



## **AGENDA**

February 24, 2021

Local Sales Tax Citizens' Oversight Committee  
6:00 P.M.  
City of Roseville  
311 Vernon Street  
Roseville, California  
[www.roseville.ca.us](http://www.roseville.ca.us)

Committee members may teleconference pursuant to Executive Order N-29-20.

Members of the public may view the meeting on Comcast channel 14, Consolidated Communications channel 73 and AT&T U-verse. Meetings are also video streamed live and are available on the City's website and YouTube channel.

Members of the public who would like their comments to become part of the record for the "public comment" sections may do so by the following means:  
Dial in Phone Number: 916-774-5353

If you need a disability-related modification or accommodation to participate in this meeting, please contact Voice: 916-774-5200, TDD: 916-774-5220.  
Requests must be made as early as possible.

### **THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION**

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

**Public Comment** - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

**Consent Calendar** - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

**Agenda Items** - Speakers have five minutes to address items that are listed on the agenda.

**Americans with Disabilities Act** - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

**Audio/Visual Presentations** - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Roseville City Clerk 311 Vernon Street, Roseville, CA 916-774-5200 TDD 916-774-5220

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**
- 5. APPROVAL OF MINUTES**
  - 5.1. Minutes of Prior Meeting
- 6. REQUESTS/PRESENTATIONS**
  - 6.1. Report to Council - Approval
  - 6.2. Report to Council - Presentation
- 7. ADJOURNMENT**



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Minutes of Prior Meeting  
**Contact:** Terry Bradley, tbradley@roseville.ca.us, 916-774-5319

**Meeting Date: 2/24/2021**  
**Item #: 5.1.**

## RECOMMENDATION

Recommend the Local Sales Tax Citizens' Oversight Committee approve the February 2, 2021 Committee meeting minutes.

## BACKGROUND

The request is to approve the minutes of the previous meeting. According to the City's Administrative Standards, the minutes may be approved by majority vote even if one or more of the voting members were not present at the meeting to which the minutes relate.

Respectfully Submitted,

Terry Bradley, Recording Secretary

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

## **ATTACHMENTS:**

Description

Minutes 02-02-21



## **MINUTES**

**February 2, 2021**

**Local Sales Tax Citizens' Oversight Committee**

**6:00 P.M.**

**City of Roseville**

**311 Vernon Street**

**Roseville, California**

**[www.roseville.ca.us](http://www.roseville.ca.us)**

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Requests must be made as early as possible.

### **1. CALL TO ORDER**

Chair Kitchell called the meeting to order at 6:00 p.m.

### **2. ROLL CALL**

Present: Comstock, Duffy, Kight, Kitchell, Krafka

### **3. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chair Kitchell.

### **4. PUBLIC COMMENTS**

No Public Comment received.

### **5. APPROVAL OF MINUTES**

### 5.1. Minutes of Prior Meeting

Motion by Patrick Comstock, seconded by Meghan Krafka, to approve the minutes of the February 18, 2020 Local Sales Tax Citizens' Oversight Committee. The Motion Passed.

Roll call vote: Ayes: Comstock, Duffy, Kight, Kitchell, Krafka

## 6. **REQUESTS/PRESENTATIONS**

### 6.1. Appointment of Chair and Vice Chair

Staff recommends the Local Sales Tax Citizens' Oversight Committee take action to appoint a Chair and Vice Chair for the Committee to service until December 31, 2021.

No Public Comment received.

Motion by Patrick Comstock, seconded by Christopher Kight, to appoint Chair Kitchell and Vice Chair Krafka as the Chair and Vice Chair of the Local Sales Tax Citizens' Oversight Committee. The Motion Passed.

Roll call vote: Ayes: Comstock, Duffy, Kight, Kitchell, Krafka

### 6.2. The Brown Act

Presentation by Joe Mandell, Senior Deputy City Attorney, on the Brown Act.

Senior Deputy City Attorney, Joe Mandell, made the presentation to the Committee.

No Public Comment received.

For information only; no action required.

### 6.3. Committee Overview

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, on the roles and responsibilities of the Committee.

Assistant City Manager/Chief Financial Officer, Dennis Kauffman, made the presentation to the Committee.

No Public Comment received.

For information only; no action required.

#### 6.4. Year-end Report

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, on the Year-end Report.

Assistant City Manager/Chief Financial Officer, Dennis Kauffman, made the presentation to the Committee.

No Public Comment received.

For information only; no action required.

