



MINUTES

June 1, 2021

SPECIAL MEETING
CITY COUNCIL BUDGET WORKSHOP
4:00 p.m.
Council Chambers
311 Vernon Street
Roseville, California
www.roseville.ca.us/CORTV

The meeting will be open to limited in-person attendance. To remain in compliance with the state's public health guidance, attendance will be limited to 25% of the room's capacity (15 seats) and will require 6 feet of social distancing inside and outside the council chambers. Face coverings are required and will be provided to those who don't have a mask.

Due to the limited capacity in the chambers, the public is highly encouraged to participate virtually. The meeting may be viewed on Comcast channel 14, Consolidated Communications channel 73, and AT&T U-Verse. City Council meetings are also video streamed live and are available on the City's website and YouTube channel.

Members of the public may offer public comment by phone:

Dial in Phone Number: 916-774-5353

If you need 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.

1. CALL TO ORDER

Mayor Krista Bernasconi called the workshop to order at 4:00 p.m.

2. ROLL CALL

Present: Houdesheldt, Alvord, Roccucci, Mendonsa, Bernasconi

3. PLEDGE OF ALLEGIANCE

Roseville Area Chamber of Commerce CEO Wendy Gerig led the Pledge of Allegiance.

4. PUBLIC COMMENTS

No public comment received.

5. SPECIAL REQUESTS/REPORTS/PRESENTATION

5.1. Budget Workshop

- A. Introduction - Dominick Casey, City Manager
- B. Fiscal Overview - Dennis Kauffman, Assistant City Manager/Chief Financial Officer
- C. Department Overviews:
 - 1. Police
 - 2. Fire
 - 3. Parks, Recreation & Libraries
 - 4. Development Services
 - 5. Public Works
 - 6. Electric
 - 7. Environmental Utilities

CONTACT: Dennis Kauffman 916-774-5320 dkauffman@roseville.ca.us

A. Introduction - Dominick Casey, City Manager

City Manager Dominick Casey made introductory remarks.

Council goals:

- Remain fiscally responsible in a changing world
- Support community engagement and advocacy
- Maintain a safe and healthy community
- Enhance economic vitality
- Deliver exceptional city services
- Invest in well-planned infrastructure and growth

The proposed budget aligns with the City Council's strategic plan.

Summary of steps to inform the City Council and community:

- April 7, 2021 - Long-term Pension and Other Postemployment Benefits and Liabilities Update
- April 21, 2021 - Capital Improvement Projects Preview for FY2021/22
- May 5, 2021 - FY2021/22 Financial policies
- May 19, 2021 - Proposed FY2021/22 Budget released to City Council
- June 1, 2021 - Budget Hearings (Citywide budget presentation, current fiscal position and trends and department operating budgets)
- June 16, 2021 - City Council considers budget for adoption

Extensive Outreach:

- Budget-in-Brief
- Website
- E-newsletter
- Social media
- Roseville Coalition of Neighborhood Associations
- Sun City Roseville
- Roseville Chamber of Commerce
- Employee groups

Extensive Process + Outreach = Trust

- Input from National Community Survey
Government performance was an area in which Roseville received among the highest rankings in the nation, including:
 - Value of services for taxes paid in Roseville
 - Overall direction that Roseville is taking
 - Generally acting in the best interest of the community
 - Treating residents with respect
 - Treating all residents fairly
 - Being honest, being open and transparent to the public
 - Overall confidence in Roseville government
 - Informing residents about issues facing the community
 - Welcoming resident involvement

Purpose for Budget Hearings:

- Define the City's overall budget
 - General Fund
 - Enterprise Funds
 - Define the City's General Fund budget
 - Revenues
 - Expenses
 - Challenges
 - Trends
- Receive Council confirmation/direction on recommendations to:
- Maintain service levels in a growing city
- Address new state/federal mandates
- Enhance service levels for Council strategic priorities

Measure B Priorities:

