 2019



Agenda

Summarize revisions from October 14 budget discussion

Discuss possible fee supported public safety service enhancements

Consider CIP revisions

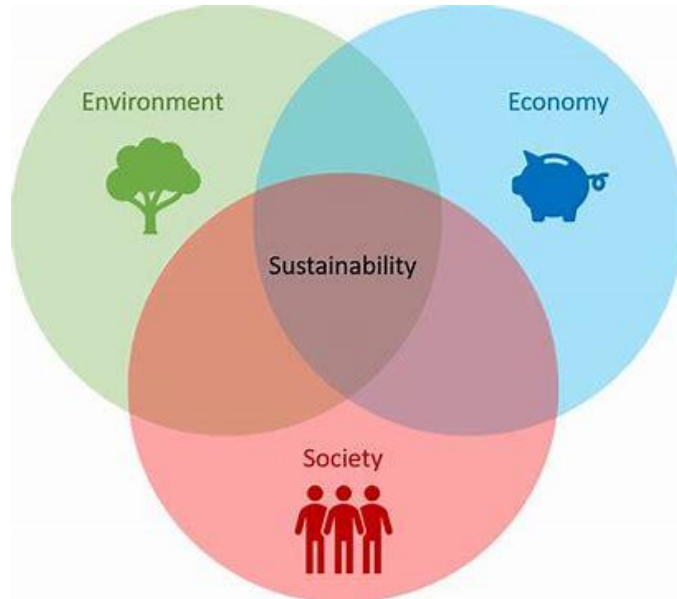
Consider new innovation fund pilot program

Receive final thoughts from Council for December 2 budget adoption
public hearing



Organizational Vision

A vibrant, compassionate,
innovative team



Foundational Principles

- Compassion
- Environmental Stewardship
- Fiscal Responsibility & Sustainability
- Public Safety
- Social Equity



Recent Actions

- Adopted preliminary budget: \$388,123,125
- Set maximum property tax levy: \$79,524,771
 - Includes approx. \$337,000 not appropriated



October 14 Actions - Tax Levy Funds

- Allocated \$200K for CIP reconciliation (10 years)
- Revised “Mayor’s” budget to include:
 - \$20K for social equity work (new)
 - \$25K Rochesterfest funding (existing)
- Eliminated the Chamber’s \$10K “Day at the Capitol”



October 14 Actions - Other

- Allocated \$150K of downtown tax abatement fund balance for RDA's Clean and Safe program
- Decided to include the conversion of all streetlights to LED in 2020
 - \$4M expense
 - Internal loan
 - 11+/- year payback from operational savings
- Decided to pursue new revenue opportunities:
 - Natural gas franchise fee
 - Community lighting utility
 - Sidewalk improvement district



Follow Up Item

- RCTC's \$20k Small Business Development Center request



Revenue Supported Positions to Support Public Safety Services

(revenue and expense not included in budget)



1-Fire Marshal Services



- Highest Fire Department priority to mitigate community risk
- Team same size since late 1866
- Currently have 3 positions
 - Need for 5 positions due to growth and demand



Fire Marshal Services



- \$250K expense
- Funding Strategy
 - Increase of existing fees and volume: \$175K
 - New fire protection equipment fee: \$50K
 - Taxy levy: \$25K



Community Engagement



- Three groups
 - Fire protection installation/repair contractors
 - Fire protection maintenance contractors
 - Businesses who conduct permitted activities
- Rochester Chamber of Commerce and 700 contractors/businesses were notified of the proposed fee increases and associated engagement opportunity