#### 6.5. Report to Council

Staff recommends the Local Sales Tax Citizens' Oversight Committee approve a motion to designate one or two committee members to prepare the Committee's report to the City Council.

No Public Comment received.

Motion by Patrick Comstock, seconded by Christopher Kight, to appoint Patrick Comstock and Meghan Krafka as the designees to prepare the Committee's report to City Council. The Motion Passed.

Roll call vote: Ayes: Comstock, Duffy, Kight, Kitchell, Krafka

### **7. ADJOURNMENT**

Motion by Patrick Comstock, seconded by Meghan Krafka, to adjourn the meeting at 7:54 p.m. The Motion Passed.

Roll call vote: Ayes: Comstock, Duffy, Kight, Kitchell, Krafka



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Report to Council - Approval  
**Contact:** Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

**Meeting Date:** 2/24/2021  
**Item #:** 6.1.

## RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee adopt a motion to approve the Committee's report to the City Council.

## BACKGROUND

The Local Sales Tax Citizens' Oversight Committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B Sales and Use Tax.

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

## **ATTACHMENTS:**

### Description

Roseville Citizens' Oversight Committee Memo to Council

Budget in Brief Brochure

Fund Summaries

General Fund Comparison

# Memorandum

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**To: Roseville City Council**

**From: Local Sales Tax Citizens' Oversight Committee**

**Date: March 17, 2021**

**Subject: Citizens' Oversight Committee update for March 17, 2021 Roseville City Council Meeting**

**History of Measure B**

- Measure B is a half-cent local sales and use tax to protect Roseville's essential services and was approved by voters in the November 6, 2018 election, with the expected annual revenue of \$16 to \$19 million.
- On April 1, 2019, the sales and use tax rate in Roseville increased from 7.25% to 7.75%.
- During the prior fiscal year 2018/2019, the City Council approved a budget adjustment to transfer the full \$4.2M earned through Measure B to the Economic Stabilization Reserve.

**Role of the Citizen Oversight Committee**

- The Citizens' Oversight Committee was proposed as an independent citizen oversight on the Measure B funds.
- The Citizens' Oversight Committee was created when Measure B passed in the November 6, 2018 election.
- The local sales tax oversight committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B sales and use tax.

<b>Current Members</b>	<b>Term End</b>
Patrick Comstock	6/30/2021*
Richard Duffy	6/30/2023*
Christopher Kight	6/30/2021*
Kathryn Kitchell	6/30/2023*
Meghan Krafka	6/30/2023*
*All members are eligible to re-apply at end of current term	

Measure B funds are appropriated to the General Fund where funds are not specifically allocated and tracked for a specific purpose, the Measure B ballot information stated that “the City may use the funds for any municipal purpose, including but not limited to essential services such as neighborhood police patrols, fire protection, 9-1-1 emergency response; crime suppression/investigation; street and pothole repair; libraries, parks and recreation; and job creation and economic improvement programs.”

### **Review of February 2, 2021 Meeting**

- The meeting consisted of the following:
  - Appointment of annual Committee Chair and Vice Chair
  - Review of the Brown Act by Joe Mandell, Senior Deputy City Attorney
  - Presentation of the City’s year-end report by Dennis Kauffman, Assistant City Manager/Chief Financial Officer. Presentation was a summary of information provided to the Committee as exhibits:
    - Committee Overview
    - Year-end Report: Fiscal year July 1, 2019 to June 30, 2020
      - Budget overview
      - Financial outlook
      - Council priorities
      - General Fund revenue/expenditures
      - Measure B strategic investments
      - Fiscal actions to address COVID-19
  - Report to Council
  - Recommendation by the City staff that the Committee designate one or two Committee members to prepare the Committee’s report

### **Citizens’ Oversight Committee Report of the Funds from Fiscal Year 2019/2020**

- Fiscal year 2019/2020 earned \$19.7M in Measure B revenue which was \$3.7M more than budgeted. Actual Measure B earnings exceeded budget primarily due to the conservative approach in budgeting for Measure B revenue since it was the first year in earnings without a historical trend to use as a basis.
- The Committee notes that because Measure B revenue is comingled with other General Fund revenue and pooled for General Fund expenditures, it is not possible to trace specific expenditures back to Measure B revenue.
- City staff reports show that \$14.1M in city funds were used to fund the Economic Stabilization Fund and \$698K was used to increase the Emergency Reserve.
- Certain members of the Committee reviewed The Annual Budget Fiscal Year 2020-21 Report General Fund Summary showing General Fund expenditures by department and noted that police, fire, public works and parks, recreation and library services were all maintained as evidenced by an increase in expenditures from FY 2018/2019 to FY

2019/2020. It was further noted that a new police beat was established in West Roseville fulfilling a public committed use of Measure B funds.

