



BUDGET IN BRIEF

2020



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.

City of Financial Distinction

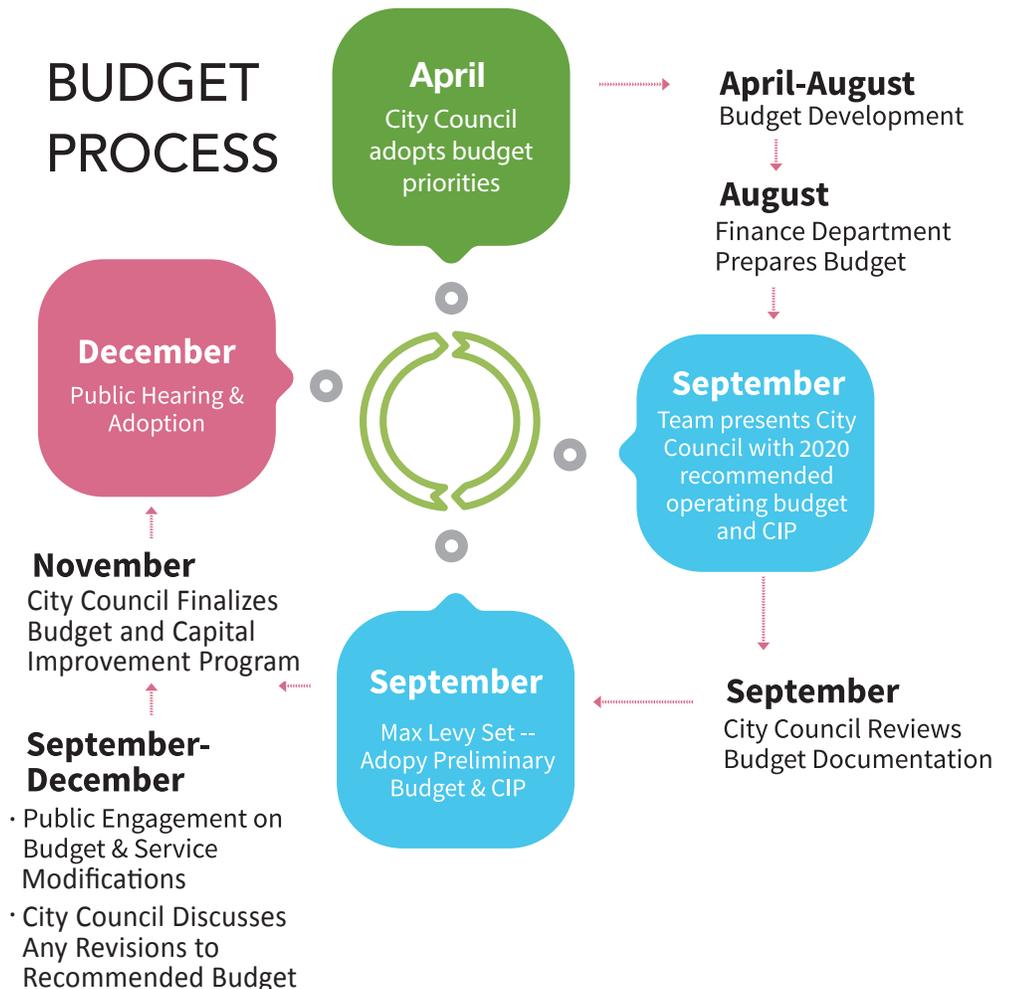
The City of Rochester has a AAA Rating

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

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

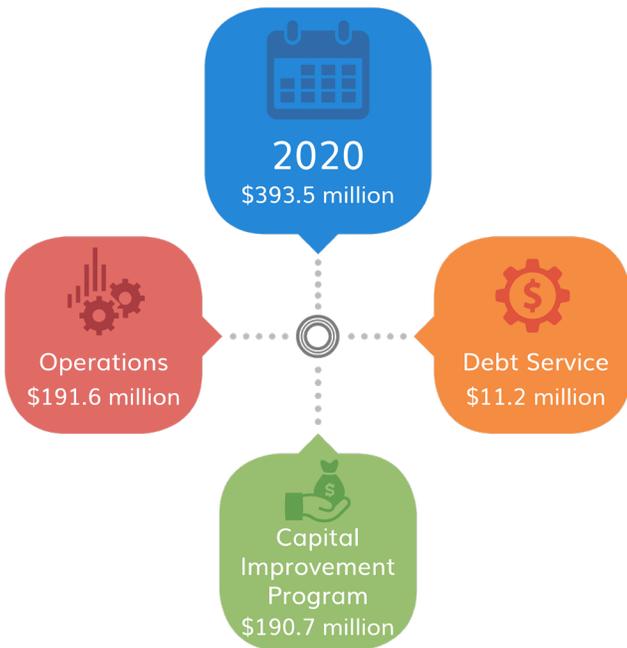
BUDGET PROCESS



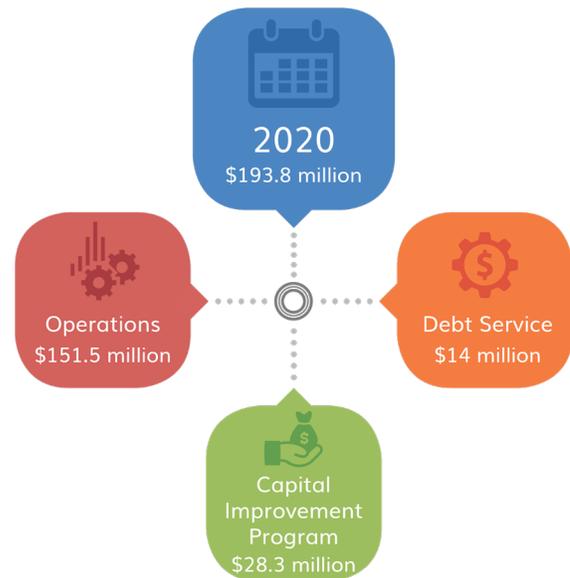
2020 ADOPTED BUDGET