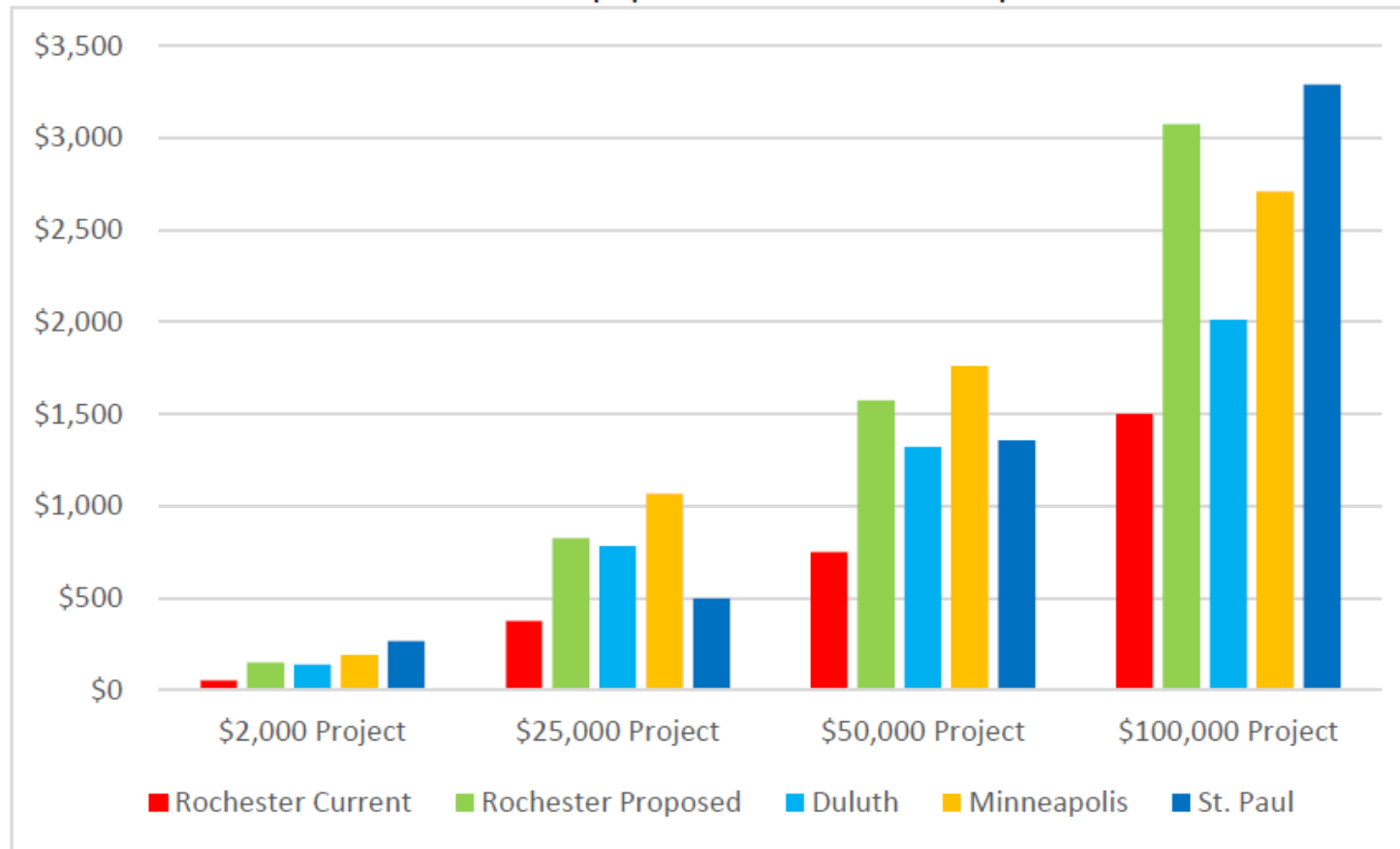
Community Engagement



- Representatives from three contractors/businesses attended the engagement opportunities
- Feedback from the representatives was consistent with no specific questions or feedback regarding the proposal
- A contractor did express a belief that most communities do not require permits for services provided by their company