- Maintain essential services
- Maintain restored services
 - Library hours
 - Goat grazing in open space
 - 4th of July activities
- Maintain priority services and added:
 - New police beat in West Roseville with four police officers
 - Additional one police traffic officer
 - Maintenance for citywide parks, allowing for construction to occur
- Fiscal Health investments

- Build and maintain Economic Stabilization Reserve Fund
- Pay down retiree health liability (OPEB)
- Pay down CalPERS pension obligation, after General Fund reserve targets are met
- Allows City to stabilize continuity of services in the future

Summary comments:

- Maintains fiscal responsibility
 - Aligns with City Council strategic plan goals
 - Lives within our means
 - Provides core services
- Concerns
 - Uncertain impacts of COVID-19 economy
 - Limited room for growth without new sources of revenue
 - Limited capital available for new projects
- Measure B Priorities
 - Maintain current priority service levels
 - Focus on high-priority new services
 - Build and maintain stabilization reserve fund
 - Pay down long-term liabilities to build capacity

No public comment received.

City Manager Dominick Casey introduced Assistant City Manager/Chief Financial Officer Dennis Kauffman.

B. Fiscal Overview - Dennis Kauffman, Assistant City Manager/Chief Financial Officer

Assistant City Manager/Chief Financial Officer Dennis Kauffman made summary comments.

- Fiscal uncertainty continues
- Status quo General Fund expenditure budget, with augmentations to:
 - Maintain service levels in a growing city
 - New positions
- Labor cost increases, including pension and medical insurance costs
- Materials, services, and supplies for unavoidable cost increases
- Address new state/federal mandates
- Enhance service levels for Council strategic priorities

Budget Manager Scott Pettingell made the presentation to the City Council.

Citywide Budget: Revenue

- Total \$613.7 million
- General revenue: 28%
- Enterprise revenue: 54%
- Fiduciary (Trust and Agency): 7%
- Capital Projects: 6%
- Special revenue: 5%

Citywide Budget: Expenditures

- Total \$571.1 million
- General expenditures: 31%
- Enterprise expenditures: 55%
- Fiduciary (Trust and Agency): 7%
- Capital Project expenditures: 4%
- Special: 3%

Citywide Staffing Levels:

- Total Current Citywide Positions: 1,220.23

Position Requests	Number
City Manager	1
Development Services	2
Economic Development	1
Electric	5
Environmental Utilities	13
Human Resources	1
Parks, Recreation and Libraries	9
Police	3
Public Works	5.25
Changes	40.25
Positions in FY2021/22 Budget	1,260.48

Staffing levels in 2007: 920.70 General Fund

Staffing levels in 2022: 765.8 General Fund

General Fund Employees per 1,000 residents in 2007: 8.6

General Fund Employee per 1,000 residents in 2022: 5.2

Revenue Highlights in Proposed Budget:

Assumption: Local economy recovers by end of FY2021/22

- Bradley-Burns Sales Tax
 - 6.4% recovery in FY2020/21
 - 6.0% estimated recovery in FY2021/22
- Measure B Local Sales Tax
 - 4.5% recovery in FY2020/21
 - 2.8% estimated recovery in FY2021/22
- Property Tax
 - 4% estimated growth rate
 - Portion goes back to County

General Fund Revenue by Revenue Type:

Total: \$176.6 million

- Bradley Burns Sales tax: \$59.8 million
- Measure B Sales tax: \$21.1 million
- Property tax: \$57.6 million
- Franchise fees: \$8.9 million
- Charges for current services: \$10.5 million
- Transfers in: \$7.3 million
- Other taxes: \$4.6 million

- Other: \$6.7 million

General Fund Expenditures by Expenditure Type:

Total: \$176.2

- Police: \$49.0 million
- Fire: \$37.6 million
- Parks, Recreation & Libraries: \$27.4 million
- Other: \$31.4 million
- General Government: \$11.2 million
- Development Services: \$10.3 million
- Public Works: \$8.4 million
- Economic Development: \$0.9 million