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



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.

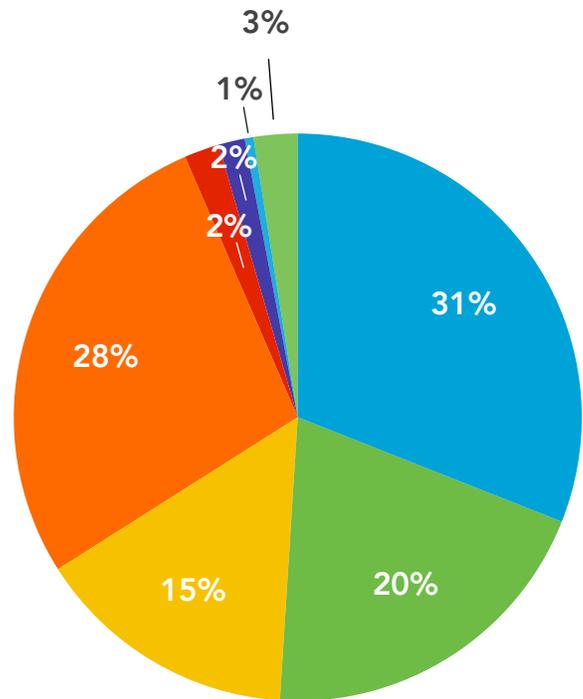
Enterprise, Special Revenue, and Capital Improvement Program Funds \$84.3 million

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%.

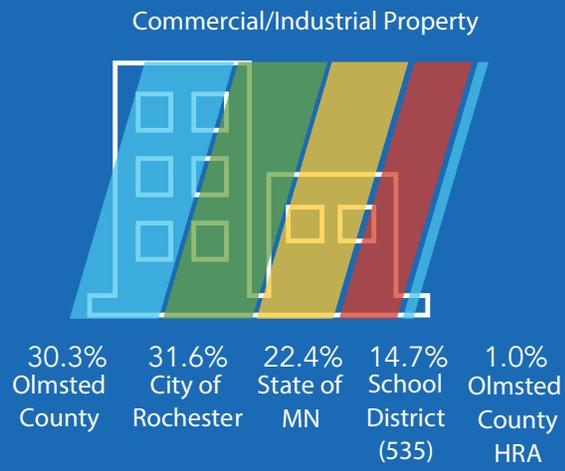
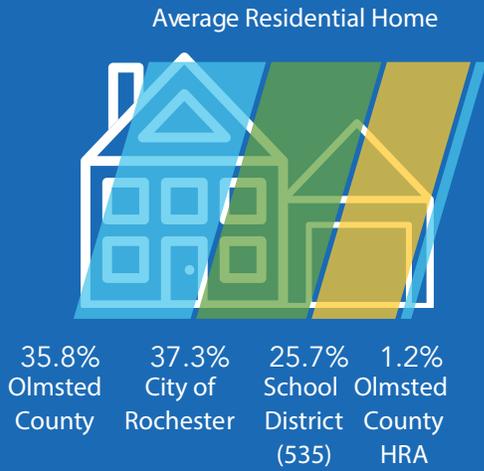
2020 Total Operating Revenue