- The Committee concludes that based on the data provided by City staff and our analysis as described above, that Measure B funds were used for their intended purpose.
- The Committee recommends that City staff work with one or two members of the Committee to develop a scorecard for future years to provide supporting evidentiary documentation of Measure B revenue use.

CC:

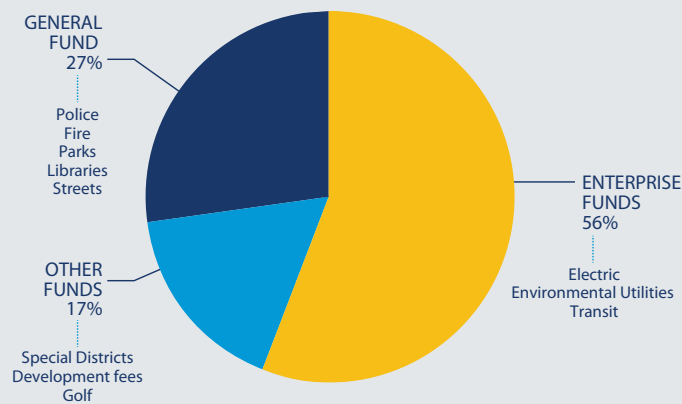
Dennis Kauffman, Assistant City Manager/Chief Financial Officer

Terry Bradley, Recording Secretary

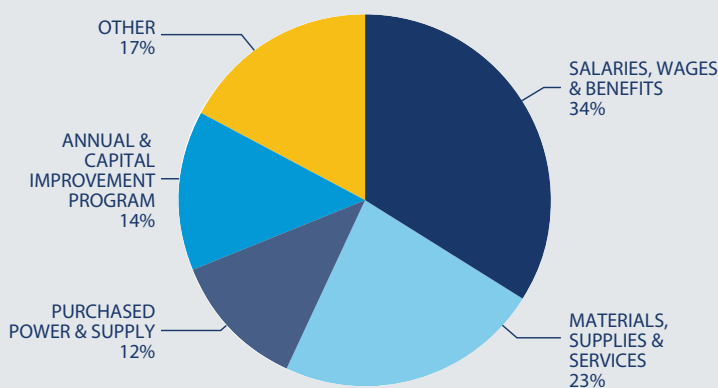
## Citywide budget

The FY2019-20 proposed budget for the City of Roseville is balanced and totals approximately \$554 million. The following is a breakdown of revenues by fund and expenditures by major category.

REVENUES BY FUND TYPE



EXPENSES BY MAJOR CATEGORY



## Capital Improvement Program

The five-year Capital Improvement Program (CIP) ensures core infrastructure is maintained and enhanced to provide consistently high levels of service.

PROGRAM AREA	FY2019-20	FY2020-24
Annual Projects	\$19,794,000	\$75,057,000
Citywide Technology	\$3,593,000	\$3,593,000
Electric	\$19,432,000	\$60,850,000
General Government	\$3,352,000	\$4,227,000
Parks, Recreation & Libraries	\$371,000	\$13,952,000
Public Safety	\$629,000	\$629,000
Public Works	\$6,637,000	\$23,226,000
Solid Waste	\$4,350,000	\$6,350,000
Stormwater	-	\$394,000
Wastewater	\$2,560,000	\$2,559,000
Water	\$17,871,000	\$32,155,000
<b>Total</b>	<b>\$78,589,000</b>	<b>\$222,992,000</b>



## Budget priorities

Following are the City Council's priorities for FY2019-20, which are supported in the budget:

- Public safety
- Fiscal responsibility
- Economic development
- Sound and stable utilities
- A great downtown
- Infrastructure
- Legislative advocacy
- Civic engagement
- Core neighborhoods
- Regional engagement
- Culturally rich community

## How can I participate in the budget process?

Public participation in the budget process is essential to establishing citywide budget priorities. Many public meetings have already taken place and the following opportunities remain:

**Final budget hearings**  
4 – 7 p.m., June 3 and 4

**City Council considers budget for adoption**  
6 p.m., June 19

The meetings will take place in the City Council Chambers, 311 Vernon St. in Downtown Roseville.