General Fund Expenditure by Service Area	% of Total
Police	27.8
Fire	21.3
Park, Recreation & Libraries	15.9
Other	17.8
General Government	6.4
Development Services	5.8
Public Works	4.8
Economic Development	0.5
Total	100%

Identification of City Council General Fund: Discretionary Spending

- General Fund Restricted Revenues
- Some revenue received by the General Fund is reimbursement for services provided and is not discretionary. Examples:
 - Charges for Current Services: \$13 million
 - Electric Franchise Fees fund Police, Fire, & Parks, Recreation & Libraries \$6.4 million
 - License and Permits: \$3.4 million
 - Grants: \$0.32 million
 - Total Examples Restricted: \$33.8 million
- Some expenditures paid by the General Fund are contractual obligations or are based on current Council policy decisions Examples:
 - Annexation Payments: \$8.9 million
 - Retiree Benefit Payments: \$5.4 million
 - Total Examples Restricted: \$23.2 million

Major Service Area	Proposed FY2021/22
Total Citywide Budget	\$614 million
Less Enterprise Funds	\$330 million
Less Special Revenue Funds	\$29 million
Less Capital Project Funds	\$29 million
Less Permanent Funds	\$0.2 million
Less District Agency Funds	\$37 million
Less Trust Funds	\$9 million

Less Other	\$6 million
Less General Fund Net-Operating/Transfers	\$-8 million
Equals General Fund Operating Budget	\$176 million

Council Discretionary Spending:

Resource Category	Proposed FY2021/22
Total General Fund Expenditures	\$176 million
Less Revenue Offsets	(\$34) million
Less Non-Discretionary expenditures with off-sets	(\$23) million
Equals General Fund Discretionary Spending	\$119 million
Police and Fire Net Expenditures	(\$70) million
All Other Discretionary Net Expenditures	\$49 million

Assistant City Manager/Chief Financial Officer Dennis Kauffman continued the presentation to the City Council.

General Fund: Reserves and CalPERS Additional Discretionary Payments (ADP):

- General Fund Reserves
 - Economic Stabilization Reserve \$25.9 million
 - 15% of General Fund operating expenditures
 - Purpose: address revenue shortfalls caused by an economic downturn
 - \$2.4 million added to reserve
- Emergency Reserve \$17.3 million
 - 10% of General Fund operating expenditures
 - Purpose: address unanticipated, nonrecurring expenditures during an emergency
 - \$1.2 million added to reserve
- With reserves up to policy targets CalPERS ADP's can be addressed:
 - City Council strategy to pay down pension liability after General Fund reserve levels are met
 - Most recent actuarial valuation
 - 65% funded ratio
 - \$387 million unfunded liability
 - \$45 million annual cost in FY2021/22
- Benefits of making ADP includes:
 - Pay down unfunded accrual liability
 - Increase funded status of the pension plan
 - Reduce future pension costs by \$400,000+/year for 20 years
- Five-Year Forecast Assumptions:
 - Factors Included in
 - Current assumptions for COVID-19 recovery

- Unfunded Liabilities
- PERS & OPEB contributions
- CIP rehab
- Impacts from known State/Federal mandates
- Factors not included in
- American Rescue Plan federal stimulus
- Impacts of future federal and state regulations
- New revenue sources not yet approved
- Additional discretionary payments to CalPERS

General Government Departments: (in thousands)

Department	Actuals FY2019/20	Amended Budget	Proposed Budget	Variance from FY2020/20
City Council	\$315	\$181	\$95	(\$86)
City Manager	\$1,292	\$1,425	\$1,554	\$129
City Clerk	\$1,249	\$1,402	\$1,447	\$45
City Attorney	\$1,900	\$2,241	\$2,239	(\$2)
Finance	\$10,532	\$11,302	\$3,655	(\$7,647)
Human Resources	\$12,054	\$12,006	\$11,634	(\$372)
Information Technology	\$9,093	\$11,276	\$12,477	\$1,201
Public Affairs and Communications	\$663	\$1,014	\$882	(\$132)
Total Expenditures	\$37,098	\$40,847	\$33,983	(\$6,684)

No public comment received.