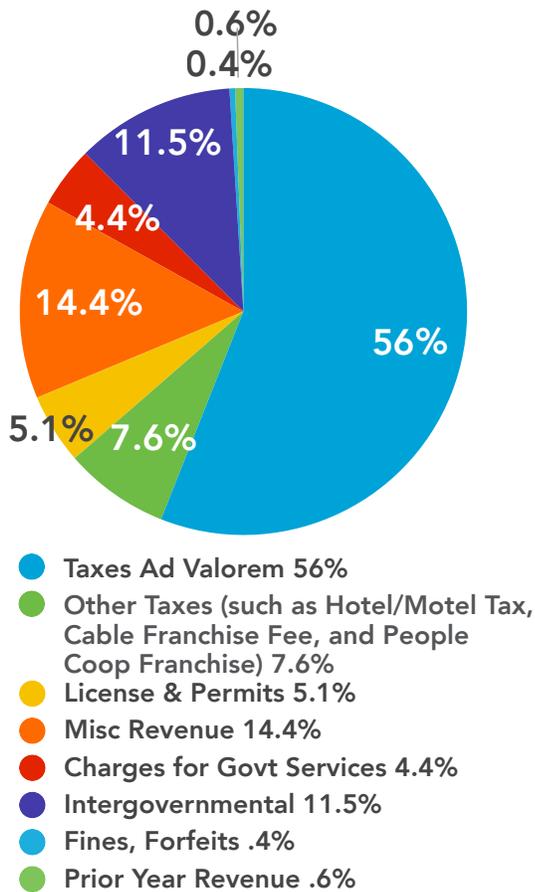
- Miscellaneous Revenue 31%
- Taxes Ad Valorem 20%
- Charges for Service 15%
- Intergovernmental Revenue 27.5%
- Other Taxes 2%
- Licenses and Permits 1.5%
- Special Assessments .5%
- Prior Year Revenues 2.5%

* Miscellaneous Revenues include:

- Non Property Tax Debt Payment Revenue
- Capital Improvement Program Revenues
- In Lieu of Tax Enterprise Funds

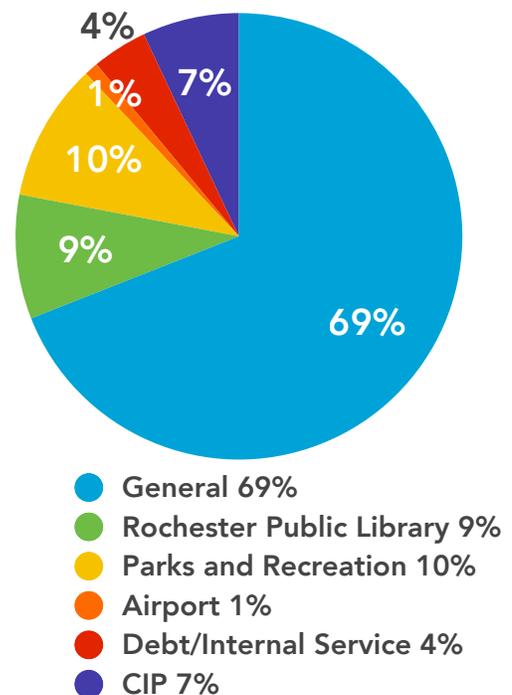


General Fund Revenue \$97.7 million



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.

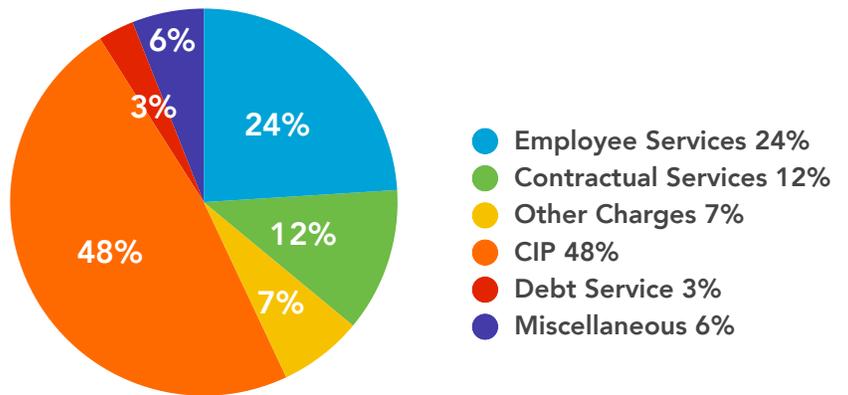
2020 Property Tax \$79.5 million



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.

2020 Adopted Budget of \$393.5 million



General Fund Expense \$97,675,808



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)

ROCHESTER AT A GLANCE

BUDGET IN BRIEF

Incorporated
in

1854

55
square
miles

Population
117,000+



OVER 3.3 MILLION
Annual Visitors

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

Wastewater Utility
collects and treats

5.4

billion gallons
annually



LAUNCH OF
COMMUNITY
DEVELOPMENT
DEPARTMENT

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

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

Library

450,000 visits
and 1.89
million titles
borrowed

130

Park Sites

with 100 miles of
trails and 5,000
acres of parkland



Over 60,000 calls for
service for Rochester
Police Department – over
10,000 for Rochester Fire
Department

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.