## City Council

John B. Allard II	<b>Mayor</b>	jallard@roseville.ca.us
Krista Bernasconi	<b>Vice Mayor</b>	kbernasconi@roseville.ca.us
Scott Alvord	<b>Councilmember</b>	salvord@roseville.ca.us
Pauline Rocucci	<b>Councilmember</b>	proccucci@roseville.ca.us
Bruce Houdesheldt	<b>Councilmember</b>	bhoudesheldt@roseville.ca.us

## Questions about the budget?

Call (916) 774-5300 or email [finance@roseville.ca.us](mailto:finance@roseville.ca.us)

## Budget awards

The Government Finance Officers Association and the California Society of Municipal Finance Officers both recognize the City of Roseville for excellence in the preparation and presentation of an outstanding budget.



# CITY OF ROSEVILLE Budget in Brief

## Annual Budget Fiscal Year 2019-20

- What are the City's service and fiscal priorities?
- What is the City's financial outlook?
- How do I get involved in the process?





## The budget is the City's roadmap

The City of Roseville's annual budget is one of our most important policy documents.

This simplified version of the comprehensive budget document includes highlights, an overview of major revenue sources and expenditures, and guidance on how to participate in the budget process.

A full copy of the budget document is available on the City's website at [www.roseville.ca.us/budget](http://www.roseville.ca.us/budget)

## How is the budget developed?

City Council adopts the budget in June of each year for the following fiscal year, which runs from July 1 to June 30. The budget development process is continuous and includes public meetings throughout the year.



## What is Roseville's financial outlook?

Optimism fueled by short-term projections and a relentless focus on efficiency defines Roseville's budget approach for the coming year.

Roseville's fiscal position is expected to improve in FY2019-20 primarily due to a half-cent sales tax increase (Measure B) approved by voters in November 2018. The increase became effective on April 1, 2019.

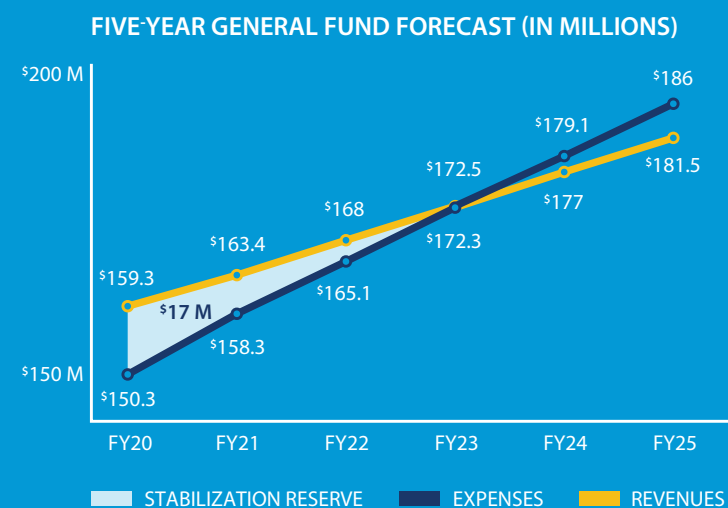
The City will begin receiving the estimated \$16 million annually in new sales tax revenue during FY2019-20.

While the approval of Measure B will certainly help to stabilize General Fund services and protect our quality of life, it is not sufficient by itself to maintain long-term fiscal stability.

The following graph displays forecasted General Fund revenues and expenditures for FY2019-20 to FY2024-25.

The projected revenue surplus of \$17 million in the first three years will build our economic stabilization reserves.

In the fifth year, expenses are projected to outpace revenues. In anticipation, Roseville remains focused on fiscal responsibility.



## Measure B strategic investments

Although expenses are growing at an increasing rate, Measure B revenues allow the City to maintain current service levels, restore others, and strategically invest in high-priority areas while still achieving a balanced budget.

As part of the EngageRoseville effort, the City asked the community its priorities in city services to help guide the City in developing future budgets.