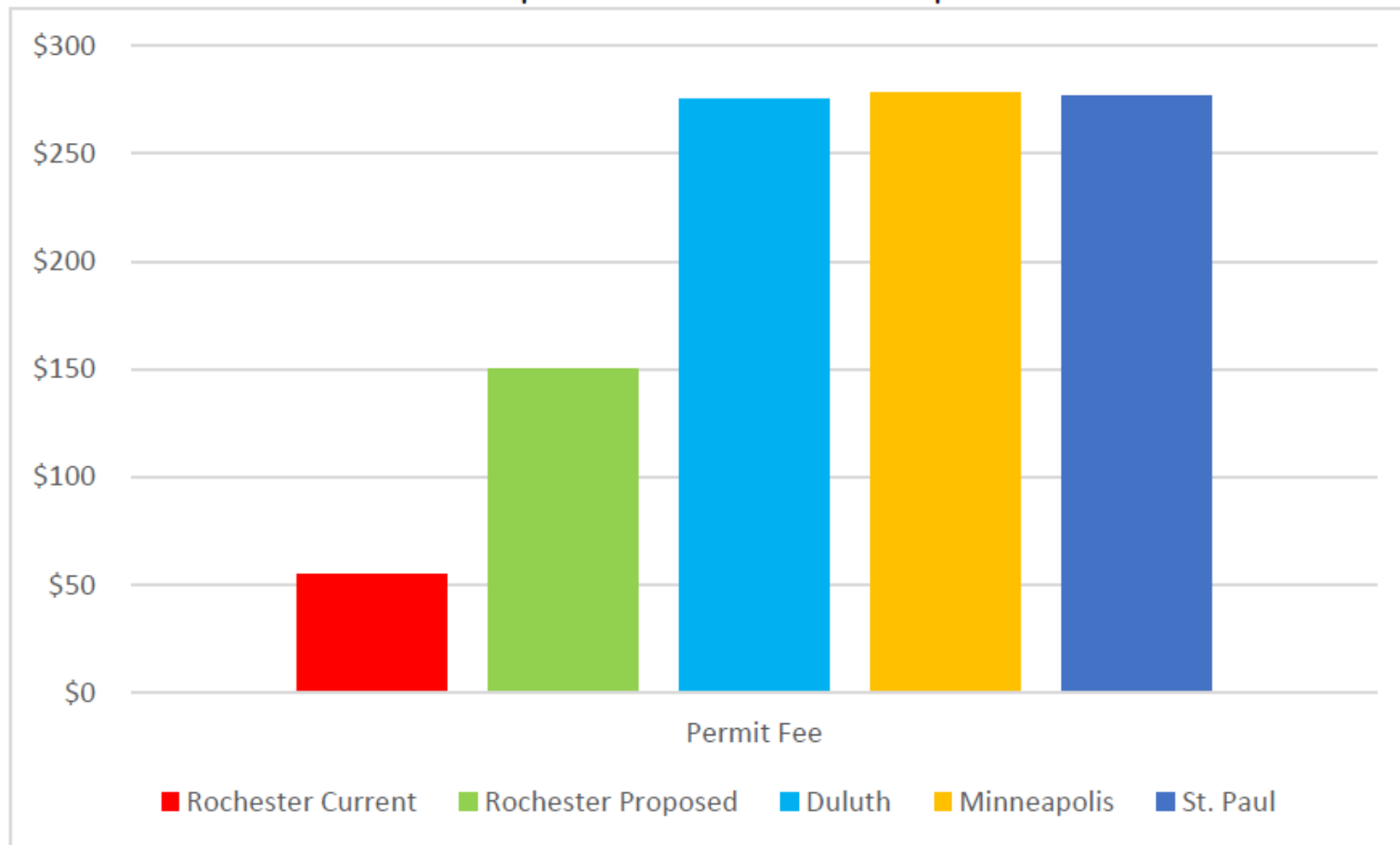


Fire Protection Equipment Permit Fee Comparison



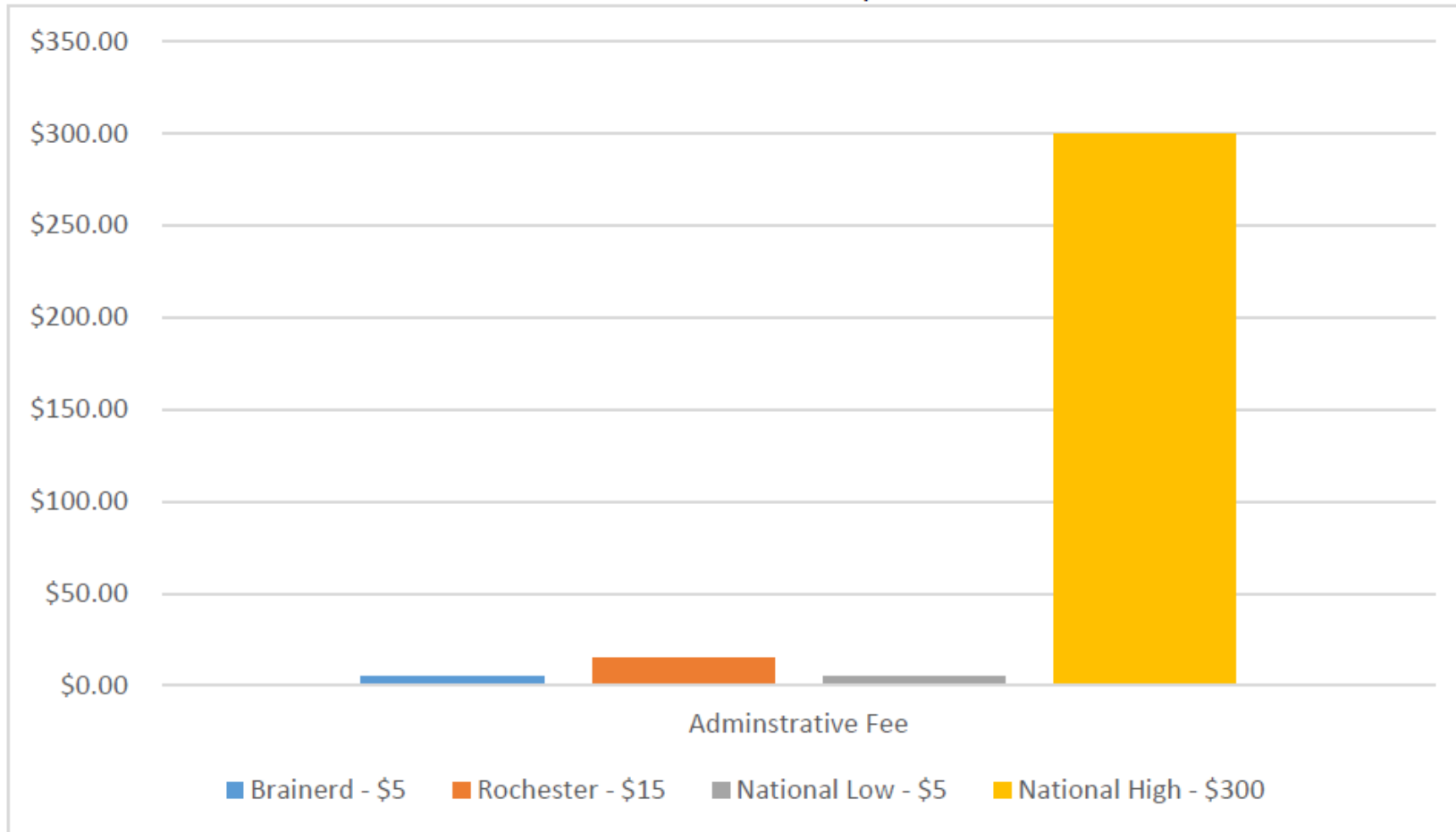


Annual Operational Permit Fee Comparison





Administrative Fee Comparison





2-Community-wide Public Safety Enhancements

- New Police Department initiatives focused on public safety relating to liquor consumption across the city
- New License Examiner position in the City Clerk's Office
- \$335,000 estimated expense
 - Police: \$202K
 - City Clerk: \$133K



Police Department Initiatives

- Citywide:
 - Increased and focused DWI enforcement
 - Create an educational component for bars/restaurants reference over-serving patrons
 - Enhanced alcohol compliance checks
- Enhanced patrol downtown
 - Including at bar close





Funding Strategy

- Fee adjustments to annual liquor licenses: \$324K
 - Nearly all of liquor licenses at 1992 rate
 - No increase has occurred since Rochester became a First Class City
- Tax Levy: \$11K



3-Licensing Support

- Assistant Clerk II position
 - Estimated expense: \$78K
- Overall Licensing program spans 8 major areas:
 - Trades/contractors, alcohol & gambling, transportation, businesses, animals, peddlers, and special events
 - Purpose is to ensure public safety, health and welfare



Licensing Support

- Core administrative team in Clerk's Office of 4 same size since 2002
- Team provides supports for:
 - Core functions in Clerk's Office
 - Serves as the City's front desk and first point of contact via phone and other channels



Funding Strategies

- Fee adjustments in other annual license types: \$60K
 - Fees for these licenses have not been adjusted since initial adoption in many instances – last broad adjustment was 1981
- Tax levy: \$18K



Stakeholder Engagement

- Stakeholders identified and contacted via email and postal mail
- Web page developed to provide materials on changes
 - <https://www.rochestermn.gov/departments/city-clerk/licenses-and-permits/license-fee-changes>
- Chamber-hosted forum for Liquor licensees attended by City Clerk and PD
- Forum at City Hall and via Facebook Live for other license holders
- Feedback encouraged via email or phone calls to the City Clerk in all communications



CIP Revisions

- No impact to 2020 tax levy
- 15 changes
 - 12 changes in Major Streets category
 - 1 in Pedestrian Facilities category
 - 1 in Mayo Civic Center
 - 1 in Traffic category (LED project)



New Request

- Internal City Innovation Fund: \$25k

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December 2 Budget Adoption Consideration

- Hold public hearing
- City Council consideration of resolutions to:
 - Adopt 2020 operating budget
 - Adopt 2020-2025 CIP
 - Certify 2020 property tax levy