C. Department Overviews:

1. Police

Police Chief Troy Bergstrom made the presentation to the City Council.

Department Structure:

- Operations
- Services
- Support Services

Budget Services:

- Administration
- Records
- Communications
- Social Services
- Patrol
- Investigations
- Traffic

- Animal Control
- Vehicles

Budget Expenditure Request: \$49 Million

- Patrol 43%
- Police Administration 16%
- Police - Vehicles 5%
- Police Communications 8%
- Police Traffic 4%
- Records/Property/CSI 6%
- Social Services Unit 5%
- Animal Control 3%
- Investigations 10%

Budget Highlights:

- New Positions
 - Range Master/Police Officer (Reclassification)
 - Reclassification enable Range Master to provide training on tactics and laws surrounding use of force
- Records Supervisor (New position)
 - Ensures compliance with state and federal mandates, develop workflow changes, and test record management and field reporting technologies
- Property Clerk (New Position)
 - Will oversee and manage the digital evidence associated with the implementation of body-worn cameras
- Community Services Officer (New Position)
 - Will play a crucial role in administering a new tiered state-mandated sex offender registry program
- Material, Services and Supplies adds:
 - Body Worn Cameras
 - Digital Evidence Storage
 - Background investigations increase
 - Apollo information sharing with Placer County
 - Placer Law Enforcement Agency Awards Banquet (one-time funding)
 - Radio Hotline Connection
 - Ammunition budget increase
 - Unsheltered Plan/Reunification program
 - Remote Access Network Funds (one-time reimbursement)
 - Improving permit administration

No public comment received.

2. Fire

Fire Chief Rick Bartee made the presentation to the City Council.

Services/Division:

- Fire Administration
- Fire and Life Safety
 - Fire Inspections and Plan Review
 - Public Education and Community Engagement

- Citywide Emergency Preparedness
- Fire Operations
 - Fire and Emergency Medical Services
 - Hazmat and Technical Rescue
 - Support Service - Logistics

General Fund Operating Expenditures Budget

Total: \$37.6 million

- Fire Operations 83%
- Fire Support Services 8%
- Fire & Life Safety 6%
- Fire Training & Emergency Preparedness 1%
- Fire Administration 2%

Budget Highlights:

- Increase in materials and supplies budget
- Increase in cost of physicals for members
- Increase in utility costs as determined by current rates
- Projected revenue from First Responder Fee
- Increase in revenue to offset the cost of providing EMS services
- Projected revenue \$745,000
- Projected expense \$145,000
- Projected net revenue \$600,000

No public comment received.

3. Parks, Recreation & Libraries

Parks, Recreation and Libraries Director Jill Geller made the presentation to the City Council.

Department Overview:

- Parks
 - 80 developed parks
 - 4,000 acres of open space
- Recreation
 - 2 Championship Golf Courses
 - 3 Swimming Pools
 - Roseville Sports Center
 - Maidu Community Center
 - Maidu Museum and historic site
 - 19 Adventure Club sites
- Libraries
 - 3 Libraries

Operating Expenditure Budget:

Total: \$37.8 million

- Parks 31%
- Parks & Recreation Administration 10%
- Youth Development 21%
- Libraries & Maidu Museum 14%

- Golf Course Operations 6%
- Recreation 18%

Budget Highlights:

- Recommended new positions:
 - Parks Supervisor
 - Parks Maintenance Workers (3)
 - Natural Resource Workers
 - Trails & Open Space (1)
 - Unsheltered Efforts (2)
 - PRL Coordinator
 - Marketing and Communications Analyst

Add requests:

- Facility Security Improvements
- Library Print Services / Mobile Printing
- Un-Sheltered Camp Cleanup
- Parks Stabilization - Measure B
- New School Property Maintenance
- Urban Forester Salary Offset