These priorities, along with Council priorities, are reflected in the FY2019-20 budget. The plan for Measure B revenues, includes the following priorities:

### Services maintained

- Specialized police and fire services
- Fire engine company
- Recreation and library programs
- Street maintenance levels
- Job-creation and business-recruitment initiatives

### Services restored

- Library hours
- 4th of July fireworks
- Fire training and investigations
- Goat grazing for thatch management in open space
- Park maintenance standards
- Industry training and development

### Services added

- Establish new police beat in West Roseville
- Maintenance for three citywide parks, allowing for construction to occur

### Fiscal health investments

- Build economic stabilization reserve fund
- Pay down CalPERS pension obligation
- Pay down retiree health liability



## Focus on fiscal responsibility

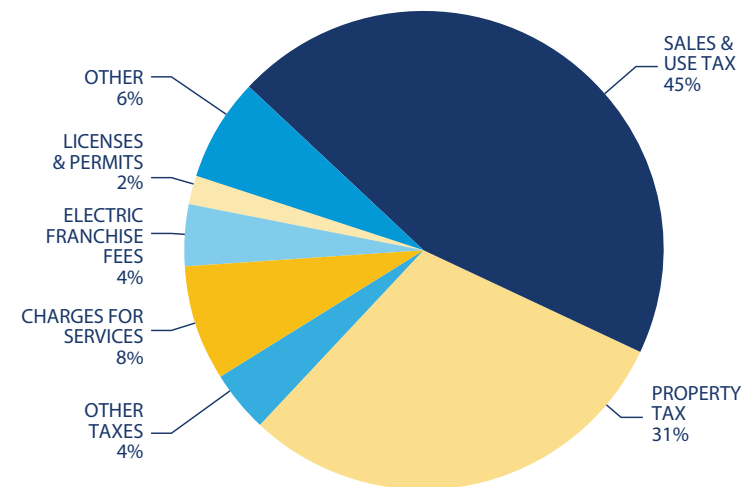
The budget plan for the coming year focuses on fiscal responsibility by:

- Implementing operational efficiencies including:
  - Streamlining positions for efficiency and alignment with priorities
  - Using technology to reduce costs and increase service levels
  - Implementing cost-saving department reorganizations
- Paying down unfunded liabilities to improve the City's financial condition
- Funding the General Fund Economic Stabilization Reserve to maintain city services during the next recession
- Looking for other ways to reduce costs, strengthen operational efficiencies, reduce the size of our organization in lower priority areas, and increase revenue

## General Fund operating budget

The FY2019-20 General Fund proposed expenditure budget totals approximately \$158 million.

### Where does the money come from?



### Where does the money go?



# Fund Summary

## 1001 - General

	FY2018-19 Actuals (\$)	FY2019-20 Amended Budget (\$)	FY2020-21 Budget (\$)
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### ESTIMATED OPERATING REVENUES, TRANSFERS IN, AND CARRYOVER

Taxes	116,033,311	127,141,810	126,274,850
Licenses and Permits	3,009,035	2,834,062	3,069,193
Charges for Services	13,045,091	12,899,031	12,561,653
Grants and Contributions	390,821	147,254	328,183
Use of Property and Money	741,855	816,636	1,210,420
Fines and Penalties	122,858	103,850	89,250
Other Revenue	4,102,356	2,539,015	1,877,541
Transfers In - Operating	14,190,952	12,748,941	15,335,002
Prior Year Encumbrance Carryover [1]	664,304	655,823	-
<b>TOTAL</b>	<b>152,300,583</b>	<b>159,886,422</b>	<b>160,746,092</b>

### ESTIMATED OPERATING EXPENDITURES/EXPENSES AND TRANSFERS OUT

City Council	205,389	308,167	181,264
City Manager	1,155,872	1,179,566	1,434,925
Public Affairs and Communications	515,871	583,665	653,355
City Attorney	1,689,104	1,786,148	2,025,685
Finance	1,701,090	4,908,509	5,231,774
Human Resources	1,071,531	1,548,247	1,595,945
City Clerk	948,813	1,515,615	1,415,379
Police	41,425,056	44,476,408	46,426,359
Fire	34,040,697	36,141,504	34,649,867
Economic Development	539,852	876,841	1,085,229
Parks, Recreation & Libraries	22,158,735	24,965,839	26,412,294
Public Works	7,618,974	7,793,032	8,016,401
Development Services	8,625,192	9,642,075	10,125,447
Other Expenditures/Expenses	7,667,525	15,589,164	17,092,185
Transfers Out - Operating	8,731,992	19,003,570	2,794,292
<b>TOTAL</b>	<b>138,095,694</b>	<b>170,318,350</b>	<b>159,140,400</b>

### ESTIMATED NON-OPERATING REVENUES, TRANSFERS IN, AND CARRYOVER

Debt Service	749,090	631,108	-
Project Related	3,955,443	8,845,915	5,548,984
Transfers In - Capital	118,556	-	-
Transfers In - Loans	861,027	901,488	-
Prior Year Project Carryover [1]	1,703,583	2,072,151	-
<b>TOTAL</b>	<b>7,387,700</b>	<b>12,450,662</b>	<b>5,548,984</b>