City Council Strategic Goals:

- Support community engagement and advocacy
 - Engage residents through enhanced communications
 - Conduct public workshops to inform and engage the community
- Maintain a safe and healthy community
 - Provide access and opportunities for residents to live healthy lifestyles
 - Develop Citywide Wellness Initiative
 - "Everything we do makes a healthier you"
- Enhance economic vitality
 - Develop a sports tourism plan
 - Construct quality sports venues to draw regional participation
 - Develop new and maintain existing parks to increase home values, improve air/water quality, attract talented workers and new residents, etc.
- Deliver exceptional City Services
 - Implement ActiveNet recreation management software to improve customer service
 - Optimize the use of technology and data to improve operations in all areas
 - Evaluate department organization to assure alignment of resources for the highest efficiency and effectiveness
- Invest in well-planned infrastructure and growth
 - Reinvest in our aging infrastructure
 - Develop new parks in growth areas
 - Maintain new and aging streetscapes
- Remain fiscally responsible in a changing world

- Align funds for improved services and increase efficiencies
- Create new programs
- Improve communications to increase revenues
- Evaluate current fees
- Parks, Recreation & Libraries - are essential services!
 - Parks, recreation, and libraries are critical for health and wellness, reducing anxiety, stress, and depression and improving physical health
 - Where did people flock to during the pandemic? Parks and trails
 - Outdoor spaces continue to be an essential part of how we cope and recover from the COVID-19 crisis

No public comment received.

4. Development Services

Development Services Director Mike Isom made the presentation to the City Council.

- Divisions/Services:
- Development Services Administration
- Business and Administrative Services
- Building Inspection and Permit Center
- Code Enforcement
- Land Development Engineering
- Planning

General Fund Operating Expenditures Budget:

Total: \$10.3 million

- Building Inspection 42%
- Business Services 16%
- Code Enforcement 9%
- Engineering 16%
- Administration 5%
- Planning 12%

Budget Highlights:

- New positions
 - One full time and on part time Code Enforcement Inspectors
 - One full time Development Services Analyst
- No additions to Materials, Services and Supplies budget
- Conservatively increased revenue estimates by 13% based on current development activity

No public comment received.

Recessed at 5:44 p.m.

Reconvened at 5:55 p.m.

5. Public Works

Public Works Engineering Division Manager Stefanie Kemen made the presentation to the City Council.

Division/Services:

- Administration
- Fleet Services
- Engineering (Traffic & Floodplain Management)
- Street Maintenance
- Alternative Transportation
- Facility Services

Operating Expenditures Budget:

Total: \$43.3 million

- Alternative Transportation 21%
- Street Maintenance 19%
- Public Works Engineering 13%
- Fleet Services 32%
- Facility Maintenance 15%

Budget Highlights:

- Optimize Transit Operations:
 - Short Range Transit Plan Update
 - Micro-transit Pilot
- Safe Routes to School Staffing
 - Grant Funded PT/Temp College Intern
- Improved GIS Capabilities
 - Increase GIS Technician to full-time
- Priority CIP Projects and Maintenance
 - Additional Engineer
- Return Vertical Construction to Facility Services Division
 - New Project Supervisor
- Near Zero Emission Vehicle Regulations
 - New Fleet Analyst
- Address Increased Street Maintenance Workload
 - Convert Part-time/Temp Office Assistant to Regular Full-time
- Address Increased Facility Services Workload
 - Convert Part-time/Temp Office Assistant to Regular Full-time
- Transportation Management Plan Duties Added
 - Increase Community Relations Analyst by 1/4, offset by recently vacated Part-time/Temp position

No public comment received.

6. Electric

Electric Utility Director Michelle Bertolino made the presentation to the City Council.

Divisions with the Department:

- Resources & Generation

- Power Supply
- Generation
- Electric Operations Technology
- Meter Upgrade Project
- Electric Engineering & Operations
 - Engineering
 - Operations
 - Risk & Compliance
- Customer & Government Relations
 - Customer Solutions
 - Legislative & Regulatory
 - Communications & Marketing
 - Key Accounts & Economic Development
 - Utility Billing
 - Finance

Operating Expenditures Budget

Total: \$167.4 million

- Power Supply & Generation 50%
- Customer & Government Relations 8%
- Distribution 12%
- Administration 2%
- Capital Rehabilitation 11%
- Franchise Fee 4%
- Shared City Services 4%
- Debt Service 9%

Budget Highlights

- Balanced Budget
 - Prioritizes funding of essential services
 - Compliance with financial policies and metrics
- Prudent investment in infrastructure and technology
- Assumes no base rate increases'
 - No base rate increases for 7 years
 - Upcoming rate case study
- Integration of Utility Billing
- Proposing five new positions:
 - New legislative and regulatory mandates
 - Customer service and new programs (electric vehicle, electrification)
 - Generation maintenance planning

Strategic Plan Alignment

- Council Goal: Remain fiscally responsible in a changing world
 - Strategy: Balance utility operating costs to maintain competitive rates
 - 2021 Electric Rate Case
 - Support New Development
 - Strategy: Seek new and diverse revenue streams
 - Electrification
 - Electric Vehicle Programs and Campaign

- Council Goal: Invest in well-planned infrastructure and growth
 - Strategy: Reinvest in aging infrastructure
 - Meter Upgrade Project
 - Dispatch Center Redesign and Modernization
 - Legacy Building Build-out and Move-in
 - Strategy: Leverage opportunities for City beautification
 - Roseville Energy Park Site Security and Aesthetics

No public comment received.

7. Environmental Utilities

Environmental Utilities Director Rich Plecker made the presentation to the City Council.

Divisions:

- Administration
- Utility Services
- Water
- Wastewater
 - Recycled Water
 - South Placer Wastewater Authority (SPWA)
- Waste Services
 - Stormwater
- Utility Exploration Center (UEC)

Operating Expenditures Budget:

Total: \$116.0 million

- Water Operations 31%
- Waste Services Operations 29%
- Wastewater Operations 40%

Budget Highlights/Unfunded Mandates

- Organics recycling
- Water efficiency standards
- ELAPS Quality control
- Salt control

Staffing Changes:

- Water
 - Management Analyst - 1
- Wastewater
 - Administrative Technician (Offset by elimination of Office Assistant)
 - EU Instrument and Control Technician II - 1
 - Wastewater Utility Maintenance Worker I/II - 1
- Waste Services
 - Refuse Truck Driver - 7
 - Refuse Supervisor -1
 - Environmental Compliance Administrator - 1
- Business Services

- Data Management Specialist I/II - 13
- Total Positions - 13

Strategic Plan Alignment:

- Remain Fiscally Responsible in a Changing World
 - Balance utility operating costs to maintain competitive rates
 - EU rate adjustments effective July 1, 2021 and July 1, 2022
- Maintain a Safe and Healthy Community
 - Efforts to improve water supply reliability
 - Aquifer Storage and Recovery (ASR)
 - Water conveyance
- Invest in well-planned infrastructure and growth
 - Reinvest in aging infrastructure
 - Hillcrest neighborhood
 - Plan for targeted development
 - PGWWTP expansion and energy recovery

No public comment received.

City Manager Dominick Casey made closing comments and spoke to the City Council budget and addressed dues paid to regional organizations, thanked the City Council for their vision, and thanked staff for their efforts.

Presentations for Information only. No action taken by the City Council.

6. REPORTS / PUBLIC COMMENTS

No public comment received.

Parks, Recreation & Libraries - Councilmember Pauline Roccucci spoke to totality of the staff team.

Reflection of City Council Priorities - Mayor Krista Bernasconi spoke to love of Roseville, on a team approach, and on the fiscal responsibility of budget.

7. ADJOURNMENT

Mayor Krista Bernasconi adjourned the meeting at 6:43 p.m.