### ESTIMATED NON-OPERATING EXPENDITURES/EXPENSES AND TRANSFERS OUT

Debt Service	367,754	363,672	-
Project Related	4,375,717	12,975,066	7,074,676
Transfers Out - Capital	470,552	825,165	-
Transfers Out - Loans	80,000	80,000	80,000
<b>TOTAL</b>	<b>5,294,024</b>	<b>14,243,903</b>	<b>7,154,676</b>

### INCREASE (DECREASE) FROM OPERATIONS

<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>16,298,566</b>	<b>(12,225,169)</b>	<b>-</b>
<b>Total Estimated Beginning Fund Balance</b>	<b>7,328,372</b>	<b>21,259,051</b>	<b>6,305,908</b>
Less Prior Year Encumbrance Carryover [1]	(664,304)	(655,823)	-
Less Prior Year Project Carryover [1]	(1,703,583)	(2,072,151)	-
<b>Total Estimated Adjusted Beginning Fund Balance</b>	<b>4,960,486</b>	<b>18,531,077</b>	<b>6,305,908</b>
Increase (Decrease) From Operations	16,298,566	(12,225,169)	-
<b>Estimated Ending Fund Balance Before Reserves</b>	<b>21,259,051</b>	<b>6,305,908</b>	<b>6,305,908</b>
Less Encumbrance Carryover Reserve [1]	(655,823)	-	-
Less Project Carryover Reserve [1]	(2,072,151)	-	-
<b>ESTIMATED UNRESTRICTED ENDING FUND BALANCE</b>	<b>18,531,077</b>	<b>6,305,908</b>	<b>6,305,908</b>

[#] End notes are available on the last page of the Fund Summaries section.

**City of Roseville**  
**General Fund Comparison for Local Sales Tax Oversight Committee**

ESTIMATED OPERATING EXPENDITURES AND TRANSFERS OUT	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Adopted	Comment
	Final	Final	Budget	
Salaries and Wages	67,905,198	70,572,772	72,813,946	
Benefits	34,409,530	44,036,080	47,439,617	1
Materials Supplies and Services	40,004,805	43,194,347	49,339,993	2
Internal reimbursements	(13,417,595)	(11,692,632)	(13,488,498)	3
Capital Outlay	448,559	250,095	225,095	
Debt Service	13,205	15,164	15,955	
Transfers out - operating	8,731,992	19,192,719	2,794,292	4
<b>Total Estimated Operating Expenditures/Expenses and Transfers Out</b>	<b>138,095,694</b>	<b>165,568,545</b>	<b>159,140,400</b>	
<b>ESTIMATED NON-OPERATING EXPENDITURES AND TRANSFERS OUT</b>				
	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Adopted	
	Final	Final	Budget	
Debt Service	367,754	59,422	-	
Project Related Expenses	4,375,717	5,949,490	7,074,676	5
Transfers Out - Capital	470,552	825,165	-	6
Transfers Out - Loans	80,000	80,000	80,000	
<b>Total Estimated Non-Operating Expenditures and Transfers Out</b>	<b>5,294,023</b>	<b>6,914,077</b>	<b>7,154,676</b>	
<b>Total Expenditures and Transfers Out</b>	<b>143,389,717</b>	<b>172,482,622</b>	<b>166,295,076</b>	

**Comments**

- 1 - Increase in FY2019-20 primarily due to change in accounting from transfers out - operating in FY2018-19 for retiree health benefits
- 2 - This category includes charges from the City's internal service funds for IT, fleet and facilities, including equipment replacement
- 3 - Reimbursements are primarily for indirect cost recovery from other funds
- 4 - Transfers in FY2019-20 are predominately to the Emergency Reserve and Stabilization Reserve Fund
- 5 - A majority of the project budgets are reimbursable development projects managed by the City's Development Services Department
- 6 - FY2020-21 change is due to direct funding projects rather than using a transfer, resulting in higher project related expenses above



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Report to Council - Presentation  
**Contact:** Dennis Kauffman, [dkauffman@roseville.ca.us](mailto:dkauffman@roseville.ca.us), 916-774-5313

**Meeting Date: 2/24/2021**  
**Item #: 6.2.**

## RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee approve a motion to designate one or two Committee members to present the Committee's report to the City Council.

## BACKGROUND

The Local Sales Tax Citizens' Oversight Committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B Sales and Use Tax.

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer