



# City of Arden Hills Minnesota

## 2016 Adopted Budget



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**CITY OF ARDEN HILLS  
MINNESOTA**

**2016 ADOPTED BUDGET**

2016 CITY OFFICIALS

TERM OF OFFICE  
EXPIRES DECEMBER 31<sup>ST</sup>

Mayor.....	David Grant	2018
Councilperson.....	Fran Holmes	2018
Councilperson.....	Brenda Holden	2016
Councilperson.....	Jonathan Wicklund	2016
Councilperson.....	David McClung	2016
City Administrator.....	Vacant	
City Clerk.....	Amy Dietl	
Director of Finance and Administrative Services.....	Susan Iverson	



# CITY OF ARDEN HILLS, MINNESOTA 2016 BUDGET

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# **Guide to the Document**

A budget serves many purposes. It is the City's annual financing and spending plan, providing a means for allocating resources to meet the needs and desires of the residents of the City. The budget balances City revenues with community priorities and requirements. The annual budget serves as a communication device, a policy document, a resource allocation tool, an accountability tool, and a management tool. The budget document grants spending authority to City staff, as well as providing the spending plan for the City of Arden Hills.

## **Document Organization**

### **Pertinent Information on Arden Hills**

This section relays the Vision Statement of the City and a brief history of our community. A Citywide organizational chart and maps are included.

### **Budget Message**

The City Administrator's and Finance Director's Budget Message summarizes the budget by outlining critical issues and challenges for the fiscal year and accomplishments of the prior year. The budget overview summarizes the financial components of the City, including revenue trends and significant new expenditures.

### **Strategic Plan**

The City Council and management staff held strategic planning sessions in 2011 to identify goals. The facilitator held individual meetings with each Council and staff member prior to the first planning session to develop a list of issues and priorities. Three planning sessions were held from February – May with eighteen (18) goals established.

### **Summary Information**

This section of the budget contains summary information about the structure of the City government. It includes budget practices and policies, the City's budget process, as well as budget assumptions and summary financial tables.

### **General Fund**

The accounts of the city are organized on the basis of funds and account groups. These funds and account groups are organized to segregate and account for restricted resources.

# **Guide to the Document**

Each fund and account group is a separate accounting entity. The General Fund is the primary revenue source for most parks and recreation and neighborhood and community services. Department detail is included.

## **Other Funds**

The other funds section contains non-general fund sources of revenues. These funds are grouped into Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Enterprise Funds. Each fund type is described in this section and a financial summary is provided for each.

## **Staffing**

This section contains a list of all authorized positions for the City by department and provides historical staffing information.

## **Policies**

This section contains budget policies and procedures adopted by the City Council and followed by staff.

## **Capital Improvement Plan**

The Capital improvement projects scheduled for funding in the budget year are summarized in this section. The Capital improvement budgets for the budget year are included in the Department and Capital Fund sections to present a comprehensive view of all funds of the City.

## **Long Term Financial Forecasting**

Long term forecasting is an important tool for a City to use in developing programs and project schedules. This section will include the status of the City's five-year forecast.

## **Appendix**

This section contains information of interest such as, a community profile, statutory formula conversion of estimated market value to net tax capacity, historical property tax information and levies.

## **Glossary**

Budget terms and acronyms used in the budget document are provided for the reader's reference.

## Pertinent Information on the City of Arden Hills



### VISION

*A strong community that values its unique environmental setting, strong residential neighborhoods, vital business community, well-maintained infrastructure, fiscal soundness, and our long-standing tradition as a desirable City in which to live, work, and play.*

### CORE VALUES

*In bringing our vision into the future, we are committed to maintaining and building on our core values:*

- ◆ *Strong neighborhoods and businesses*
- ◆ *Community development and integration of old and new*
  - ◆ *Fiscal responsibility*
  - ◆ *Environmental awareness and stewardship*
  - ◆ *Effective, timely, and inclusive communication*
- ◆ *Responsible stewardship of infrastructure, parks, and trails*
  - ◆ *Community-based planning*
- ◆ *Efficient and effective police and fire protection*

# A Brief History

The City of Arden Hills is located in the northwest corner of Ramsey County. The city sits north of Roseville, south and west of Shoreview, and east of Mounds View and New Brighton. Interstate 35W runs along the Western boundary of the city, Lexington Avenue runs along the eastern boundary, County Road I forms the northern boundary and County Road D is the southern. In total the city is approx. 9.6 square miles.

The name of the City is said to have come from billionaire Senator Joseph Hackey's hobby farm, Arden Farms. Hackey started the farm within the city limits back in 1906. Hackey was not the first to start farming the area though. The first actual settler was Charles Perry, who ran a small potato farm adjacent to Lake Johanna in the 1850's. Lake Johanna sits at the southern end of the city and has been a popular location for swimming, fishing and boating since the late 1800's.

The city was originally part of the Mounds View Township. When the township was organized, it included the present Shoreview, Arden Hills, New Brighton, Mounds View, and parts of North Oaks and St. Anthony. Arden Hills was incorporated on February 14, 1951, in response to New Brighton's request for annexation of the area. Over the next 20 years the boundaries of the city were formed through other annexation deals and land trades, forming the city as it currently stands.

In 1941 the Federal government purchased 2,530 acres of farmland, approx 1/3 of the city, for the establishment of an ammunition manufacturing site. At its peak, during World War II, the arsenal employed 26,000 people, producing 4 billion rounds of ammunition. The plant remained active throughout WWII, Korea and Vietnam. In 1994 the land was declared by the United States Army as Excess Federal land. The Minnesota National Guard still controls and uses the East half of the site for training.

Arden Hills experienced a rapid growth from 1970-1979, during which a total of 1,065 new housing units were constructed. This is about a third of the present number of housing units in the city. Arden Hills is also home to 2 major corporations, Boston Scientific and Land O' Lakes. The direct access to Interstate 35W, Interstate 694, U.S. Highway 10, Minnesota Highway 51, and County Highway 96 make the city an ideal location for both business and residents. The city is also home to Bethel University and Northwestern College, which is partially within city limits. Mounds View High School is also located within the city boundary.

The current city has a population of approximately 9,876 residents. In 1996 the city conducted a Quality of Life study and found that residents are very satisfied with their community. Location, high quality schools and available housing were found to be the most important reasons for living in Arden Hills. Parks, a small town feeling, and lower taxes are also important to the residents of Arden Hills.

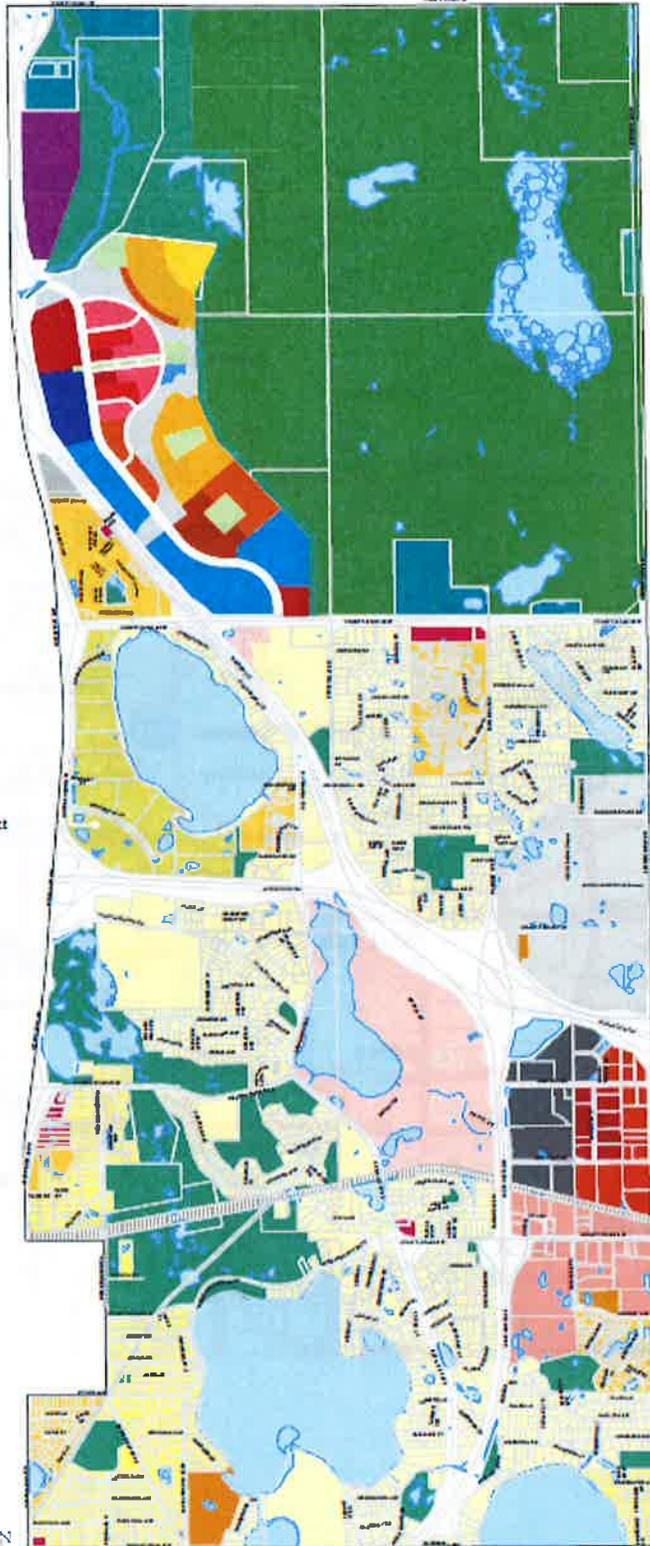
# MAP OF ARDEN HILLS AND SURROUNDING AREA





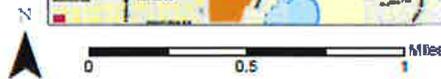
# Zoning Map

- TRC CC – Campus Commercial
- TRC CS – Civic/Open Space
- TRC FO – Flex Office
- TRC RMU – Retail Mixed Use
- TRC NR-1 – Residential
- TRC NR-2 – Residential
- TRC NR-3 – Residential
- TRC NR-4 – Residential
- TRC NT – Neighborhood Transition
- TRC OMU – Office Mixed Use
- TRC OS – Open Space
- TRC TC – Town Center
- TRC – Water Infrastructure
- R-1 - Single Family Residential District
- R-2 - Single & Two Family Residential District
- R-3 - Townhouse & Low Density Multiple Dwelling District
- R-4 - Multiple Dwelling District
- B-1 - Limited Business District
- B-2 - General Business District
- B-3 - Service Business District
- B-4 - Retail Center District
- NB - Neighborhood Business District
- CC - Civic Center District
- GB - Gateway Business
- I-1 - Limited Industrial District
- I-2 - General Industrial District
- IFLEX District
- POS - Parks and Open Space District
- CD - Conservation District
- Railroad
- ROW
- WATER

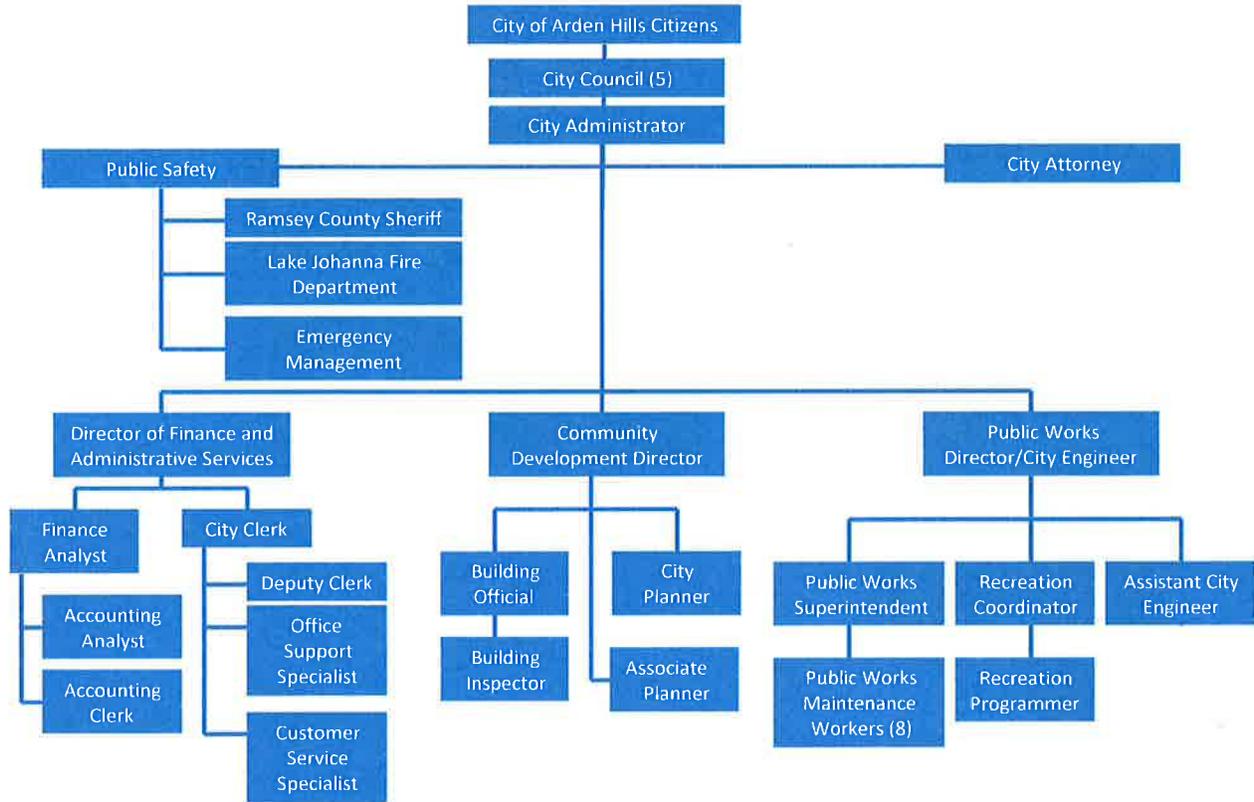


The zoning district designations represented on this map correspond to the City of Arden Hills official Zoning Map. Questions concerning the Zoning Map should be directed to City Hall. Zoning designations are subject to change. Please refer to the Zoning Code for complete information.

Adopted: April 12, 1993  
 Printed: April 1, 2016

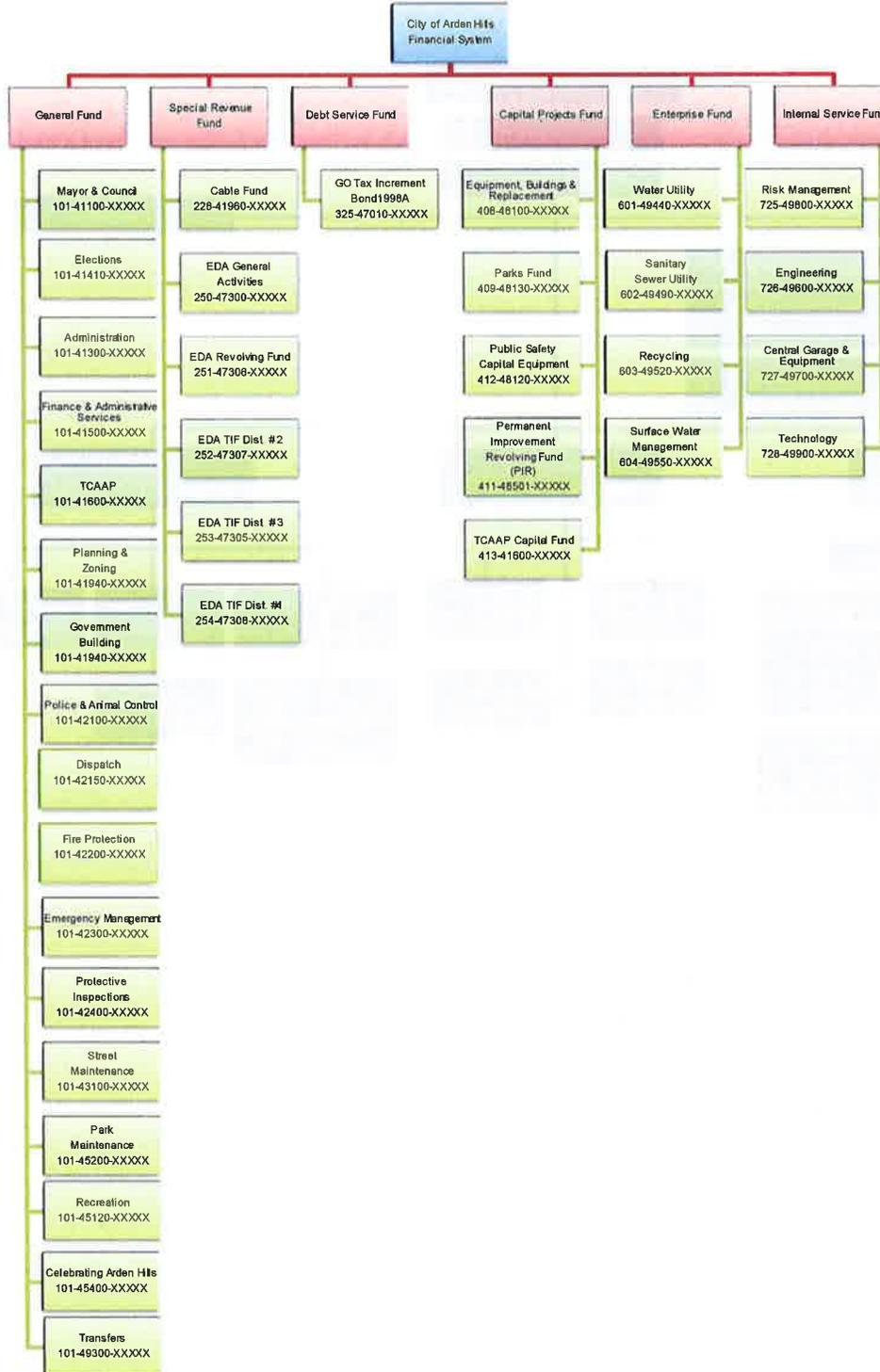


# City of Arden Hills Organizational Chart



# City of Arden Hills Fund Structure

## City of Arden Hills Fund Structure



# Budget Message

Honorable Mayor and Council Members:

Annually, the City Administrator must prepare a budget and present it to the City Council. The following budget report represents a summary of the adopted proposals for all services to be provided by the City in 2016. The adopted 2016 budget includes the operations of the General Fund which is supported by property taxes and the memorandum budgets for the Special Revenue Funds, Debt Service Fund, Capital Project Funds, Internal Service Funds, and Enterprise Funds. The City Council has reviewed the budget in work sessions over the past months. On September 28, 2015, the City Council adopted the preliminary property tax levy. The proposed 2016 budget and final property tax levy were adopted at the December 14, 2015 City Council Meeting. The final property tax levy was submitted to Ramsey County on December 29, 2015.

The budget is more than a financial document, as it reflects the City’s plans, policies, procedures, and objectives regarding services to be provided in fiscal year 2016 and beyond. The following segments will serve to highlight the focal points of these plans for the 2016 budget.

## *Priorities & Initiatives*

The primary objective of the City is stated within its Vision Statement (See Page 3). This statement also describes Arden Hills. The budget provides a plan to help achieve the City’s vision for 2016 and beyond. It includes priorities and initiatives for the current year, as well as a focus for the future. The following represents the main ongoing priorities of the City:

- Active Living – Enhance the health, safety, and well-being of all who live, work, and play in the City.
- Twin Cities Army Ammunition Plant (TCAAP) redevelopment or “Rice Creek Commons” - Develop TCAAP in a way that accommodates a mix of land uses that is sensitive to the natural environment, economically sustainable, and a benefit to the community.
- Land Use – Develop and maintain a land use pattern that strengthens the vitality, quality, and character of our residential neighborhoods, commercial districts, and industrial areas while protecting the community’s natural resources and developing a sustainable pattern for future development.
- Housing – Develop and maintain a strong, vital, diverse and stable housing supply for all members of the community.
- Economic Development and Redevelopment – Promote the development, redevelopment, and maintenance of a viable, innovative, and diverse business environment serving Arden Hills and the metropolitan area.
- Parks and Recreation – Create a comprehensive, maintained, and interconnected system of parks, pathways, and open spaces as well as a balanced program of recreational activities for residents of all ages, incomes, and abilities.

- Protected Resources – Preserve, protect, and restore the community’s natural resources, including open spaces, lakes, wetlands, other significant natural features, and historic resources.
- Transportation – Provide a transportation system that has convenient and effective multi-modal connections within Arden Hills and to adjacent municipalities, the remainder of the Twin Cities metropolitan area and greater Minnesota.
- Environmental Conservation and Sustainability – Promote conservation and sustainable design practices in the preservation, development, redevelopment, and maintenance of the City’s natural and built environment.
- Public Facilities, Infrastructure, and Services – Provide efficient and high-quality public facilities, services and infrastructure.

The one of the biggest challenges the City faced in 2015 was continuing to working with Ramsey County through a Joint Development Authority (JDA) to manage the redevelopment of the old Twin Cities Army Ammunition Plan (TCAAP), producing zoning and land use regulations for the property through the TCAAP Redevelopment Code (TRC) and a Comprehensive Plan Amendment or Master Plan. Another challenge was the retirement of both the City Administrator and the Public Works Director in October 2, 2015, and the death of one Councilmember on that same day. A search was done in the fall of 2015 but no viable candidates were found and it was determined to wait until summer of 2016 to commence another search for a City Administrator.

Strategic planning and goal setting was again pushed off as work on the TCAAP planning took on the major focus for 2015. This coupled with the upcoming retirement of the City Administrator and Public Works Director led the City Council to hold off on holding a session until a new City Administrator was hired. The last strategic planning session was held in 2011 as it had not been formally done with Council and staff since late 2008 and early 2009. In 2011 City found itself needing to step back and redefine what priorities were and what direction needed to be taken. The City hired a facilitator at that time who met individually with each Council member and the upper management staff. This document was/is intended to be a Guiding Plan and outlines work goals and projects for the next few years which is still being used through 2016, but with the TCAAP project many of the goals have been put on hold. The plan reflects the collective decision of the City Council on the ranking of their goals. The Guiding Plan is a flexible plan that can be changed by the City Council as priorities for projects and goals change, TCAAP being one of them. This plan can be found on pages 21 to 32 in the Strategic Planning section of this document.

Since multi-year goals were developed, no new goal setting was done in 2015 because of the TCAAP project. It was discussed that there are limited amounts of City resources (staff time and money) available to accomplish all of the 18 goals that were identified. It was noted that “we cannot do it all at once”. The plan helps everyone understand the City Council priorities and activities and projects that staff should be spending time on. Everyone realized that all of the goals are important and will get worked on, but some will need to be worked on later depending on workloads. The plan helps identify the “pecking order” for work projects and one can almost look at this document as a resource allocation plan for staff time. Due to some of the challenges faced in 2013 and 2014, some of these goals were redefined and changed in meetings with the

City Council. It should also be noted that TCAAP was not listed in the original Guiding Plan as a priority project which it has now become. The Council will have a goal setting session in early 2016 to define its goals and priorities. For progress on these goals, please refer to the document found on pages 21 to 32.

The location of the TCAAP property on major highways and close to the core Twin Cities, provides excellent opportunities. The City had been pursuing a negotiated sale from the Army through the early transfer process. In order to control the development of this property, the City had partnered with a development partner. In April of 2009, due to economic conditions, the development partner pulled out of the project and the early transfer process with the Army was terminated. Ramsey County has now acquired the property from the Army and it has now been cleaned to residential standards. A search for a Master Developer will take place in 2016.

As previously mentioned, the City has and is working extensively with Ramsey County on issues with the TCAAP property. TCAAP dates back to the 1940's and is currently a Federal Superfund Site that was surplus property. 427 acres is available for redevelopment and required major clean-up which the County completed to residential standards, the City has completed a study and master plan of the area. There were over 110 substandard buildings, miles of existing roads, railroad tracks, and utility lines that needed to be removed. Many of the buildings required hazardous materials abatement prior to demolition. The cleanup was substantially completed in 2015 and waiting for approval from the MPCA and EPA.

### ***Impact of Legislation***

The 2015 legislature did not enact levy limits for 2016. However, the minimum wage was increased effective August 1, 2015 to \$9.00 an hour and will increase August 1, 2016 to \$9.50. This impacts Personal Services in some areas, mainly seasonal employees in public works, parks and recreation, and election judges.

### ***Highlights of the Past Year***

Several significant accomplishments were achieved during the past year. Following is a list of noteworthy accomplishments for the last year:

- Round Lake Road PMP Project.
- Received award for Distinguished Budget Presentation.
- Received Certificate of Achievement for Excellence in Financial Reporting.
- Received award for Outstanding Achievement in Popular Annual Financial Reporting.
- Completed numerous Public Works projects, both planned and emergency, including I&I reduction projects.
- Completed the TCAAP Redevelopment Code (TRC).
- Completed the Master Plan for the TCAAP Property and received Metropolitan Council Approval to the Comprehensive Plan Amendment.

## ***Budget Initiatives***

The 2016 budget document has been prepared after analyzing and evaluating requests from the various departments, and represents the requested financial support for the operations of the City of Arden Hills for the upcoming fiscal year. Revenue estimates are conservative, yet realistic. The importance of a sound revenue picture cannot be overstated. Revenue estimates are based on historical trends and projected conservatively.

The City of Arden Hills provides a wide range of services to the community, including police and fire protection, street and park maintenance, snow and ice removal, water and sewer utility services, and administrative and planning services. The level of service provided by the proposed budget is similar to that currently enjoyed by the community and in some cases increased.

## ***Major Initiatives***

The City of Arden Hills provides a full range of municipal services, as listed in the previous paragraph and as authorized by State Statute. Arden Hills has been blessed with many assets, including a beautiful setting, an excellent location, a rich heritage, and a talented population. The City seeks to use, preserve and enhance these assets in building a great place to live, work, and play. The City will fulfill the goals below to achieve this mission:

1. Maintain a low tax rate while providing a high level of City services.
2. Provide an excellent system of parks, trails and recreational facilities.
3. Maintain the City streets by following a Pavement Management Program.
4. Improve traffic flow around and through the City.
5. Seek to develop and attract a wide range of employment opportunities with an emphasis on jobs at higher pay levels.

## ***Total Budget***

The following 2016 budget was established for the City:

Funds	Revenue		Expenditures	
	2015	2016	2015	2016
General	\$4,350,971	\$4,510,291	\$4,409,276	\$4,670,617
Special Revenue	687,900	329,100	873,404	393,046
Debt Service	284,900	0	285,350	0
Capital Project	2,385,765	1,399,440	4,149,018	330,336
Enterprise	4,881,905	4,986,943	7,052,798	4,754,453
Internal Service	914,472	933,670	1,006,436	953,898
Total	\$13,505,913	\$12,159,444	\$17,776,285	\$11,102,349

## *Property Taxes*

The State of Minnesota has granted local municipalities the authority to levy taxes to fund operations and debt payments. For the City of Arden Hills, the property tax levy accounts for approximately 78% of the General Fund revenues. For 2016, the City's property tax levy will be \$3,478,775, an increase of 3.5% from 2015. Historically, the City does not use reserves to balance the City's budget; however, reserves have been proposed to be used to balance the 2016 budget in the amount of \$160,328 to minimize the tax burden on property owners. The following table provides a historical view of the City's property tax levies:

Year	Tax Levy	% Change
2005	2,440,453	4.59%
2006	2,537,520	3.98%
2007	2,688,944	5.97%
2008	2,797,348	4.03%
2009	2,948,646	5.41%
2010	3,016,465	2.30%
2011	3,040,964	0.81%
2012	3,096,994	1.84%
2013	3,191,230	3.04%
2014	3,257,456	2.08%
2015	3,359,775	3.10%
2016	3,478,775	3.54%

The Ramsey County Assessor values all property in the City. It is this market value that is applied to the class rates assigned by the State to determine a property's tax capacity. The County estimates the City's tax capacity for taxes payable in 2016 at \$12,163,391, which is a 6.71% increase. The City's property tax levy is divided by the tax capacity to determine the City's tax rate, which is applied to each property's tax capacity to determine that property's City property tax amount before any credits are applied. For 2016, the City's tax rate is expected to decrease slightly from 27.23% to 26.43%.

The City at this time does not have the authority to levy or collect local sales taxes or other types of taxes under the State's tax system. A summary of the State's property tax system is in the appendix of this document.

## *Personal Services*

The City's 2016 budget includes a 3.00% cost-of-living (COLA) increase for union employees and a 3.00% COLA increase for non-union City staff. The City's Public Works employees are union employees.

The City's health insurance premium did increase for 2016 by 6.5%, and our health insurance carrier did give the City a dividend check in 2015 as a result of our claims history for 2014. Dental insurance premiums increased 2.9% over 2015. The City contribution did change and is at \$728.62 per employee per month toward insurance benefits.

Finally, in 2005 the State Legislature passed a pension bill, which phased in increases for both the employee and employer contributions to the Public Employees Retirement Association (PERA). For 2016 the employee contributions rate will be 6.50% of wages, while the employer contribution rate will be 7.50%.

The remainder of this letter will describe the major initiatives for 2016 for each of the fund types and their activities.

## *General Fund*

### Expenditures

The overall General Fund budget is increasing 6.48% over the 2015 budget. The General Fund expenditure budget consists of the following departments:

	Amended FY2015	Adopted FY 2016	% Change 15 vs 16
<b><u>Operating Expenses</u></b>			
Mayor & Council	\$ 66,654	\$ 67,070	0.62%
Elections	23,000	23,000	0.00%
Administration	285,447	293,870	2.95%
Finance & Support Services	179,322	180,530	0.67%
TCAAP	159,157	173,858	9.24%
Planning & Zoning	201,228	217,788	8.23%
Government Buildings	211,208	235,134	11.33%
Police & Animal Control	1,087,872	1,107,562	1.81%
Dispatch	69,468	67,780	-2.43%
Fire Protection	459,179	495,216	7.85%
Emergency Management	13,504	13,638	0.99%
Protective Inspections	292,515	312,087	6.69%
Street Maintenance	524,986	530,443	1.04%
Park Maintenance	502,878	453,895	-9.74%
Recreation	229,858	288,745	25.62%
Celebrating Arden Hills	-	-	0.00%
Reserves/Contingency	-	-	0.00%
Transfers	80,000	210,000	162.50%
<b>Total General Fund</b>	<b>\$ 4,386,276</b>	<b>\$ 4,670,617</b>	<b>6.48%</b>

The largest percentage of change in the budget are increases to Transfers of 162.50%. Transfers are up as a result of an increase to transfers to the EDA General Fund and a transfer to the PIR Fund for reserves for infrastructure improvements. Recreation is up due to reallocation of salaries from the Park Maintenance department. There was no contingency budgeted for 2016.

Public Safety is the largest area in terms of budgeted expenditures. The City contracts police services and animal control from the Ramsey County Sheriff and fire services from the Lake Johanna Fire Department. Contract policing costs increased 1.81% over 2015. Contracted fire service costs reflect a 7.85% increase over 2015 to fund a duty crew program which will be implemented over a seven year period and is currently in the sixth year. 911 dispatch services decreased by 2.43% as the new consolidated dispatch center is in the sixth year of fully charging the participating agencies (there were no increases for 2008 and 2009).

**Revenues**

The revenues to support these expenditures are classified as follows:

	Amended FY2015	Adopted FY 2016	% Change 15 vs 16
<b><u>Revenues</u></b>			
<b><u>Taxes</u></b>			
Taxes	3,389,875	3,508,875	3.51%
Licenses and Permits	273,730	265,530	-3.00%
Other Intergovernmental	125,328	141,659	13.03%
Charges for Services	439,943	476,302	8.26%
Fines & Forfeits	38,740	34,569	-10.77%
Special Assessments	3,000	3,000	0.00%
Miscellaneous	80,355	80,355	0.00%
Transfers	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 4,350,971</b>	<b>\$ 4,510,291</b>	<b>3.66%</b>

Special Assessments increase or decrease based on the size and scope of capital projects as many times assessments are prepaid. Fines and forfeitures increased due to construction finishing and major roads reopening leading to more fines on those roads being issued.

The Property Tax Levy generates 78% of the revenues in the General Fund and was based on the operating needs of the City after all other revenues have been subtracted from expenditures. The City does not have the ability to use other taxing methods, such as local sales taxes or income taxes as a revenue source. Therefore, the City will continue to be dependent on its property tax revenue as its major revenue source into the future. For this reason, the City Council must use its judgment as to the proper level of service and which services to provide when determining the proper level of property taxes to levy.

## ***Special Revenue Funds***

The City of Arden Hills currently operates Special Revenue Funds for its EDA, and Cable. These expenditures fluctuate from year to year due to a variety of factors; for example, in 2015 one of the City's Tax Increment Financing (TIF) districts expired, which led to a decrease in revenue. Also, in 2015 the City began making conduit debt payments to Presbyterian Homes, therefore increasing expenditures.

## ***Debt Service Fund***

The City of Arden Hills currently has no outstanding debt, any remaining debt was paid off in 2015. Arden Hills maintains an "AA+" rating from Standard & Poor's and Fitch and an "Aa" rating from Moody's for general obligation debt. The City issued G.O. Tax Increment bonds in 1998, which are budgeted to be paid in full the 2015 fiscal year. In 2004, the City decided to refinance its debt because of lower interest rates.

## ***Capital Project Funds***

The budget for the capital project funds is based on the 2016 project expenditures listed in the City's five-year capital improvement plan. The City maintains five Capital Funds; Permanent Improvement Revolving (PIR), TCAAP Capital, Public Safety Capital, Parks Fund, and Equipment, Buildings and Replacement. The revenue source for 2016 is transfers from other City funds, special assessments, Park Dedication Fees, and interest revenue.

The City has a successful program for maintaining the life of Arden Hills' streets. The Pavement Management Program (PMP) identifies, inventories, and tracks street conditions to ensure that the proper maintenance is done at the appropriate time. The results are prolonged pavement life and reduced overall costs to property owners. The Permanent Improvement Revolving Fund funds the PMP program. The primary projects for 2016 are the completion Playground Structure Replacement, Lexington Avenue Improvements, and MnDOT Bridge Projects.

The Lake Johanna Fire Department provides fire services to the cities of Arden Hills, Shoreview, and North Oaks. The Public Safety Capital Fund is used to accumulate reserves to pay for the City's share of capital costs. Arden Hills' estimated cost for capital to Lake Johanna Fire is \$45,411 in 2016.

In 2008, the Equipment, Building and Replacement Fund was established to build reserves for capital equipment and building expenditures. A one-time transfer from the General Fund of \$500,000 was done in 2008. The 2016 budget includes transfers from the General Fund, Water Fund, Sanitary Sewer Fund, and the Surface Water Management Fund in the amount of \$280,765. The 2016 budget includes expenditures from included the replacement of a F-250 Pick-up, a Workman, a Hotbox unit, and an F-350 Pick-up.

## ***Enterprise Funds***

The City completed a comprehensive utility rate study in 2008. As a result of this study, the City chose to change its rate structure to a tiered system effective January 1, 2009. As a result of legislation in 2008, all cities in the Twin Cities metropolitan area were mandated to charge for water in a manner that promotes conservation. The new tiered system meets this criteria. This rate system was re-evaluated in 2012 and slight changes were made which included changing the meter charge and charging for all gallons of water used. Surface Water rates were revised in 2015.

The rate increases for 2016 are 2% for water, 2% for Sanitary Sewer, and 3% for Surface Water Management. Utility revenues levels are not sufficient to cover both the operating and capital expenses in 2016. The rate structure will generate sufficient revenues over time to cover these expenses. Water revenues are budgeted at \$2,329,759 while the operating expense budget, including depreciation, is \$1,977,056. Sanitary Sewer revenues are \$1,791,924 compared to operating expenses, including depreciation, of \$1,558,607. Surface Water revenues are \$706,294 compared to operating expenses, including depreciation, of \$504,514. The 2016 CIP projects impact the Water, Sanitary Sewer and Surface Water Management funds with capital outlay of \$30,000, \$225,000, and \$50,000 respectively. Transfers out for Equipment Replacement are \$68,396 from Water, \$96,870 from Sanitary Sewer, and \$65,499 from Surface Water Management.

The Recycling fund has budgeted revenue of \$158,996 while the expense budget is \$148,512.

## ***Fund Balances***

The 2016 budget proposes that revenues are expected to exceed expenses by \$1,057,095. While the budgeted revenue levels are sufficient to cover the operating expenses of the Enterprise funds they are not sufficient to cover the capital expenses, but the utility rate structure that has been adopted will be sufficient to cover both the operating and capital expenses of these funds over time.

The City's 2016 General Fund budget is not a balanced budget; meaning revenues, including operating transfers in from other funds, do not equal expenditures including any operation transfers out to other funds. The 2016 budget includes the use of \$160,326 in reserves. The General Fund's fund balance is projected at 46% of 2016 budgeted expenditures. The City strives to maintain the General Fund's working capital fund balance at 50% of the next year's operating budget because the City receives its tax payments in July and December and need this fund balance to provide the necessary cash flow to pay for City operations. However, economic conditions may cause this to fluctuate slightly from time-to-time and we feel optimistic that 2016 final results will come in better than expected.

Fund balances in the Special Revenue Funds are used for capital expenditures, communication expenditures, tax increment obligations, and transfers to pay debt obligations.

The fund balance in the City's Debt Service Fund is used to retire the City's debt on a timely basis.

Fund balances in the City's Capital Funds will be used on City infrastructure projects in 2016, public safety equipment, capital equipment, and building repairs.

Overall, the City's fund balances are within City guidelines and are sufficient to meet current and future operations and obligations of the City.

### ***Distinguished Budget Presentation Award***

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Arden Hills, Minnesota for its annual budget for the fiscal year beginning January 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and a communications device.

This award is valid for a period of one year only. The City believes the current budget continues to conform to the program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

### ***Conclusion***

With 2016, the City continues to face many challenges in maintaining its current service level to its citizens as well as keeping taxes manageable. Actions at the State Legislature continue to play a part in municipal finances. The City is committed to continuing its capital improvement program to improve its infrastructure and equipment. In addition, the City will continue to review its current level and mix of services on an on-going basis.

We would like to recognize the efforts of the City Council, and City Staff for their contributions to the budget process. The City will continue to assure the citizens of Arden Hills get the best value for their tax dollar.

Respectfully Submitted,



Susan Iverson  
Interim City Administrator  
Director of Finance and Administrative Services

# Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Arden Hills  
Minnesota**

For the Fiscal Year Beginning

**January 1, 2015**

Executive Director



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## Strategic Planning

The City of Arden Hills has experienced staff turnover in a number of management positions over the last ten years. In 2015, the City Administrator and the Public Works Director/City Engineer retired. A search was conducted for the City Administrator position, but due to market conditions, as viable candidate was not found. The City will again conduct a search in the summer of 2016 when market conditions are expected to be better. The City also experienced the loss of a Council member in the last quarter of the year which was not filled until January of 2016. Past staff turnover in a number of positions happened from 2007 until 2010. All but one of the management team positions changed in 2010 including the City Administrator, Community Development Director, and the Public Works Director. Two of the five City Council positions changed on January 1, 2011 (with the Mayor moving from a Council member seat and a Council member appointed to the Mayor's vacant seat). Strategic planning has been challenging as these turnovers/changes have occurred. In 2011, the major focus was to hold a goal setting session with the new City Council and management staff to develop a work plan for the next two-five years. This plan is still the working document for 2016, only one Council seat changed for 2016. A strategic planning session is planned for early 2016 with the Council and management staff.

Four strategic planning sessions were held; February 12, 2011, March 16, 2011, and May 2, 2011. Prior to holding the first session, the facilitator met individually with each Council and management team member to come up with a list of issues, problems, and priorities as a starting point for discussion and brainstorming.

After these sessions, the Council finalized the goals into a document that is intended to be a Guiding Plan and outlines work goals and projects for the next three - five years. The plan reflects the collective decision of the City Council on the ranking of their goals, but is a flexible plan that can be changed by the City Council as priorities for projects and goals change.

Since there are limited amounts of City resources (staff time and money) available to accomplish all eighteen (18) goals that were identified, it stated that "we cannot do it all at once." This plan helps everyone understand the City Council priorities and the activities and projects that staff should be spending time on. All of the goals are important and will get worked on, but this plan helps us identify the "pecking order" for work projects. This document is somewhat of a resource allocation plan for staff time.

## Strategic Planning

It was also noted that if the TCAAP development started going, the timing for accomplishing the eighteen (18) goals listed may change as TCAAP was not listed in this Guiding Plan.

On July 11, 2011, the City Council formally adopted the following plan at its regularly scheduled Council meeting. Staff responsible for the plan are:

**Finance and Administrative Services:**

*Sue Iverson*, Director of Finance and Administrative Services

**Administration:**

*Vacant, City Administrator*

**Community Development:**

*Jill Hutmacher*, Community Development Director

**Public Works:**

*Vacant*, Public Works Director, City Engineer

The City Council last held a strategic planning session in March of 2014.



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ADMINISTRATION		Staff	Priority		
<b>6</b>	<b>Establish guidelines for how Council Liaisons interact with Commissions and Committees</b>	<b>Pat</b>			
6a	Place topic on Council work session agenda for City Council discussion and feedback		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
6b	Define the role and responsibilities of the Council Liaison for the:				
	Planning Commission		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Communications Committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Parks, Trails, and Recreation Committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Economic Development Commission		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Financial Planning and Analysis Committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Karth Lake Improvement District		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
6c	Draft Council Liaison Policy		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
6d	Adopt Council Liaison Policy		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>7</b>	<b>Review Police Contract and increase public awareness of public safety/crime issues</b>	<b>Pat</b>			
7a	Review Police Contract				
	Invite Sheriff to City Council work session to discuss the Police Contract and the Police Budget		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	City Council to review options for increasing services		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	City Council to review options for reducing expenses		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	City Council to discuss options for changing providers of police services		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	City Council decides on direction to take regarding police services		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
7b	Increase public awareness of public safety/crime issues				
	Invite Sheriff to City Council work session to discuss crime prevention and public awareness programs		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Promote participation in public awareness and crime prevention programs		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Based on input from Sheriff, City Council decides if increased funding for programs is appropriate		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>8</b>	<b>Review Fire Joint Powers Agreement</b>	<b>Pat</b>			
8a	Invite Fire Chief to City Council work session to discuss JPA and the Lake Johanna Fire Department (LJFD) capital and operating budgets		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
8b	City Council to review options for increasing services		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
8c	City Council to review options for reducing expenses		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
8d	City Council to discuss options for changing providers of fire protection services		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
8e	City Council decides on direction to take regarding fire protection services		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
<b>9</b>	<b>Clarify City Council position on various communication issues</b>	<b>Pat</b>			
9a	Council to meet in work session to discuss and review:				
	a policy on what content of Mayor and Council Newsletter articles is "disallowed"		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	a policy on what "public information" is allowed or not allowed on the City website		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	if the benefits of a City compliant tracking program and procedure is worth the cost and the required staff time to implement		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	a policy for when it is appropriate for Council members to directly contract City staff versus going through the City Administrator		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
9b	Staff drafts policies per direction of the Council		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
9c	Council adopts policies on communication issues		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low

Year Initiated	Time Frame	Current Status			
2012	Q1 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2011	Q4 2012	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2014	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2014	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2014	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2014	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input checked="" type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2014	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2013	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2013	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed

<b>FINANCE AND ADMINISTRATIVE SERVICES</b>		<b>Staff</b>	<b>Priority</b>		
<b>1</b>	<b>Maintain City Records</b>	<b>Sue</b>			
1a	Develop policies and procedures for records management including Central files		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
1b	Review Records Retention schedule and revise as needed on an annual basis		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
1c	Train staff on records retention		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
1d	Develop policy for storing records on laserfiche		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
1e	Develop a system for scanning and retention of historical documents now housed in the basement		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>2</b>	<b>Establish and refine Human Resource functions within the City</b>	<b>Sue</b>			
2a	Draft operating procedures, forms, and policies		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
2b	Train all supervisors on proper procedures		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
2c	Organize employee files		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
2d	Review/update personnel policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
2e	Provide staff and Council training on:				
	Sexual Harassment		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Hostile Work Environment		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Technology Use		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>3</b>	<b>Enhance employee relations and development</b>	<b>Sue</b>			
3a	Establish Safety Committee		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
3b	Establish Wellness Committee		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
<b>4</b>	<b>Use current technology to further enhance efficiencies and communications</b>	<b>Sue</b>			
4a	Complete employee intranet (SharePoint) set-up		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
4b	Draft procedures on use of technology		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>5</b>	<b>Provide training to staff and Council on technology use</b>	<b>Sue</b>			
5a	Train staff and Council on use of intranet (SharePoint)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
5b	Provide on-going support and training on current and new technology on:				
	SharePoint				
	Messages		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Forms		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Information		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Resources		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Departments uses		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Office		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Office Applications				
	Excel		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Word		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
	Access		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low

Year Initiated	Time Frame	Current Status			
2011	Q1 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q3 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q3 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
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2012	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input checked="" type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q3 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
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2013	Q3 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input checked="" type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Q3 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input checked="" type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Q3 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input checked="" type="checkbox"/> Abandoned	<input type="checkbox"/> Completed

<b>COMMUNITY DEVELOPMENT</b>		<b>Staff</b>	<b>Priority</b>		
<b>10</b>	<b>Minimize complaints regarding single-family rental properties</b>	<b>Jill</b>			
10a	Maximize participation in the 2011 rental registration program		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
10b	Educate the community on the rental registration program		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
10c	Work with Ramsey County on enforcement issues		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
10d	Research legal constraints and opportunities for enforcement		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
10e	Research rental registration and licensing programs in other cities		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>11</b>	<b>Establish a detailed plan for private and public investment in the B2 District</b>	<b>Jill</b>			
11a	Determine a process for selection of a consultant for a B2 Implementation Plan		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
11b	Create realistic short- and long-term development goals for the B2 District		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
11c	Align public funding to the City's development vision and goals		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>12</b>	<b>Maximize the efficiency and effectiveness of the City's commissions, committees, and processes related to economic and community development</b>	<b>Jill</b>			
12a	Work with the City Council to determine the role, mission, and goals for each commission and committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
12b	Research development coordination in other cities		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
12c	Create a process to evaluate and form policy on development issues		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
12d	Align available financial tools with achievement of City goals and vision		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>13</b>	<b>Foster civic pride and an awareness of the City's distinct character and attributes</b>	<b>Jill</b>			
13a	Install Gateway signs		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
13b	Create a new, updated City website		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
13c	Consider enhanced electronic communications options		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
13d	Create a commercial community identity		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
<b>14</b>	<b>Develop relationships with the business community and establish a reputation as a business- and development-friendly City</b>	<b>Jill</b>			
14a	Increase contacts with the business community		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
14b	Support Arden Hills businesses		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
14c	Research economic development and business outreach efforts in other cities		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
14d	Complete an economic conditions survey to determine whether additional programs are needed to maintain a healthy economic environment		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low

Year Initiated	Time Frame	Current Status			
2011	Q3 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q2 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q2 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q3 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q3 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
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2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q3 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2013	Q4 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed

PUBLIC WORKS		Staff	Priority		
15	Establish policies/procedures for the maintenance of city streets	N/A			
15a	Annual Review of PMP (5 Year CIP)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
15b	Maintain PCI Rating System		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
15c	Review/Amend/Adopt Policies				
	Street Maintenance Policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Snow Removal/Ice Control Policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Street Sweeping Policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Sign Management Policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Assessment Policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
16	Establish policies/procedures for maintenance of City utilities	N/A			
16a	Sanitary Sewers				
	Develop/Adopt Sewer Maintenance Policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Sewer Cleaning/Televising		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Lift Stations		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
16b	Development Long-term Sewer Lining/Replacement Plan				
	Elimination of Inflow and Infiltration (I&I)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Inspection of Sump Pumps		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Monitor Grant Opportunities		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
16c	Lift Stations				
	Rehabilitate Four Lift Stations (1,12,13)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Standardize Operations of 14 Lift Stations		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
16d	Consider If and When to Implement SCADA System		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low
16e	Water				
	Develop/Adopt Water Maintenance Policy				
	Flushing System		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Exercising Valves		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Lining Technology		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Develop and Implement Water Tower Maintenance				
	Periodic Inspections		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Minor/Major Repairs		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Repainting		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
16f	Storm Water/Storm Sewer				
	Implementation of MS4 Permit BMP				
	MS4 Permit Renewal in 2011		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Update Surface Water Plan				
	(required to be approved RCWD by 6/9/12)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Develop Long-Term Pond Maintenance Policy				
	Pond Inventory (Public)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Pond Testing and Prioritization		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
	Pond Maintenance Funding		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
17	Establish policies/procedures for maintenance of City parks and trails	N/A			
17a	Policies				
	Implement Park Maintenance Policy		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Develop/Adopt Trail Maintenance Policy				
	Prioritize Trail Maintenance Activities		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Program Trail Maintenance Activities		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Develop/Adopt Emerald Ash Bore Policy				
	Implement Policy		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
17b	Monitor/Present Grant Opportunities		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
18	Establish miscellaneous policies/procedures for operation of Public Works Department	N/A			
18a	Develop/Adopt Fleet Management Policy				
	Program 10 Year Fleet Expenditures		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Develop/Implement Service/Repair Tracking		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
18b	Safety Committee				
	Ergonomic Analysis of Activities		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Identify Ergonomic Risks		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Develop Ergonomic Program		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
18c	Training/Mentoring Internal Policy				
	Safety Training (required)		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Technical Training (how many, who, how often)				
	Licenses (Sewer, Wter, Forestry, pesticide Sprayer, Playground Inspector, Etc)		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low

Year Initiated	Time Frame	Current Status			
2011	Q2 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q4 2011	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
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2011	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q2 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q2 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2011	Q2 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2011	Q4 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q4 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q2 2014	<input checked="" type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q3 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
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2014	Q1 2014	<input checked="" type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q2 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q2 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q3 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2011	Q1 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed



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## **Budget Practices and Policies**

### **General Description and Form of Government**

The City of Arden Hills is located in Ramsey County, and is part of the Twin Cities metropolitan area. The City provides a full range of municipal services authorized by State Statute. These services include police and fire protection, construction and maintenance of streets, water, sanitary sewer, recycling, and storm sewer systems, recreation programs and activities, maintenance and development of a park system, community development activities (planning and zoning), inspection services, and general administrative services.

The City of Arden Hills is a “Statutory A” city according to Chapter 412 of Minnesota Statutes. The City Council consists of a Mayor and four Council members all elected “at-large”.

### **Fund Accounting**

A fund is a separate fiscal and accounting entity with a separate set of accounting records. For example, a separate fund is used to account for the funds received by the City for Park Dedication Fees.

The use of Fund Accounting is one of the basic requirements of generally accepted accounting principles (GAAP) for government, and one of the major differences between government and commercial accounting. It requires separate record keeping for each individual fund that a government uses.

### **Accounting Practices**

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The section entitled “Fiscal Policies” summarizes the policies and practices used by the City.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing

## **Budget Practices and Policies**

of the measurements made, regardless of the measurement focus applied.

The governmental fund types and the agency funds use the modified accrual basis of accounting. Under this method, revenues are recognized when they become available and measurable. “Measurable” means the amount can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred.

All enterprise and internal service fund types use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

### **Budgetary Basis of Accounting**

The budgetary basis of accounting determines when a government charges expenditures to a budget appropriation, or when it credits revenue to its Funds for budgeting purposes. Although the City presents financial statements in its Comprehensive Annual Financial Report (CAFR) in accordance with GAAP, the budget is adopted on a modified cash basis. The major difference between the two basis of accounting is as follows:

- For budgetary purposes, revenues are recorded when received. Under GAAP, revenues are recorded when susceptible to accrual.
- For budgetary purposes, interfund loans and repayments are recorded as revenues and expenditures. Under GAAP, these transactions are reclassified as increased of reductions in the “due to/due from” accounts.
- Capital expenditures are budgeted as an expense in the enterprise funds. Under GAAP these expenditures are reclassified as fixed assets.

### **Basis of Budgeting**

The City of Arden Hills uses a base budget budgeting method. Each department requests an annual appropriation sufficient to fund current service levels and other costs the department is responsible for managing. The budget base year is the prior year’s adopted budget, reducing it for any one-time expenditures, increasing it for known impacts (such as increased utility costs, and salary and benefit negotiated increases) and adding new proposed programs or activities.

## **Budget Practices and Policies**

## **Budget Process and Calendar**

### **Reserves**

The City has three types of reserves, contingencies, capital reserves, and cash and emergency reserves. These reserve policy requirements can be found in the “Fiscal Policies” section of this document.

### **Appropriation Authority**

The City Council adopts the budget after a Public Hearing (as required by State Statute), prior to December 30 through passage of an adopting resolution. This resolution sets expenditures limits at the fund level for the City’s General Fund, special revenue funds, debt service funds, capital project funds, and all enterprise and internal service funds.

Supplemental appropriations may be adopted by the City Council during the year.

### **Other Policies**

Additional Fiscal Policies are found on pages 167 through 176.

The budget process enables the City Council to make choices about staffing, equipment and priorities to be addressed in the upcoming year. The City Council reviews the budget for the first time in August; however, the budget process is begun in May of each year with budget parameters set and approved by the City Council. This lays the groundwork for the expenditure requests from each department based on the priorities set by the strategic issues identified by the City Council during the strategic planning process.

This process includes formulation, preparation, implementation, administration and evaluation. Annually the City Administrator must prepare a budget and present it to the City Council. Minnesota State Law requires that a preliminary property tax levy resolution be certified to the County Auditor by September 15<sup>th</sup> each year. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy.

The budget is prepared on an annual basis, and follows the calendar year, January 1<sup>st</sup> to December 31<sup>st</sup>. The budget document is prepared using the following established procedures:

**CITY OF ARDEN HILLS  
2016 BUDGET CALENDAR**

<b>April 25, 2016</b>	<b>City Council Approval of Budget Calendar.</b>
<b>April 26, 2016 – June 03, 2016</b>	Department Heads Prepare 2017-2021 CIP requests and background material.
<b>June 03, 2016</b>	Department head Submit CIP Requests to Finance Department.
<b>June 6, 2016 – June 10, 2016</b>	City Administrator and Finance Director review Department CIP Requests and confer with Departments.
<b>June 17, 2016</b>	2017-2021 CIP is drafted and distributed to City Council for review.
<b>June 20, 2016</b>	City Council Work Session to discuss 2017 Operating Budget parameters and 2017-2021 CIP.
<b>June 21, 2016</b>	Forms Distributed to all Department Heads for 2017 Operating Budget.
<b>June 21, 2016 – July 15, 2016</b>	Department Heads Prepare Budgets and Background Material.
<b>July 15, 2016</b>	Department Heads Submit Budget Requests to Finance Department.
<b>July 18, 2016 – August 5, 2016</b>	City Administrator and Finance Director review Department Budgets and Confer with Departments.
<b>August 12, 2016</b>	Finance Department completes Preliminary Revenue Estimates.
<b>August 19, 2016</b>	City Administrator Budget is drafted for Presentation to Council at Work Session.
<b>August 29, 2016</b>	City Council Work Session to discuss Preliminary 2017 Budget.
<b>September 9, 2016</b>	City Administrator’s recommended Preliminary 2017 Budget distributed to the City Council.
<b>September 12, 2016</b>	City Council adopts the Preliminary 2016 Property Tax Levy (Payable 2017)
<b>September 12, 2016</b>	Council Certifies date for public (TNT) hearing and continuation hearing (if necessary) to county.
<b>September 30, 2016</b>	Finance Director submits preliminary 2016 Property Tax Levy (Payable 2017) to County for certification.
<b>Mid-November</b>	Truth in Taxation Notices and Public Hearings Schedule distributed by County.
<b>Early December</b>	Public Hearing for Budget and Levy consideration.
<b>Mid-December</b>	Continuation Hearing, Approval of Budget and Certification of Property Tax Levy for submission to County.
<b>Late December</b>	Finance Director Submits final Levy to County and prepares Final Budget Document.

## **Other Planning Processes**

There are no other government agencies, commissions, or advisory boards that have a direct role in the City's budget process. However, there are government agencies, commissions, and/or advisory boards which play a role in the City's budget process.

Minnesota State Statutes provide the steps the City must follow to pass the budget including when the City must certify its levies to the County Auditor and when public hearings must be held. In addition, the State may pass laws governing the City's budget, such as cities have been under levy limits at times, which restricts the possible increase of property tax levies from one year to the next. The State must also approve, by mid-November, any City levies which fall outside levy limits (when levy limits exist). Finally the State must certify to the City the amounts of State Aids the City will receive, if any, by mid-August. The County must notify the cities of the amount of Fiscal Disparity dollars the City will be receiving by mid-August to cities in the Seven-County Metro Area.

The only affect the County has on the City's budget would be if the County or City was planning any road improvement projects that would require joint cooperation. The City would work with the County to budget any City share of costs and any additional improvements the City would like included in the project.

Finally, the City itself has various advisory boards and commissions, such as the Parks, Trails, and Recreation Committee, Planning Commission, Economic Development Commission, Economic Development Authority, Communications Committee, and Financial Planning and Analysis Committee. These advisory boards and commissions as part of their charge, work with staff to set priorities and goals for the coming year. Based on their goals and priorities, along with the City Council's goals and priorities, the various advisory boards or commissions work with staff to make funding recommendations for programs and/or improvements they would like to see included in or removed from the budget. These boards and commissions are only advisory and the City Council may or may not include recommendations by these boards and commissions in the final budget depending on available funds or other criteria.

## Fund Structure

### Purpose and Accounting Basis

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Certain funds have varying levels of restrictions, imposed either by legal requirements or policy choices, and as such, it can be helpful to see a broad overview of the City's finances to show summaries of different funds.

The City's funds are grouped into seven basic types:

- General
- Special Revenue
- Capital
- Debt Service
- Proprietary (Enterprise)
- Internal Service
- Fiduciary

The budgeted funds of the City are grouped into two broad categories as follows:

- **Governmental Funds** – Governmental Funds are used to account for “government-type” activities of the City (e.g., activities that receive a significant portion of their funding from property taxes, state aids, and various grants). The Governmental Funds budgeted for the City are the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- **Proprietary Funds** – Proprietary funds are used to account for the “business-type” activities of the City (e.g., activities that receive a significant portion of their funding through user charges). The proprietary funds budgeted by the City are Enterprise Funds and Internal Service Funds.

The first three fund types listed above comprise the majority of the day-to-day operating activities of the City. The remaining fund types are more specialized funds, and typically account for one-time and/or specific activities rather than ongoing and recurring services. Brief descriptions of each

## **Fund Structure**

fund type follow. A detailed chart is found on page 8 of the pertinent information section.

### **General Fund**

The General fund is the primary revenue source and operating fund for most services cities typically offer. These include public safety (police and fire), street maintenance, parks and recreation, and neighborhood and community services, etc. In addition, the City Council, Administrative Services and City Attorney budgets are predominately funded by the General Fund.

These activities are financed through general tax dollars from property taxes and by revenues generated from permits, fees and investment earnings.

### **Special Revenue Funds**

Special revenue funds account for activities funded by special purpose revenue, that is, revenues that are legally restricted to expenditure for a specific purpose. The City maintains six special revenue funds which include: Cable Fund, EDA General Fund, EDA Revolving Loan Fund, EDA TIF District #2 Round Lake, EDA TIF District #3 Cottage Villas, and EDA TIF District #4 Presbyterian Homes.

### **Capital Project Funds**

These funds include the Equipment and Building Replacement Fund, Public Safety Capital Fund, Parks Fund, TCAAP Capital, and the Permanent Improvement Revolving Fund (PIR). They are used to account for financial resources to be used for the acquisition of equipment or construction of major capital facilities (other than those financed by proprietary funds such as the Water and Sewer funds), i.e., the development of a new neighborhood park, or a fire station. The city has four capital project funds.

### **Proprietary (Enterprise) Funds**

These funds account for City activities that operate as public enterprises. Revenues come from fees charged to programs, customers, or other department users. Enterprise funds that provide for sewer and water services are proprietary funds. The City currently has four enterprise funds (water, sanitar

## **Fund Structure**

sewer, recycling, and surface water management) that represent separate business activities for the City.

- Water – The City provides water service to its citizens and commercial entities.
- Sanitary Sewer – The City’s sewers protect public health and preserve water wastewater solids. The City is connected to the Metropolitan Council’s sewer system
- Recycling – The City provides recycling services to its citizens to protect public health and the environment.
- Surface Water Management – The City’s surface water management system collects storm water runoff, protects the environment, and manages the discharge of water to holding ponds and the water shed.

### **Proprietary (Internal Service) Funds**

These funds account for City activities that operate as public enterprises and provide services internally to other departments. Revenues come from fees charged to programs, customers, or other department users. Internal Service funds that provide for engineering and IT services are internal funds. The City currently has four internal service funds (Risk Management, Engineering, Central Garage & Equipment, and Technology) that represent activities for the City.

- Risk Management – This fund provides insurance to all departments within the City.
- Engineering – This fund provides engineering services for City projects, developments, and all departments within the City.
- Central Garage & Equipment – This fund provides the services and equipment repair for the Public Works Department which consists of Street Maintenance, Park Maintenance, Water Utility, Sewer Utility, and the Surface Water Management Utility.
- Technology – This fund provides technology software and equipment to all departments within the City.

### **Debt Service Funds**

Funds for debt service track revenues and expenditures related to repayment of principal and interest costs associated with borrowing money for long-term obligations. The reader can find a separate debt service schedule in this budget that provides details on all outstanding debt owed by the City.

### **Fiduciary Fund Types**

## Fund Structure

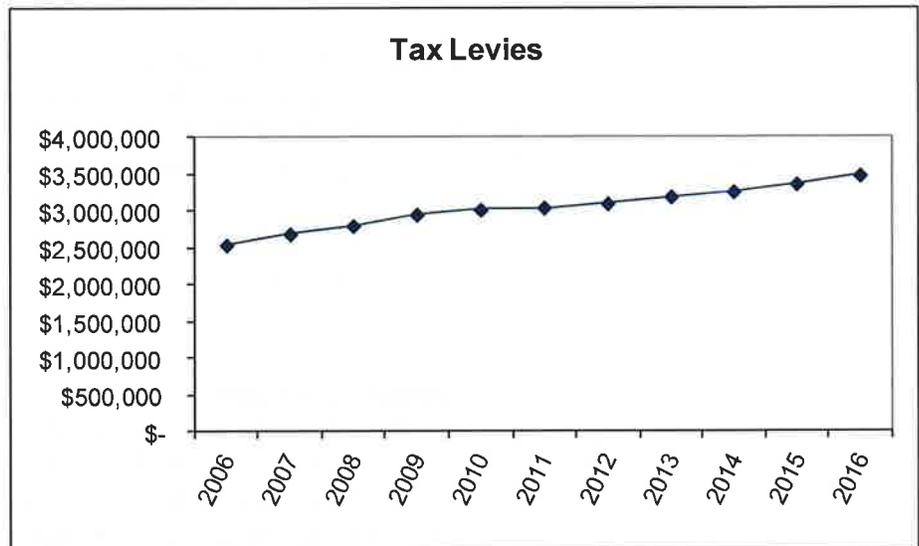
Trust and Agency Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, other governments and/or funds. These include Agency and Expendable Trust Funds. Agency funds are custodial in nature (assets and liabilities) and do not involve Measurement of results of operations. The City currently does not have any fiduciary funds.

The City of Arden Hills collects revenues from a variety of sources. The revenues usually relate to the type of service being provided. Below is a list of major revenue sources and general trends:

### Property Taxes

Property taxes are collected from properties to pay for general government services funded through the General Fund.

## Revenues

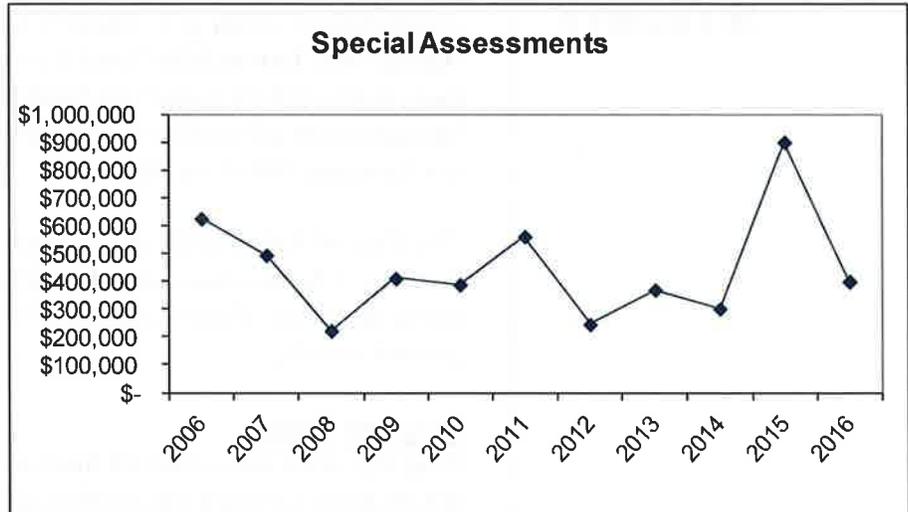


Trends: Property tax levies have been increasing due to cuts in State Aid that began in 2001. A more in depth discussion of the Property Tax Levies is found on page 48.

### Special Assessments

Special Assessments are revenues collected to pay for improvements benefiting property. A majority of the special assessments are associated with road reconstruction projects within the Capital Improvement Plan.

## Revenues



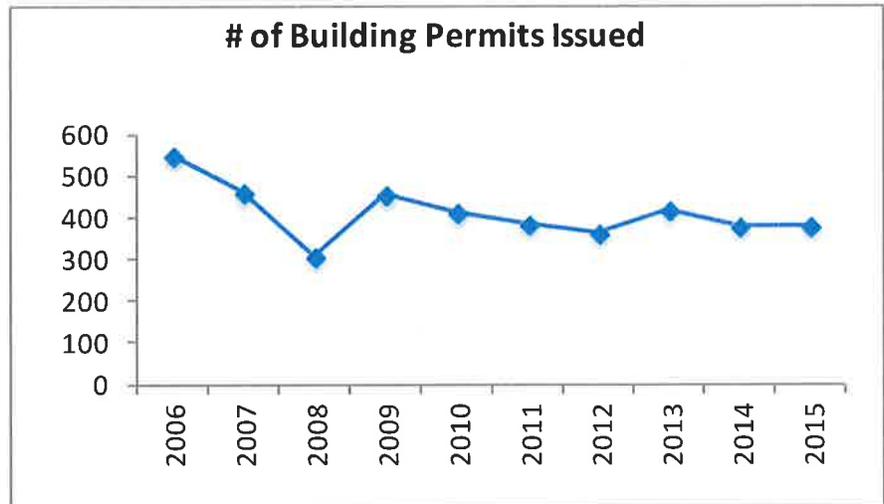
*Trends:* Special Assessment Revenues fluctuate due to the timing of Pavement Management Plan (PMP) projects. The 2006 and 2011 PMP projects were larger than average and there were more prepaid special assessments. There was no PMP project in 2008 or 2012. 2014 included Round Lake Road which had some assessments and also used Tax Increment funds.

### **Licenses & Permits**

License revenue results from the City requiring specific businesses to register with the City and provide information to meet requirements prior to being able to operate within the City. The license fees are intended to cover a portion of the administrative costs associated with monitoring the business activities.

Building permit revenue is derived from fees and enforcement of construction activity within the City.

## Revenues



Trends: License revenue is expected to remain static. Building permit revenue is expected to decrease as the City is primarily built out. The increase shown in 2006 was the result of storm damage and increased permits pulled for repairs to roofs and siding. 2007 and 2009 numbers reflect construction activities for additions at the two colleges located in the City.

### Intergovernmental

The City receives a variety of shared revenues from the State of Minnesota. Prior to 2011, the major revenue within this category was Market Value Homestead Credit Aid. The 2011 legislature eliminated this program. The major revenue source is now Municipal State Aid (MSA) maintenance for streets.

All other amounts represent small grants and aids that the City receives under various established programs.

The Market Value Homestead Credit Aid (MVHC) was established by the Legislature in 2002 to replace the Homestead Credit Aid (HACA) that was eliminated in 2001. The MVHC is a direct reduction of the City's General Property Tax Levy. It is a credit to each homeowner and is computed on a sliding scale based on a home's value. The MVHC phases out for homes valued greater than \$443,000. The elimination of HACA in 2001, created a permanent shift from aids to property taxes in the City's General Fund revenue sources.

In 2011, the State legislature eliminated this program and replaced it with a Market Value Exclusion (MVE) program which excludes part of a homesteaded property's value, thus creating an effect similar to the MVHC program to property

## Revenues

owners, but removing local entities from the formula. This is no longer a factor in Arden Hills Intergovernmental revenues.

MSA Maintenance is a program for urban municipalities with populations of 5,000 or more. 20% of a City's County Roads and local improved mileage are included. This includes County Roads and County State Aid Highways (CSAH) that have reverted back to the municipality.

Police Aid is money received from the State to help with police personnel training costs. Since Arden Hills contracts with the Ramsey County Sheriff for this service, a part of this revenue is allocated back to Arden Hills each year to offset part of the contract costs for policing.

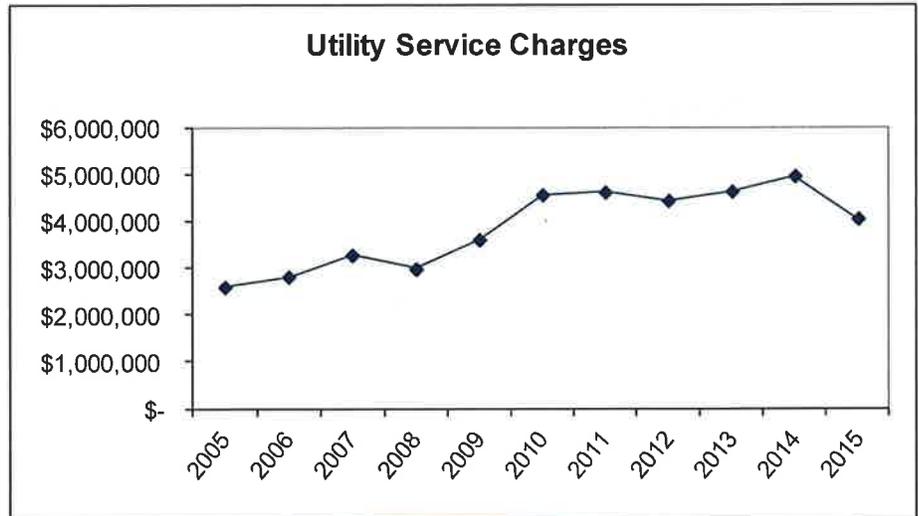
*Trends:* MSA Maintenance dollars have remained relatively static over the last six years and are expected to remain so. Police Aid has also remained fairly static over the last six years and is also expected to remain so. Since the MVHC program is no longer in existence, future intergovernmental revenues are expected to remain stable.

### **Charges for Services**

This category reflects fees collected for contractual services and general services that the City charges directly for. A list of categories is listed below:

- General Fund charges for services include contractual and service fee services related to general government, public safety, and recreation (see page 69 for more detail).
- Services to property (Utility Fees) – are collected by the utility funds from customers (Residents and business within the City) for services. See page 138 for more information on these fees.

## Revenues



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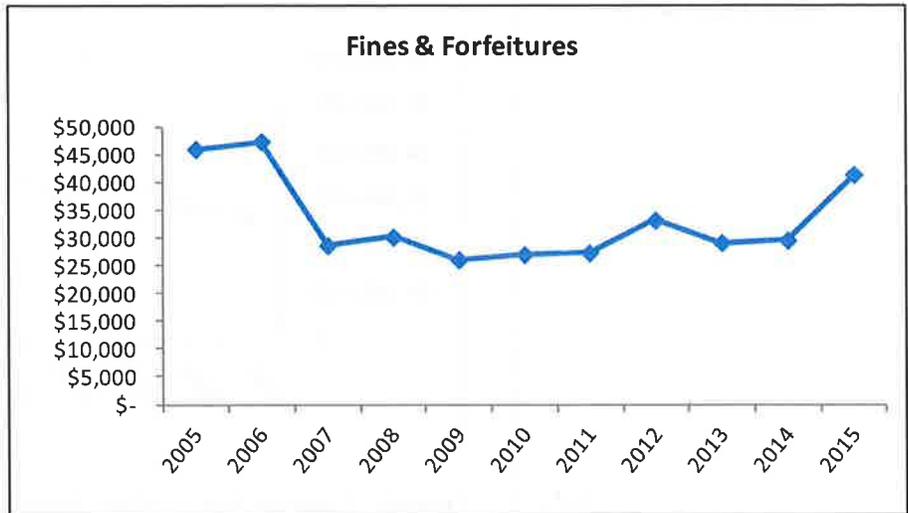
**Trends:** Charges for Services have been increasing as a whole. This is in part due to rising utility fees to help pay for needed infrastructure improvements. (See the Capital Improvement Plan section). The General Fund fees appear to be static, with no significant changes foreseen.

### **Fines and Forfeitures**

Fines and forfeitures represent the City's portion of traffic and code violation fees and are collected in the General Fund. When a violation is issued by a City, Sheriff, or State Trooper within the City Limits, a portion of the fee paid to the County is distributed to the City (based on State Statute).

In 2011, the City adopted Administrative Fines which are seen for the first time in 2012 revenues. These are fines for violations that are 10 miles per hour (MPH) or under and also rolling stops through stop signs. These fines are collected at the local level and serve a dual purpose by providing education to the community.

## Revenues



*Trends:* While Fines and Forfeitures have been decreasing over the five years, Administrative Fines is a new revenue source that increase revenue back to 2006. Revenues are expected to increase with the reopening of major roads as can be seen in 2014.

### **Franchise Fees**

Franchise fees are derived from a fee imposed on cable TV revenues collected by the utilities for usage within the City. The fees are deposited in the Special Revenue Cable Fund. Cable TV franchise fees are used to cover communication and AV equipment costs.

*Trends:* The fee currently is estimated to generate approximately \$94,000 per year for the Cable Fund.

### **Developer Reimbursements**

The City had been negotiating with the Federal Government for the purchase of the former Twin Cities Army Ammunition Plant (TCAAP). As part of the long-range plan, the City was working with a developer to develop this property. In April of 2009, the developer pulled out of the project due to economic conditions. If a new developer purchases the property, the City would enter into a developer agreement in which the City is reimbursed for its expenses incurred with this acquisition.

## Revenues

*Trends:* No revenues have been budgeted at this time but if a new developer comes on board significant revenues are expected to offset costs incurred in connection with this project. (This will happen as part of the new Joint Development Authority with Ramsey County).

### **Investment Earnings**

Investment earnings are allocated to all funds based upon a weighted average of their daily cash balance. For budgeting purposes, the interest earnings are projected and the allocation from the latest Comprehensive Annual Financial Report is used. Market value changes related to the required recognition of unrealized gains / losses are not reflected or estimated for budgetary purposes.

*Trends:* Investment earnings are subject to the interest rate, economy and are dependent on what rates are available at the time investments were made. Overall interest earnings are projected to increase slightly over 2015 levels, with a flat trend for 2016. As always, investment earnings are subject to sudden shifts in the economy.

### **Other Revenues**

Miscellaneous sources which do not fit into any of the above mentioned revenue categories. These sources include donations, other small unexpected payments, and non-operating revenues (Proprietary Funds) such as sale of scrap or surplus.

*Trends:* These revenues are expected to remain constant over the next several years.

## Property Tax

The City of Arden Hills levies property taxes for its General Fund Operations. The levies are allowed by State Law, and are collected from property owners by Ramsey County and distributed to the City in July, December, and January.

### Property Tax Reform

During 2001, the State Legislature passed a major Property Tax Reform Bill that dramatically impacted State funding to local governments. Levy limits returned, and a major shift in the State Funding of school districts resulted in the elimination of some aids for cities. The intention of the State Legislature was to have cities make up for this lost aid through the property tax levy. This reduced the reliance of cities on State Aid, and allows the property tax levy to make up a larger share of the General Fund Revenues. Arden Hills did not receive a significant portion of Local Government Aid, thus was not impacted.

As the Legislature entered the 2003 session, the situation with the economy was creating a State Deficit of over \$4 billion. The State enacted many reductions in order to balance the budget. As part of those reductions, cities had their property tax aid decreased for 2003 and 2004. The Market Value Homestead Credit (MVHC) reduction amount for 2003 was \$100,979 or 100% of the aid amount the city was initially certified to receive. The cities were then only allowed to levy back for 60% of the permanent LGA losses from 2003 and 2004. In 2005, the Legislature readjusted the formula for State Aid and increased the overall State Aid to cities by \$48 million. The formula change was detrimental to most inner ring suburbs and most cities in turn saw a total elimination of its LGA.

In 2008, the State again was facing a deficit and the Government chose to unallot the second half payments of LGA and MVHC which were to be distributed in December 2008. This was a loss of \$26,272 to the City. As the State economic forecast did not improve in 2009 or 2010, all LGA and MVHC aid was unallotted, this was a loss of \$55,923 and \$61,774 for the City. In mid-2010, the Governor unallotted the 2011 MVHC aid which was estimated at \$61,774 for Arden Hills.

The 2011 legislature eliminated the MVHC program for 2012, thus taking local governments out of the equation. A new program gives homesteaded property owners a Market Value Exclusion (MVE) on the value of their property and gives

# Property Tax

these property owners basically the same effect. However, this shifts taxes to non-homesteaded property as each local jurisdiction is now receiving its full levy, including the City. This results in shifting a significant portion of the City's levy (and other local jurisdiction's levy) to Commercial/Industrial property and those homesteads whose value is over \$413,800 where the exclusion is eliminated.

## **Property Values (Tax Burden)**

### **City's Market Value and Tax Capacity**

Due to the current economic conditions, the taxable market value for the City is projected to increase by \$71 million or 7% to \$1.09 billion. From this, the Tax Capacity is calculated (for residential properties it equates to 1% of Taxable Market Value, and varies by property type for all others). The City's Tax Capacity for calculating taxes was projected to increase by 6.0% to \$11.4 million. This decreased the City's tax rate from 27.95% to 27.29%.

### **Median Valued Home**

Due to current economic conditions, the Taxable Market Value of the median valued home within the City is projected to increase 1.8%% from \$295,100 to \$300,300. The overall City Tax burden decrease on the median valued home is projected to be approximately 1% or \$7.65.

A chart depicting the projected basic governmental service annual costs for the median valued home is located on page 69.

### **Property Tax Levies**

The total levy being proposed is \$3,478,775. This represents a \$119,000 or 3.54% increase over the 2015 levy of \$3,359,775.

Anoka County sets the Fiscal Disparities levy for the entire Seven County Metropolitan Area. This was established by the legislature in the 1970's as a means to more evenly distribute the property tax benefit derived by commercial properties. Cities are either a "net" gainer or a "net" contributor. Arden Hills is a "net" gainer and will collect \$264,113 in 2016 as opposed to \$248,682 in 2015, which is an increase of 6.2%. More information on this can be found in the Appendix on page 251.

# Property Tax

## **City Tax Rate**

There are two types of tax rates that are calculated for the City. One is a net tax capacity based rate, and the other is a market value based rate. Both rates use the market value as the starting point for determining the rate.

## **Net Tax Capacity Based Rate**

The Net Tax Capacity based rate is calculated by taking the levy and dividing it by the Net Tax Capacity. Net Tax Capacity calculation is regulated by the State Legislature, which has created twenty-eight (28) classifications of property and a “class rate percentage” for each classification. The Net Tax Capacity is determined by multiplying the market value of each property by the appropriate class rate percentage. The sum total of all parcel tax capacities less adjustments for the City’s Fiscal Disparity contribution, those parcels that have been certified in a Tax Increment Financing (TIF) development district, and the MVE represent the New Tax Capacity for the city. Currently, the General Fund Levy is Net Tax Capacity based.

## **Market Value based rate**

Market Value based rates are calculated by dividing the levy by the taxable market value of all properties within the city. Taxable market value is calculated by taking the market value of all properties less exclusions and limitations as set by the State Legislature.

## **Market Value Determination**

The county Assessor determines the market value of properties through assessment, the use of actual sales data, and economic trends. The taxes that are collected in 2016 are based on the assessment of market values for 2015, which are certified to the County Assessor on January 2, 2015 and relate to sales and data information from 2015. All assessments are subject to review by the Minnesota Department of Revenue. The State requires that property values be within 90% to 105% of actual sales overall.

## **Truth-In-Taxation Public Hearing**

Each year in late November or early December, Statutes require all counties, school districts, and cities with a population over 2,500 to hold a public hearing to discuss the proposed budget and property tax levies. As part of this process, each property is sent by the county a Truth-In-

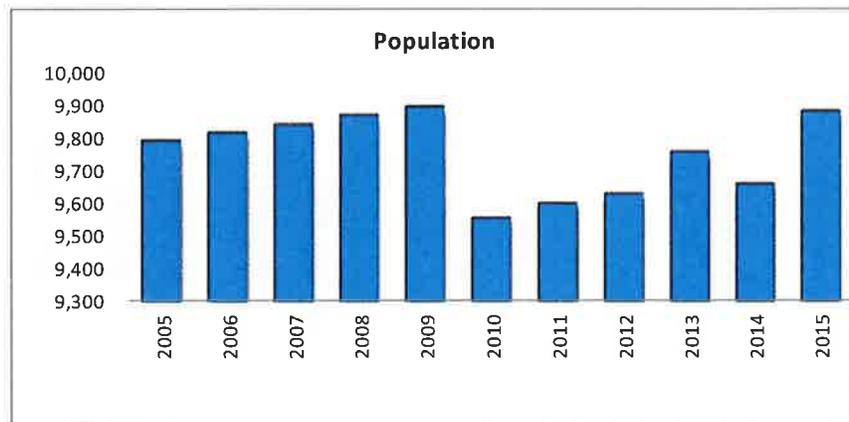
# Budget Assumptions

Taxation notice which shows the impacts of the proposed levies on their individual property. The public hearing is set as a forum for citizens to come and discuss their views on the proposed budget and property tax levies with the public officials of each jurisdiction. The City held the Truth-In-Taxation Public Hearing on Monday, December 29, 2015.

Certain assumptions are decided on as a foundation for developing a budget. These assumptions guide the City in determining the level of service that will be provided to residents and how those services will be funded. The City's budget practice is to use conservative revenue estimates to assure adequate funding of expenditures.

### 2016 Assumptions

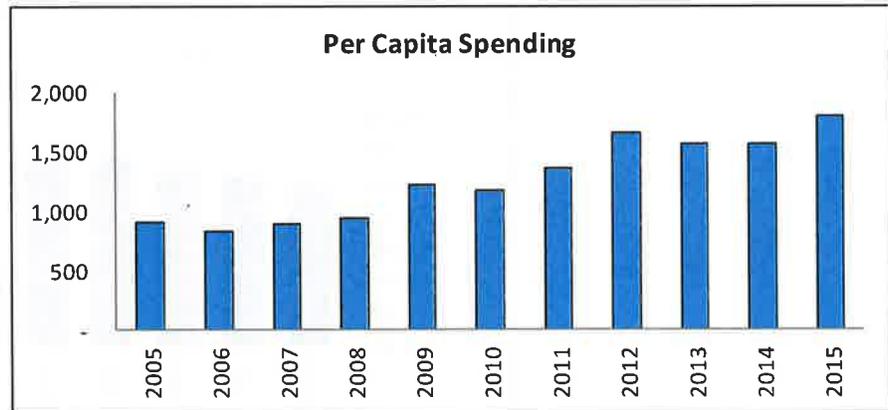
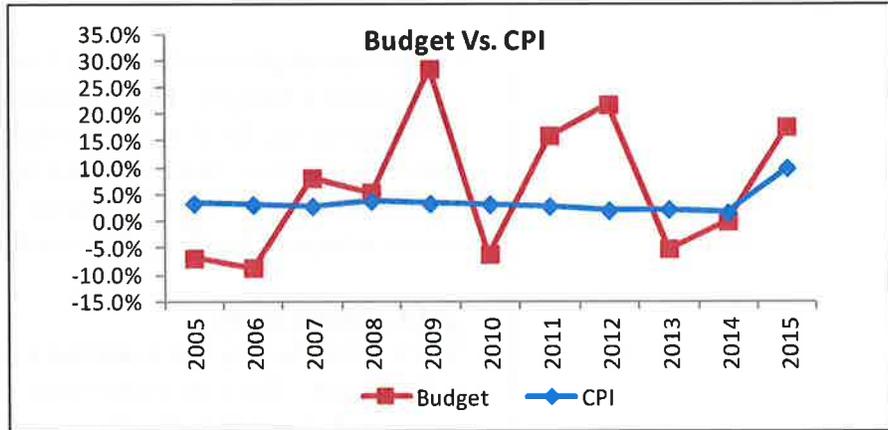
Since 2000 the city has assumed a population growth of about 0.3% a year. The City expects the population growth to continue below 1% in the future until the TCAAP development occurs. The Chart below demonstrates the City's population growth over the last eleven years. After the 2010 Census the City's population was reported as 9,552.



As the City's population grows, so does the demand for services. This increase in demand for services also requires increases in parks, miles of streets, water mains and sewer lines that need to be maintained. In 2016, the City continues various infrastructure improvements as the City's infrastructure ages. This growth and demand has resulted in the City's operating budgets to grow faster than the Consumer Price Index (CPI) the last few years and the increased infrastructure improvements has also caused the City's per

# Budget Assumptions

capita spending to increase over the last few years as shown in the following two charts. (Note: The decrease in the 2001 and 2002 budget is a result of the building of the new City Hall. The increase in the 2003 budget is a result of the refinancing of Tax Increment Bonds and paying off the old bonds. Reserves were used to balance the 2011 budget.)

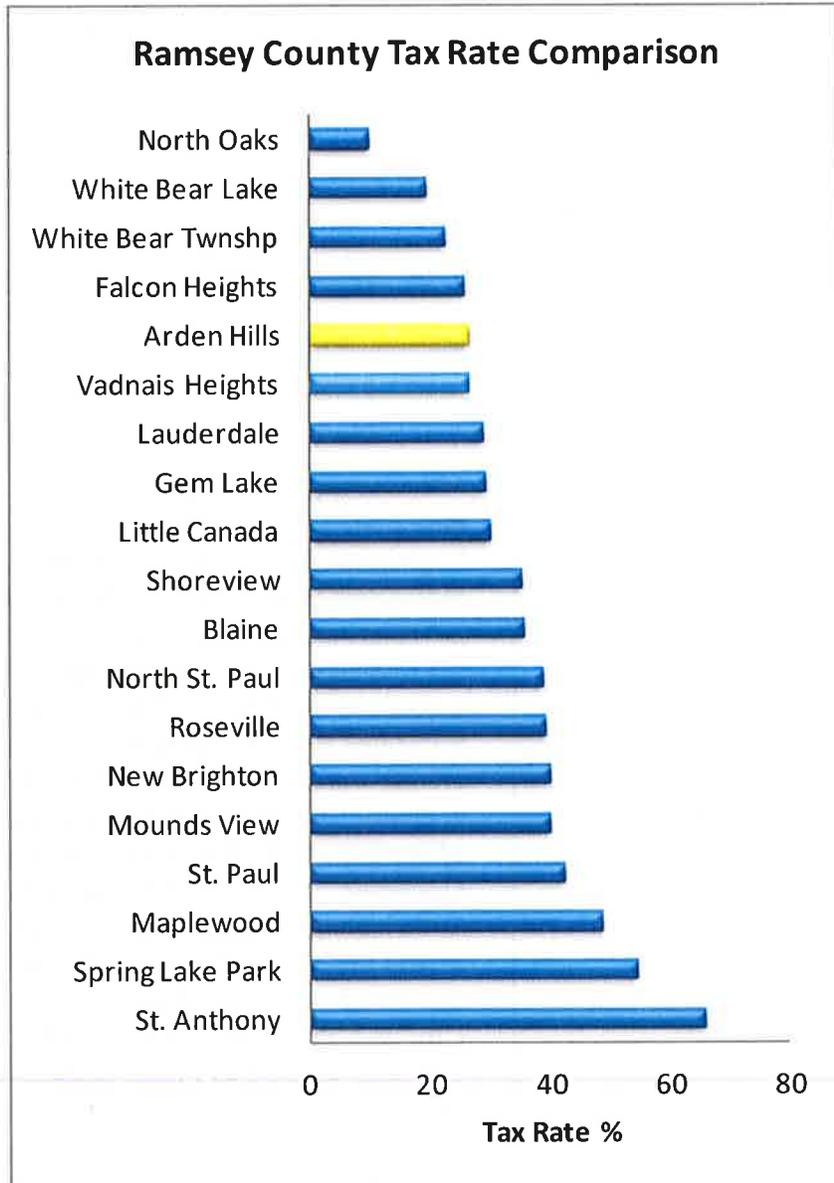


As the City becomes more developed and has less land available for new residential development, the City’s operating expenditures should increase with increases in the CPI with the exception of a “catch-up” in infrastructure improvements.

Current economic conditions have caused the City’s market values to increase by 1.8%. In 2002 the State Legislature enacted major property tax reform which lowered all property class rates. The City’s tax capacity has allowed the city to maintain a tax rate that is one of the lowest in the

# Budget Assumptions

Minneapolis/St. Paul Metropolitan area, in 2008 Metropolitan Communities in “Effective Tax Rate”. Currently, the City has one of the lowest rates in the northeast metropolitan area as shown in the graph.



As other revenue sources decrease or remain at past levels, the City becomes more reliant on property taxes as its main revenue source. The following table summarizes the City’s property tax levy over the last ten years.

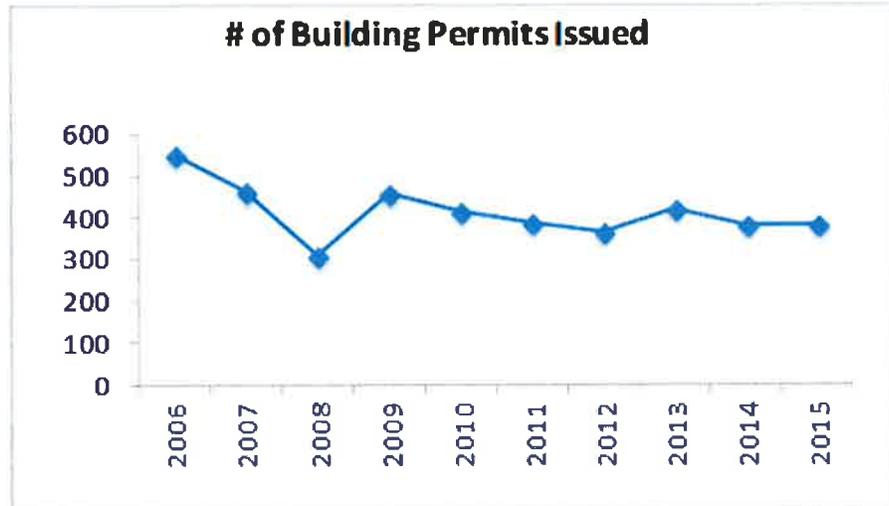
## Budget Assumptions

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Levy	2,675,161	2,797,348	2,948,646	3,016,465	3,040,964	3,096,994	3,191,230	3,257,456	3,359,775	3,478,775
Karth Lake Levy	13,783	-	-	-	-	-	-	-	-	-
G.O. Improvement Bonds	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,688,944</b>	<b>2,797,348</b>	<b>2,948,646</b>	<b>3,016,465</b>	<b>3,016,465</b>	<b>3,096,994</b>	<b>3,191,230</b>	<b>3,257,456</b>	<b>3,359,775</b>	<b>3,478,775</b>
Percentage Change	N/A	4.57%	5.41%	2.30%	0.81%	1.84%	3.04%	2.08%	3.14%	3.54%

Minnesota property tax system is described in more detail on pages 247 through 251. (Note: the Minnesota State Legislature enacted Market Value Homestead Credit reductions to property owners in 2003-2004. This credit was not reimbursed to local governments, which in effect reduced tax revenues so local governments did not receive the full amount of their certified levies. In 2005 the legislature reinstated these credit reductions for 2005 and 2006.) The credits were reinstated in 2007. However, due to the current economic conditions, the second half payment for 2008 and all of the 2009 and 2010 payments were unallotted by the Governor. All of the 2011 payments were unallotted. The 2011 legislature eliminated the program for 2012 and replaced it with the Market Value Exclusion program previously discussed, taking local governments out of the formula. The City will receive its full levy in 2012, however, the full effect was seen in 2013 as Fiscal Disparities caught up with the formula change.

Currently there is little land available for residential development and new home construction within the City. Most development is commercial/industrial and as these areas are developed there will be a decline of permit revenues in the future. This activity is not expected to increase in the future until the TCAAP property develops. The following chart demonstrates that permits have remained static since 2001 with the exception of 2006, 2007 and 2009 as Bethel University and Northwestern College have both had major expansions.

## Budget Assumptions



The City pools its cash reserves for investment purposes. This is described in more detail in the investment policy on page 172 of this document.

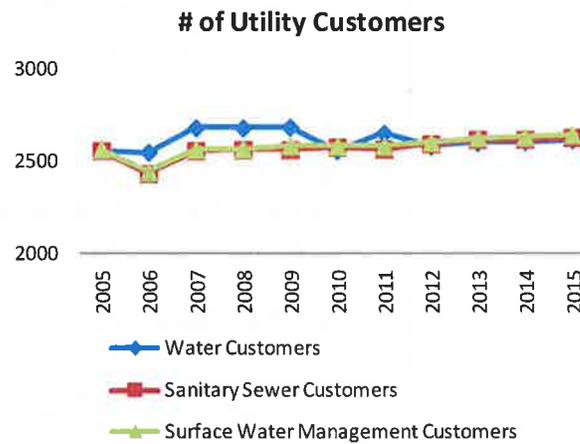
The City's largest expenditure classification is personal services. Personal services include salaries and fringe benefits for all employees. For 2016, the salaries have been budgeted at a 3.00% increase for COLA for non-union employees and 3.00% increase for COLA for union employees.

The City received a 6% increase in its health insurance premium for 2016 and dental insurance premiums increased by 2.0%. Currently, the City pays \$728.62 per month toward health benefits for each employee. The City has removed the Co-Pay Plan and added an additional "high deductible" medical plan (this one with an embedded deductible), with a health savings account (HSA) which has been successful in managing rising health costs.

The City's staffing levels are detailed on pages 161 - 165.

## Budget Assumptions

Finally, the population growth does not only affect the City's General fund, it also affects the City's Water, Sewer, and the Surface Water Management operating funds. As the population has increased, so has the number of utility customers. As the number of customers increase, so does the revenue and the demand for service and the cost of providing the service. The chart below shows the customer increases over the last ten years.



# Budget Summary

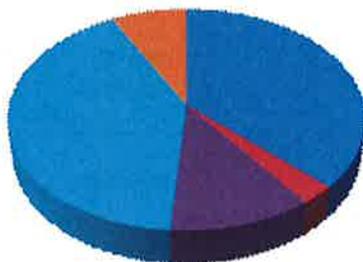
## By Fund Type

<u>REVENUE BUDGET</u>	Actual FY 2012	Actual FY 2013	Actual FY 2014	Budget FY2015	Estimated FY 2015	Budget FY 2016	% Change 15 vs 16
General Fund	4,309,626	4,101,427	4,304,556	4,350,971	4,662,554	4,510,291	3.66%
Special Revenue Funds	735,556	583,817	768,014	687,900	831,578	329,100	-52.16%
Debt Services Funds	286,698	283,476	282,648	284,900	284,900	-	-100.00%
Capital Improvement Fund	1,029,069	2,635,987	2,402,611	2,385,765	2,812,185	1,399,440	-41.34%
Enterprise Fund	4,806,029	4,984,293	4,956,687	4,881,905	5,026,657	4,986,943	2.15%
Internal Service Funds	750,327	860,044	866,950	914,472	895,192	933,670	2.10%
<b>Total Revenues</b>	<b>11,917,304</b>	<b>13,449,044</b>	<b>13,581,466</b>	<b>13,505,913</b>	<b>14,513,066</b>	<b>12,159,444</b>	<b>-9.97%</b>

### EXPENDITURE BUDGET

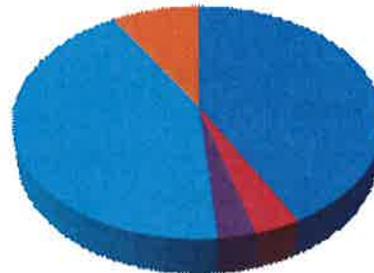
General Fund	4,110,023	4,086,632	4,324,508	4,386,276	3,926,091	4,670,617	6.48%
Special Revenue Fund	444,500	1,526,672	685,665	896,408	1,096,338	393,046	-56.15%
Debt Services Funds	286,698	283,520	284,773	285,350	284,900	-	-100.00%
Capital Improvement Funds	919,267	2,216,864	2,187,189	4,149,018	6,309,316	330,336	-92.04%
Enterprise Funds	4,266,697	4,233,352	4,214,119	7,052,797	4,351,077	4,754,453	-32.59%
Internal Service Funds	726,779	782,562	882,781	1,006,436	878,998	953,898	-5.22%
<b>Total Expenditures</b>	<b>10,753,964</b>	<b>13,129,602</b>	<b>12,579,035</b>	<b>17,776,285</b>	<b>16,846,720</b>	<b>11,102,350</b>	<b>-37.54%</b>
Fund Balance - January 1	20,041,717	21,205,058	21,524,500	21,524,500	21,524,500	17,254,128	
Excess Revenues Over Expenditures	1,163,341	319,442	1,002,431	(4,270,372)	(2,333,654)	1,057,094	
Fund Balance - December 31	21,205,058	21,524,500	22,526,931	17,254,128	19,190,846	18,311,222	

**2016 Revenues by Fund Type**



- General Fund
- Special Revenue Funds
- Debt Services Funds
- Capital Improvement Fund
- Enterprise Fund

**2016 Expenditures by Fund Type**



- General Fund
- Special Revenue Fund
- Debt Services Funds
- Capital Improvement Funds
- Enterprise Funds
- Internal Service Funds

# Budget Summary

## 2016 Budget Summary of all Fund Types (With 2015 & 2014 Budget Comparative Totals)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>2016 Total Budget</u>	<u>2015 Total Budget</u>	<u>2014 Total Budget</u>
<b>Revenues:</b>									
Taxes	3,508,875	253,000	-	-	-	-	3,761,875	4,034,075	3,817,756
Special Assessments	3,000	-	-	400,000	2,600	-	405,600	403,000	401,822
Licenses & Permits	265,530	-	-	-	5,500	-	271,030	273,730	259,873
Intergovernmental Revenues	141,659	-	-	408,675	20,000	-	570,334	1,224,556	2,009,269
Charges for Services	476,303	-	-	-	-	908,380	1,384,683	1,344,415	1,315,610
Park Dedication Fees	-	-	-	-	-	-	-	-	-
Utility Charges	-	-	-	-	4,911,343	-	4,911,343	4,826,677	4,726,544
Interest on Investments	65,000	16,100	-	135,000	35,000	10,000	261,100	274,700	289,100
Fines & Forfeits	34,569	-	-	-	-	-	34,569	38,740	31,900
Miscellaneous	15,355	-	-	75,000	12,500	15,290	118,145	260,355	68,850
<b>Total Revenues</b>	<b>4,510,291</b>	<b>269,100</b>	<b>-</b>	<b>1,018,675</b>	<b>4,986,943</b>	<b>933,670</b>	<b>11,718,679</b>	<b>12,680,248</b>	<b>12,920,724</b>
<b>Expenditures:</b>									
General Government	1,191,250	161,812	-	-	-	580,252	1,933,314	1,149,016	1,991,067
Public Safety	1,996,283	-	-	-	-	-	1,996,283	1,922,538	1,825,882
Public Works	530,443	-	-	-	4,218,689	373,646	5,122,778	4,659,518	4,881,829
Park & Recreation	742,640	-	-	-	-	-	742,640	732,736	727,293
Economic Development	-	231,234	-	-	-	-	231,234	350,558	113,012
Miscellaneous	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	315,336	305,000	-	620,336	7,059,018	4,645,953
Debt Service	-	-	-	-	-	-	-	285,350	284,772
<b>Total Expenditures</b>	<b>4,460,616</b>	<b>393,046</b>	<b>-</b>	<b>315,336</b>	<b>4,523,689</b>	<b>953,898</b>	<b>10,646,585</b>	<b>16,158,734</b>	<b>14,469,808</b>
<b>Revenues Over (Under) Expenditures</b>	<b>49,675</b>	<b>(123,946)</b>	<b>-</b>	<b>703,339</b>	<b>463,254</b>	<b>(20,228)</b>	<b>1,072,094</b>	<b>(3,478,486)</b>	<b>(1,549,084)</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	60,000	-	380,765	-	-	440,765	540,765	645,537
Operating Transfers Out	210,000	-	-	15,000	230,765	-	455,765	611,115	630,537
Reserves/Contingency	-	-	-	-	-	-	-	58,305	-
<b>Total Other Financing Sources (Uses)</b>	<b>(210,000)</b>	<b>60,000</b>	<b>-</b>	<b>365,765</b>	<b>(230,765)</b>	<b>-</b>	<b>896,530</b>	<b>1,210,185</b>	<b>1,473,750</b>
<b>Revenues &amp; Other Financing Sources Over (Under) Expenditures &amp; Other Financing Uses</b>	<b>(160,325)</b>	<b>(63,946)</b>	<b>-</b>	<b>1,069,104</b>	<b>232,489</b>	<b>(20,228)</b>	<b>1,057,094</b>	<b>(3,607,141)</b>	<b>(1,534,084)</b>
<b>Fund Balances (Deficit)</b>									
<b>Beginning of Year</b>	<b>3,080,159</b>	<b>189,104</b>	<b>(2)</b>	<b>3,688,490</b>	<b>17,040,163</b>	<b>460,203</b>	<b>24,458,117</b>	<b>12,573,860</b>	<b>15,101,764</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>2,919,834</b>	<b>125,158</b>	<b>(2)</b>	<b>4,757,594</b>	<b>17,272,652</b>	<b>439,975</b>	<b>25,515,211</b>	<b>8,966,719</b>	<b>13,567,680</b>
<b>Balance without Enterprise Fund Capital Outlay*</b>					<b>17,577,652</b>	<b>-</b>	<b>25,820,211</b>	<b>11,585,719</b>	<b>13,580,334</b>

\* Capital Outlays in Enterprise Funds are reclassified at Assets, thus having no effect on the Fund Balance/Net Assets

# Budget Summary

## 2014 – 2016 Summary of Estimated Financial Sources and Uses

	General Fund			Special Revenue Funds		
	2014 <u>Actual</u>	2015 <u>Estimated</u>	2016 <u>Budget</u>	2014 <u>Actual</u>	2015 <u>Estimated</u>	2016 <u>Budget</u>
<b>Revenues:</b>						
Taxes	3,210,026	3,203,004	3,508,875	669,133	770,840	253,000
Special Assessments		1,316	3,000	-	-	-
Licenses & Permits	327,726	518,845	265,530	-	-	-
Intergovernmental Revenues	136,249	130,023	141,659	-	-	-
Charges for Services	510,367	686,443	476,303	-	-	-
Park Dedication Fees	-	-	-	-	-	-
Utility Charges	-	-	-	-	-	-
Interest on Investments	64,275	53,522	65,000	48,881	30,738	16,100
Fines & Forfeits	29,569	32,792	34,569	-	-	-
Miscellaneous	24,286	36,611	15,355	-	-	-
<b>Total Revenues</b>	<b>4,302,498</b>	<b>4,662,556</b>	<b>4,510,291</b>	<b>718,014</b>	<b>801,578</b>	<b>269,100</b>
<b>Expenditures:</b>						
General Government	1,056,911	1,015,831	1,191,250	103,772	127,202	161,812
Public Safety	1,826,097	1,920,279	1,996,283	-	-	-
Public Works	580,871	336,397	530,443	-	-	-
Park & Recreation	648,214	573,584	742,640	-	-	-
Economic Development	-	-	-	581,893	958,967	231,234
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	10,168	-
Debt Service	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,112,093</b>	<b>3,846,091</b>	<b>4,460,616</b>	<b>685,665</b>	<b>1,096,337</b>	<b>393,046</b>
<b>Revenues Over (Under) Expenditures</b>	<b>190,405</b>	<b>816,465</b>	<b>49,675</b>	<b>32,349</b>	<b>(294,759)</b>	<b>(123,946)</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	50,000	30,000	60,000
Operating Transfers Out	212,417	80,000	210,000	-	-	-
Reserves/Contingency	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(212,417)</b>	<b>(80,000)</b>	<b>(210,000)</b>	<b>50,000</b>	<b>30,000</b>	<b>60,000</b>
<b>Revenues &amp; Other Financing Sources Over (Under) Expenditures &amp; Other Financing Uses</b>	<b>(22,012)</b>	<b>736,465</b>	<b>(160,325)</b>	<b>82,349</b>	<b>(264,759)</b>	<b>(63,946)</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>2,365,706</b>	<b>2,343,694</b>	<b>3,080,159</b>	<b>371,514</b>	<b>453,863</b>	<b>189,104</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>2,343,694</b>	<b>3,080,159</b>	<b>2,919,834</b>	<b>453,863</b>	<b>189,104</b>	<b>125,158</b>

# Budget Summary

## 2014 – 2016 Summary of Estimated Financial Sources and Uses

Debt Service Funds			Capital Project Funds			Total Government Funds		
2014 Actual	2015 Estimated	2016 Budget	2014 Actual	2015 Estimated	2016 Budget	2014 Actual	2015 Estimated	2016 Budget
-	-	-	-	-	-	3,879,159	3,973,844	3,761,875
-	-	-	302,071	907,649	400,000	302,071	908,965	403,000
-	-	-	-	-	-	327,726	518,845	265,530
-	-	-	1,271,991	1,266,246	408,675	1,408,240	1,396,269	550,334
-	-	-	-	-	-	510,367	686,443	476,303
-	-	-	-	-	-	-	-	-
73	-	-	320,171	152,686	135,000	433,400	236,946	216,100
-	-	-	-	-	-	29,569	32,792	34,569
-	-	-	29,036	195,575	75,000	53,322	232,186	90,355
73	-	-	1,923,269	2,522,156	1,018,675	6,943,854	7,986,290	5,798,066
-	-	-	-	-	-	1,160,683	1,143,033	1,353,062
-	-	-	-	-	-	1,826,097	1,920,279	1,996,283
-	-	-	-	-	-	580,871	336,397	530,443
-	-	-	-	-	-	648,214	573,584	742,640
-	-	-	-	-	-	581,893	958,967	231,234
-	-	-	-	-	-	-	-	-
-	-	-	2,187,187	6,318,983	315,336	2,187,187	6,329,151	315,336
284,773	284,900	-	-	-	-	284,773	284,900	-
284,773	284,900	-	2,187,187	6,318,983	315,336	7,269,718	11,546,311	5,168,998
(284,700)	(284,900)	-	(263,918)	(3,796,827)	703,339	(325,864)	(3,560,021)	629,068
282,575	284,900	-	479,342	290,030	380,765	811,917	604,930	440,765
-	-	-	-	-	15,000	212,417	80,000	225,000
-	-	-	-	-	-	-	-	-
282,575	284,900	-	479,342	290,030	365,765	599,500	524,930	215,765
(2,125)	-	-	215,424	(3,506,797)	1,069,104	273,636	(3,035,091)	844,833
2,123	(2)	(2)	6,979,863	7,195,287	3,688,490	9,719,206	9,992,842	6,957,751
(2)	(2)	(2)	7,195,287	3,688,490	4,757,594	9,992,842	6,957,751	7,802,584

# Budget Summary

## 2014 – 2016 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

	Enterprise Funds			Internal Service Funds		
	2014 <u>Actual</u>	2015 <u>Estimated</u>	2016 <u>Budget</u>	2014 <u>Actual</u>	2015 <u>Estimated</u>	2016 <u>Budget</u>
<b>Operating Revenues</b>						
Utility Charges	4,902,327	4,990,802	4,931,943	-	-	-
Internal Charges	-	-	-	849,878	886,599	923,670
<b>Total Operating Revenues</b>	<b>4,902,327</b>	<b>4,990,802</b>	<b>4,931,943</b>	<b>849,878</b>	<b>886,599</b>	<b>923,670</b>
<b>Operating Expenses</b>						
Personnel Expense	869,188	861,712	907,910	156,808	163,106	165,497
Other Services & Charges	2,639,561	2,640,414	2,909,729	581,973	596,140	621,031
Supplies	87,646	69,365	11,050	144,000	138,501	167,370
Depreciation Expense	383,174	445,844	390,000	-	-	-
<b>Total Operating Expenses</b>	<b>3,979,569</b>	<b>4,017,335</b>	<b>4,218,689</b>	<b>882,781</b>	<b>897,747</b>	<b>953,898</b>
<b>Operating Income (Loss)</b>	<b>922,758</b>	<b>973,467</b>	<b>713,254</b>	<b>(32,903)</b>	<b>(11,148)</b>	<b>(30,228)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Taxes	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Investment Income	54,360	35,856	35,000	16,859	8,593	10,000
Intergovernmental	-	-	20,000	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Outlay	(3,784)	(102,980)	(305,000)	-	-	-
Bond Discount	-	-	-	-	-	-
<b>Total Nonoperating Revenue (net)</b>	<b>58,144</b>	<b>138,836</b>	<b>360,000</b>	<b>16,859</b>	<b>8,593</b>	<b>10,000</b>
<b>Income Before Operating Transfers</b>						
<b>Transfers</b>	<b>980,902</b>	<b>1,112,303</b>	<b>1,073,254</b>	<b>(16,043)</b>	<b>(2,555)</b>	<b>(20,228)</b>
<b>Without Capital Outlay*</b>	<b>977,118</b>	<b>1,009,323</b>	<b>768,254</b>	<b>(16,043)</b>	<b>(2,555)</b>	<b>(20,228)</b>
<b>Operating Transfers</b>						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	230,765	230,765	230,765	-	-	-
<b>Net Operating Transfers</b>	<b>(230,765)</b>	<b>(230,765)</b>	<b>(230,765)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss) Without Capital Outlay*</b>	<b>750,137</b>	<b>881,538</b>	<b>842,489</b>	<b>(16,043)</b>	<b>(2,555)</b>	<b>(20,228)</b>
<b>Without Capital Outlay*</b>	<b>746,353</b>	<b>778,558</b>	<b>537,489</b>	<b>(16,043)</b>	<b>(2,555)</b>	<b>(20,228)</b>
<b>NET ASSETS</b>						
<b>BEGINNING OF YEAR</b>	<b>15,515,252</b>	<b>16,261,605</b>	<b>17,040,163</b>	<b>478,801</b>	<b>462,758</b>	<b>460,203</b>
<b>NET ASSETS END OF YEAR</b>	<b>16,261,605</b>	<b>17,040,163</b>	<b>17,577,652</b>	<b>462,758</b>	<b>460,203</b>	<b>439,975</b>

\*Capital Outlays are reclassified as Assets thus having no effect on the Net Assets Balance



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## **General Fund Summary**

# GENERAL FUND SUMMARY

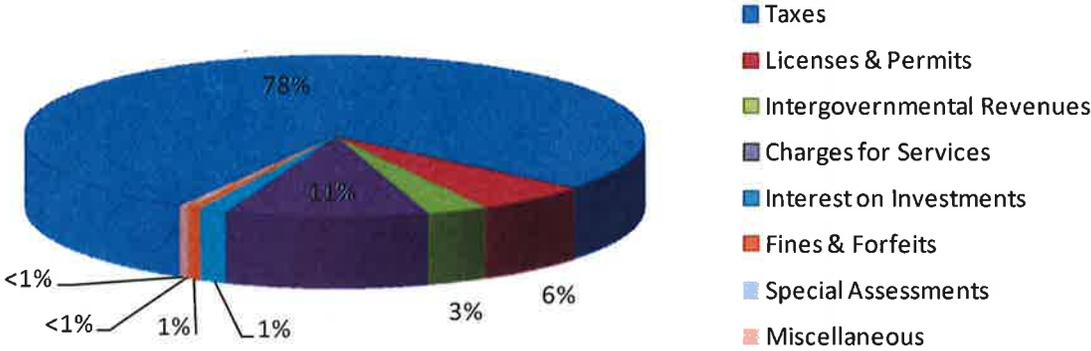
## Fund Description:

The General Fund is used to account for the ordinary operations of the City, which are financed from taxes and other general revenues, which are not accounted for in another fund. The modified accrual basis of accounting is used in the General Fund. This is, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received. However, compensated absences are expended “when paid” for budgetary purposes.

## Budget Summary:

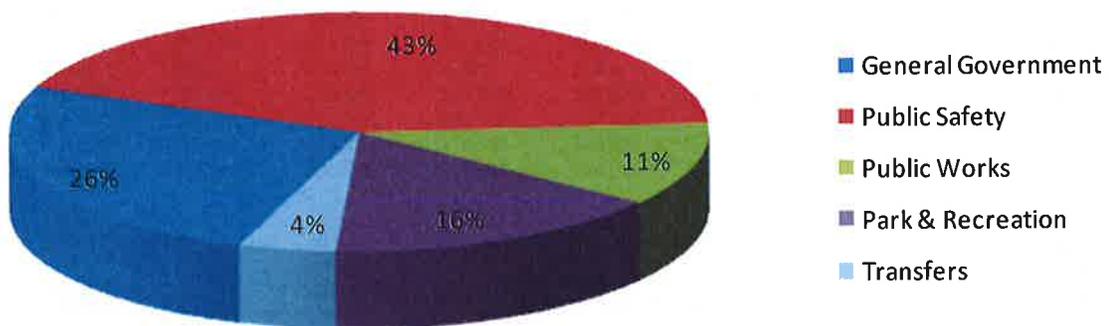
Total General Fund estimated revenues for 2016 are \$4,510,291. The three largest revenue sources for the City are property taxes, charges for current services, and license fees and permits. Property taxes are the largest revenue source with 78% of the revenue, charges for current services are 11%, license fees and permits are 6%, intergovernmental revenues are 3%, court fines are 1% and miscellaneous revenues are 1%. The graph below illustrates the projected revenue by type.

### 2016 Proposed Revenues By Classification



The 2016 General Fund budget of \$4,670,617 is a 6.48% increase over the City's 2015 amended budget. Public Safety and General Government expenditures represent the largest expenditure areas with 43% and 26% respectively, while Park & Recreation represents 16%. These areas account for 85% of the budgeted expenditures within the City. The remaining expenditures are represented by Public Works at 11% and Transfers at 4%. Generally, the City does not budget for Contingency expenses. Economic Development revenues and expenses are located in the EDA General Fund budget. Capital Outlay expenses are located in the Capital Improvement Plan and are not included in the General Fund. The following graph illustrates the budgeted expenditures by department.

### 2016 Proposed Expenditures By Department



**City of Arden Hills  
General Fund Summary  
2016 Budget**

	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Taxes	3,086,064	3,210,026	3,389,875	3,389,875	3,203,004	3,508,875	3.51%
Licenses and Permits	382,038	327,726	273,730	273,730	518,845	265,530	-3.00%
Other Intergovernmental	120,811	136,249	125,328	125,328	130,023	141,659	13.03%
Charges for Services	487,569	510,347	439,943	439,943	686,443	476,302	8.26%
Fines & Forfeits	32,056	29,569	38,740	38,740	32,792	34,569	-10.77%
Special Assessments	3,225	2,244	3,000	3,000	1,316	3,000	0.00%
Miscellaneous	(10,335)	88,405	80,355	80,355	90,054	80,355	0.00%
Transfers	-	-	-	-	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 4,101,427</b>	<b>\$ 4,304,566</b>	<b>\$ 4,350,971</b>	<b>\$ 4,350,971</b>	<b>\$ 4,662,476</b>	<b>\$ 4,510,291</b>	<b>3.66%</b>
<b>Expenditures by Department</b>							
Mayor & Council	\$ 68,213	\$ 87,571	\$ 89,654	\$ 66,654	\$ 58,130	\$ 67,070	0.62%
Elections	17,317	17,429	23,000	23,000	19,438	23,000	0.00%
Administration	289,955	248,387	285,447	285,447	245,608	293,870	2.95%
Finance & Administrative Services	177,712	157,352	179,322	179,322	162,546	180,530	0.67%
TCAAP	7,037	112,744	159,157	159,157	139,812	173,858	9.24%
Planning & Zoning	194,931	212,327	201,228	201,228	170,629	217,788	8.23%
Government Buildings	215,138	221,098	211,208	211,208	219,669	235,134	11.33%
Police & Animal Services	1,023,115	1,045,386	1,087,872	1,087,872	1,083,893	1,107,562	1.81%
Dispatch	52,067	60,352	69,468	69,468	68,328	67,780	-2.43%
Fire Protection	414,541	431,006	459,179	459,179	459,179	495,216	7.85%
Emergency Management	5,161	5,975	13,504	13,504	2,580	13,638	0.99%
Protective Inspections	284,664	283,377	292,515	292,515	306,299	312,087	6.69%
Street Maintenance	391,712	580,871	524,986	524,986	336,397	530,443	1.04%
Park Maintenance	455,409	418,919	502,878	502,878	325,706	453,895	-9.74%
Recreation	218,721	229,295	229,858	229,858	247,878	288,745	25.62%
Celebrating Arden Hills	940	-	-	-	-	-	0.00%
Reserves/Contingency	-	-	-	-	-	-	0.00%
Transfers	270,000	212,417	80,000	80,000	80,000	210,000	162.50%
Capital Outlay	-	-	-	-	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 4,086,632</b>	<b>\$ 4,324,508</b>	<b>\$ 4,409,276</b>	<b>\$ 4,386,276</b>	<b>\$ 3,926,091</b>	<b>\$ 4,670,617</b>	<b>6.48%</b>
Fund Balance - January 1	2,350,919	2,365,714	2,345,772	2,345,772	2,345,772	2,310,467	
Excess Revenue Over Expenditure	14,795	(19,942)	(58,305)	(35,305)	736,385	(160,326)	
Fund Balance - December 31	<b>\$ 2,365,714</b>	<b>\$ 2,345,772</b>	<b>\$ 2,287,467</b>	<b>\$ 2,310,467</b>	<b>\$ 3,082,157</b>	<b>\$ 2,150,141</b>	

The previous table summarizes the General Fund Revenues by classification and expenditures by departments, while the table below summarizes the General Fund revenues and expenditures both by classification.

**City of Arden Hills  
General Fund**

	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
<b>Taxes</b>							
Taxes	3,086,064	3,210,026	3,389,875	3,389,875	3,203,004	3,508,875	3.51%
Licenses and Permits	382,038	327,726	273,730	273,730	518,845	265,530	-3.00%
Other Intergovernmental	120,811	136,249	125,328	125,328	130,023	141,659	13.03%
Charges for Services	487,569	510,347	439,943	439,943	686,443	476,302	8.26%
Fines & Forfeits	32,056	29,569	38,740	38,740	32,792	34,569	-10.77%
Special Assessments	3,225	2,244	3,000	3,000	1,316	3,000	0.00%
Miscellaneous	(10,335)	88,405	80,355	80,355	90,054	80,355	0.00%
Transfers	-	-	-	-	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 4,101,427</b>	<b>\$ 4,304,566</b>	<b>\$ 4,350,971</b>	<b>\$ 4,350,971</b>	<b>\$ 4,662,476</b>	<b>\$ 4,510,291</b>	<b>3.66%</b>
<b>Expenditures by Category</b>							
Personal Services	\$ 1,329,650	\$ 1,400,601	\$ 1,436,571	\$ 1,436,571	\$ 1,328,172	\$ 1,498,764	4.33%
Materials and Supplies	176,728	206,106	157,940	157,940	138,501	160,246	1.46%
Other Services and Charges	2,310,255	2,505,384	2,734,765	2,711,765	2,379,419	2,801,607	3.31%
Capital Outlay	-	-	-	-	-	-	0.00%
Transfers	270,000	212,417	80,000	80,000	80,000	210,000	162.50%
Contingency/Reserves	-	-	-	-	-	-	0.00%
Other Financing Uses	-	-	-	-	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 4,086,632</b>	<b>\$ 4,324,508</b>	<b>\$ 4,409,276</b>	<b>\$ 4,386,276</b>	<b>\$ 3,926,091</b>	<b>\$ 4,670,617</b>	<b>6.48%</b>
Fund Balance - January 1	2,350,919	2,365,714	2,345,772	2,345,772	2,345,772	2,310,467	
Excess Revenue Over Expenditure	14,795	(19,942)	(58,305)	(35,305)	736,385	(160,326)	
Fund Balance - December 31	<b>\$ 2,365,714</b>	<b>\$ 2,345,772</b>	<b>\$ 2,287,467</b>	<b>\$ 2,310,467</b>	<b>\$ 3,082,157</b>	<b>\$ 2,150,141</b>	

***What Do You Get for Your Arden Hills Tax Dollar?***

**Parks &  
Recreation  
15.8 Cents**

**Public Safety  
42.5 Cents**

**Public Works  
11.3 Cents**

**General Government  
26 Cents**



**Transfers  
4.4 Cents**

A \$300,300 home generates \$767 in annual property taxes:  
This comes to \$64.00 per month for 2016.

***What could you purchase for \$64.00 a month?***

**ONE OF THESE...**

- One month of cable service
- One hardback book
- One month at a gym
- Dinner for two
- Movie and snacks for a family of four

**ALL OF THESE...**

- 24 hours Police Protection
- 24 hours Fire Protection
- Zoning and Subdivision Service
- Curbside Recycling
- Paved and Maintained City Streets
- Snow and Ice Removal
- Street Lighting
- Parking Lot Maintenance
- Well Groomed Park and Lake
- Right-of-Way Mowing
- Special Events

## Estimated Cost of City Services \$300,300 Homestead in 2016

<b>Actual Cost of City Services Pay 2016 Property Tax Support for \$300,300 Homestead</b>				
<b>City Service Category</b>	<b>Actual</b>	<b>Percent of Levy</b>	<b>Amount of Levy</b>	<b>Monthly Cost</b>
<b>General Government</b> Mayor/Council, Administration, Communications, Elections, Auditor, Assessor, Legal, Planning	<b>\$1,214,250</b>	<b>25.9%</b>	<b>\$198</b>	<b>\$17</b>
<b>Public Safety</b> Building Inspection/Code Enforcement, Court, Police Contract, Fire, Ambulance, Human Services, Animal Control	<b>\$1,996,284</b>	<b>42.5%</b>	<b>\$326</b>	<b>\$27</b>
<b>Public Works</b> Engineering, Streets, Street Lighting, City Buildings	<b>\$530,443</b>	<b>11.3%</b>	<b>\$87</b>	<b>\$7</b>
<b>Parks</b>	<b>\$453,895</b>	<b>9.7%</b>	<b>\$74</b>	<b>\$6</b>
<b>Recreation</b>	<b>\$288,745</b>	<b>6.2%</b>	<b>\$47</b>	<b>\$4</b>
<b>Transfers</b>	<b>\$210,000</b>	<b>4.5%</b>	<b>\$34</b>	<b>\$3</b>
<b>Reserves</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
<b>Capital Projects</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
<b>Totals</b>	<b>\$4,693,617</b>	<b>100.0%</b>	<b>\$767</b>	<b>\$64</b>

## REVENUES

### **Activity Description**

To record and maintain all general operating revenues of the City. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. These revenues will be used to finance the general operating expenditures of the City.

### **Objectives**

1. Maintain stable, constant revenue sources.
2. Maintain a low tax rate by reviewing the costs of services provided and charge appropriately for those services.

### **Budget Issues**

The General Fund's main revenue source is property taxes. Property taxes made up 78% of the 2014 budget and 78% of the 2015 budget. For 2016 property taxes make up 78% of the total General Fund revenues.

Other revenues besides property taxes were reviewed for inflation and changes to the City's fee schedule. However, noting that administrative charges to other funds for overhead may increase or decrease with the budgeted expenditures of Administration, Finance and Administrative Services and Government Buildings (In 2008, Charges for Services were increased as administrative charges to other funds are now being charged – these fluctuate based on the estimated expenditures in each of these departments).

The major increases have been property taxes (3.5%), intergovernmental revenues (13.03%), and charges for services (8.26%). These increases with the exception of property taxes are the results of the trends we have seen in the last few years.

### **Budget Summary**

See next two pages.

Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16	
<b>Taxes</b>								
101-41300-31010	Current Ad Valorem Taxes	\$ 2,899,404	\$ 2,969,768	\$ 3,359,775	\$ 3,359,775	\$ 3,037,146	\$ 3,478,775	3.54%
101-41300-31011	Payments in Lieu of Taxes	170	180	-	-	168	-	0.00%
101-41300-31020	Delinquent Ad Valorem Taxes	(25,544)	(9,557)	22,000	22,000	(69,825)	22,000	0.00%
101-41300-31030	Mobile Home Tax	6,033	5,983	7,500	7,500	8,251	7,500	0.00%
101-41300-31040	Fiscal Disparities	206,220	245,059	-	-	228,375	-	0.00%
101-41300-31510	Aggregate Removal Tax	540	-	600	600	-	600	0.00%
101-41300-31910	Penalties & Interest on Taxes	(759)	(1,408)	-	-	(1,111)	-	0.00%
101-41300-31920	Forfeited Tax Sales	-	-	-	-	-	-	0.00%
	<b>Total Taxes</b>	<b>3,086,064</b>	<b>3,210,026</b>	<b>3,389,875</b>	<b>3,389,875</b>	<b>3,203,004</b>	<b>3,508,875</b>	<b>3.51%</b>
<b>Licenses and Permits</b>								
101-41300-32110	Liquor, On Sale & Sunday	24,971	21,454	25,000	25,000	24,770	25,000	0.00%
101-41300-32111	Liquor, Off Sale	462	462	-	-	462	-	0.00%
101-41300-32150	Inspection Fees	1,880	1,422	2,000	2,000	1,422	2,000	0.00%
101-41300-32160	Contractors	6,985	9,557	7,000	7,000	9,632	10,000	42.86%
101-41910-32170	Rental Regulation Fee	588	3,486	3,400	3,400	4,106	3,400	0.00%
101-41300-32180	Business Licenses	9,914	9,251	13,650	13,650	9,568	13,650	0.00%
101-41300-32181	Other Business Lic/Permits	-	158	1,500	1,500	-	-	-100.00%
101-41300-32182	Tobacco License	1,205	1,342	1,300	1,300	1,342	1,400	7.69%
101-42400-32210	Plan Review & Bldg Permits	217,678	188,027	143,000	143,000	287,886	133,000	-6.99%
101-42400-32220	Mechanical Permits	31,760	30,012	26,000	26,000	50,427	26,000	0.00%
101-42400-32230	Plumbing Permits	19,676	12,519	10,000	10,000	25,092	10,000	0.00%
101-41300-32240	Animal Licenses	1,392	2,458	2,500	2,500	2,058	2,500	0.00%
101-41910-32250	Sign Permits	1,766	2,527	1,200	1,200	1,696	1,400	16.67%
101-41300-32250	Sign Permit Renewal	1,781	1,735	2,100	2,100	1,744	2,100	0.00%
101-42400-32260	Electrical Permits	39,381	26,276	20,000	20,000	64,264	20,000	0.00%
101-42400-32270	Utility Permit Fees	3,321	6,063	2,300	2,300	-	2,300	0.00%
101-42400-32275	Fire Suppression Permits	11,232	2,374	6,000	6,000	16,069	6,000	0.00%
101-42400-32278	Fire Permit Plan Check Fee	6,941	-	3,000	3,000	10,522	3,000	0.00%
101-43100-32270	Utility Permit Fees	-	4,973	-	-	5,205	-	0.00%
101-41910-32279	Erosion/Grading Permit	1,106	3,160	1,680	1,680	2,370	1,680	0.00%
101-41300-32280	Other Nonbusiness Lic/Permits	-	471	2,100	2,100	210	2,100	0.00%
	<b>Total Licenses and Permits</b>	<b>382,038</b>	<b>327,726</b>	<b>273,730</b>	<b>273,730</b>	<b>518,845</b>	<b>265,530</b>	<b>-3.00%</b>
<b>Intergovernmental Revenues</b>								
101-41300-33402	Market Value Homestead Credit	42	3	-	-	-	-	0.00%
101-41300-33403	Mobile Home Homestead Credit	-	-	-	-	-	-	0.00%
101-41300-33420	State PERA Aid	5,179	5,179	5,179	5,179	5,179	5,179	0.00%
101-41500-33421	Local Performance Aid	-	-	-	-	-	-	0.00%
101-42100-33416	Police Aid	39,215	51,781	40,149	40,149	38,619	51,480	28.22%
101-43100-33418	MSA Maintenance	76,375	79,286	80,000	80,000	86,225	85,000	6.25%
101-41910-33422	State Grants	-	-	-	-	-	-	0.00%
101-41600-33610	County Grants & Aids	-	-	-	-	-	-	0.00%
101-41410-33621	Other County Grants & Aids	-	-	-	-	-	-	0.00%
	<b>Other Intergovernmental</b>	<b>120,811</b>	<b>136,249</b>	<b>125,328</b>	<b>125,328</b>	<b>130,023</b>	<b>141,659</b>	<b>13.03%</b>
<b>Charges for Services</b>								
101-41910-34103	Zoning and Subdivision Fees	524	340	200	200	272	200	0.00%
101-41910-34104	Plan Checking Fees	-	-	-	-	-	-	0.00%
101-41300-34105	Sale of Maps and Publications	7	19	-	-	-	-	0.00%
101-41910-34106	Plat & Other Fees	10,785	13,857	10,000	10,000	12,061	12,000	20.00%
101-41300-34108	Admin Chgs from other funds	8,729	15,196	22,980	22,980	16,320	22,980	0.00%
101-41500-34108	Admin Chgs from other funds	68,167	51,583	64,970	64,970	71,032	66,967	3.07%
101-41940-34108	Admin Chgs from other funds	94,288	96,446	91,684	91,684	98,185	99,533	8.56%
101-41910-34110	Zoning Permit Fees	1,019	1,128	893	893	1,893	893	0.00%
101-41500-34950	Business Subsidiary App Fee	-	-	2,000	2,000	-	2,000	0.00%
101-41300-34120	Water Tower Antenna Rentals	76,574	110,144	76,486	76,486	189,534	110,000	43.82%
101-41300-34121	Other General Gov. Charges	3,390	3,368	3,500	3,500	3,476	3,500	0.00%
101-41500-34122	Admin Charge-Staff Time	-	-	-	-	106	-	0.00%
101-42400-34104	Plan Check Fee	99,586	86,767	52,000	52,000	153,425	42,000	-19.23%
101-42100-34202	False Alarms	990	2,100	1,000	1,000	720	2,000	100.00%
101-42100-34206	Impound Fees	-	-	-	-	-	-	0.00%
101-42400-34207	State Building Code Surcharges	8,824	11,044	8,000	8,000	18,795	8,000	0.00%
101-42400-34208	City Building Code Surcharges	1,311	1,270	1,000	1,000	1,285	1,000	0.00%
101-41940-34101	City Hall Rental	-	-	-	-	-	-	0.00%
101-45200-34300	Park Facility Rental Fees	-	-	3,230	3,230	-	3,230	0.00%
101-45200-34301	Youth Program Field Use	6,455	6,139	4,000	4,000	4,787	4,000	0.00%
101-45200-34302	Adult Program Field Use	-	-	1,000	1,000	-	1,000	0.00%
101-45120-34730	Summer Playground Fees	16,746	16,704	15,500	15,500	20,825	15,500	0.00%
101-45120-34740	Summer Trip Fees	-	-	-	-	587	-	0.00%

101-45120-34781	Adult Programs	31,371	31,309	30,000	30,000	26,190	30,000	0.00%
101-45120-34782	Youth Programs	47,125	49,974	40,000	40,000	52,699	40,000	0.00%
101-45120-34785	Adult Softball	-	-	-	-	(340)	-	0.00%
101-45120-34790	After School Programs	9,941	11,507	10,000	10,000	13,148	10,000	0.00%
101-45120-34791	Special Events Programs	1,736	1,318	1,500	1,500	1,442	1,500	0.00%
101-45100-34950	Other Charges for Services	-	35	-	-	-	-	0.00%
101-41910-34950	Other Charges for Services	-	100	-	-	-	-	0.00%
<b>Total Charges for Services</b>		<b>487,569</b>	<b>510,347</b>	<b>439,943</b>	<b>439,943</b>	<b>686,443</b>	<b>476,302</b>	<b>8.26%</b>
<b>Fines &amp; Forfeits</b>								
101-42100-35110	Highway Patrol Fines	762	350	2,000	2,000	-	2,000	0.00%
101-42100-35130	DWI Forfeitures	-	2,703	3,000	3,000	135	3,000	0.00%
101-42100-35140	Violations Bureau	17,387	16,776	20,000	20,000	21,671	20,000	0.00%
101-42100-35150	Tobacco Fines	200	-	-	-	-	-	0.00%
101-42100-35160	Administrative Fines	13,029	9,740	13,040	13,040	9,000	8,869	-31.99%
101-42100-35200	Forfeits	677	-	700	700	1,986	700	0.00%
<b>Total Fines &amp; Forfeits</b>		<b>32,056</b>	<b>29,569</b>	<b>38,740</b>	<b>38,740</b>	<b>32,792</b>	<b>34,569</b>	<b>-10.77%</b>
<b>Special Assessments</b>								
101-41300-36100	Special Assessments	2,866	2,244	3,000	3,000	1,250	3,000	0.00%
101-41300-36101	Delinquent Sp Assessments	264	-	-	-	-	-	0.00%
101-41300-36101	Delinquent Sp Assessments	74	-	-	-	66	-	0.00%
101-41300-36102	Penalties and Int Sp Assessments	-	-	-	-	-	-	0.00%
101-41300-36103	PrePaid Special Assessments	-	-	-	-	-	-	0.00%
<b>Total Special Assessments</b>		<b>3,225</b>	<b>2,244</b>	<b>3,000</b>	<b>3,000</b>	<b>1,316</b>	<b>3,000</b>	<b>0.00%</b>
<b>Miscellaneous</b>								
101-41300-36210	Interest Income	(27,932)	64,275	65,000	65,000	53,522	65,000	0.00%
101-41300-36230	Contributions/Donations	-	-	3,600	3,600	-	3,600	0.00%
101-41940-36230	Contributions/Donations	-	-	-	-	-	-	0.00%
101-45120-36230	Contributions/Donations	150	-	-	-	-	-	0.00%
101-45400-36230	Contributions/Donations	-	-	-	-	-	-	0.00%
101-45200-36230	Contributions/Donations	-	1,800	-	-	825	-	0.00%
101-41600-36230	Contributions/Donations	-	-	-	-	-	-	0.00%
101-41300-36215	Candidate Filing Fee	-	-	-	-	-	-	0.00%
101-41910-36240	Developer Reimbursements	-	2,136	-	-	-	-	0.00%
101-41600-36240	Developer Reimbursements	-	-	-	-	-	-	0.00%
101-41500-36245	Conduit Debt Application Fee	-	500	-	-	500	-	0.00%
101-41500-36246	Conduit Debt Fees	9,422	4,409	-	-	25,000	-	0.00%
101-43100-36277	Night Time Construction Waiver	-	-	-	-	-	-	0.00%
101-43100-36270	Miscellaneous Reimbursements	156	-	550	550	156	550	0.00%
101-41300-36270	Miscellaneous Reimbursement	323	2,505	1,000	1,000	(1,682)	1,000	0.00%
101-41500-36270	Miscellaneous Reimbursement	5	-	3,000	3,000	-	3,000	0.00%
101-41940-36270	Miscellaneous Reimbursement	-	-	-	-	-	-	0.00%
101-43100-36275	Private Street Light Reimbursements	-	-	-	-	-	-	0.00%
101-43100-36280	Other Miscellaneous Revenue	406	1,199	1,000	1,000	-	1,000	0.00%
101-41500-36270	Other Miscellaneous Revenue	49	-	-	-	169	-	0.00%
101-41910-36280	Other Miscellaneous Revenue	-	-	-	-	-	-	0.00%
101-42100-36280	Miscellaneous Reimbursement	7,086	11,581	6,205	6,205	11,565	6,205	0.00%
101-42400-36280	Fire Inspection Reimbursement	-	-	-	-	-	-	0.00%
<b>Total Miscellaneous</b>		<b>(10,335)</b>	<b>88,405</b>	<b>80,355</b>	<b>80,355</b>	<b>90,054</b>	<b>80,355</b>	<b>0.00%</b>
<b>Total Operating Revenues</b>		<b>4,101,427</b>	<b>4,304,566</b>	<b>4,350,971</b>	<b>4,350,971</b>	<b>4,662,476</b>	<b>4,510,291</b>	<b>3.66%</b>
<b>Other Financing Sources</b>								
101-42100-39101	Sales of General Fixed Assets	-	-	-	-	-	-	0.00%
101-41600-39203	Transfer	-	-	-	-	-	-	0.00%
101-45200-39203	Transfer	-	-	-	-	-	-	0.00%
<b>Total Other Financing Sources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Total General Fund Revenue</b>		<b>\$ 4,101,427</b>	<b>\$ 4,304,566</b>	<b>\$ 4,350,971</b>	<b>\$ 4,350,971</b>	<b>\$ 4,662,476</b>	<b>\$ 4,510,291</b>	<b>3.66%</b>



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## MAYOR AND COUNCIL

**Function:** General Government  
**Supervisor:** Mayor & City Council  
**Fund #:** 101  
**Activity#:** 41100

### Activity Scope

The Mayor and City Council are responsible for the formulation of policy and the passage of laws governing the City of Arden Hills. Members participate in various committees, as well as direct staff, through the City Administrator, as to their overall goals for the City. This department provides for Mayor and Council compensation, Council meetings and work sessions, management consultants, memberships, and publishing legal notices. Funding for the City's newsletter is included in this budget, as is funding for the City Council Retreat Facilitator.

### Objectives

1. Adopt policies and ordinances consistent with Council's position on growth, zoning, and financial strategy.
2. Continue to work on the redevelopment of the TCAAP property.

### Issues

1. Creating funding sources to build reserve balances to fund future capital improvements while maintaining current City services.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

In the 2016 the Mayor and Council Budget is proposed to increase by 0.62%. Other Services and charges increased by 1.17% due to primarily due to increases in NYFS related expenses. The City Council also moved newsletter and associated expenses into the Cable Fund for 2015 and beyond.

## **Budget Summary**

Function: General Government		Department: Mayor & Council					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	31,202	31,206	31,211	31,211	29,649	31,211	0.00%
Materials and Supplies	46	106	-	-	-	-	0.00%
Services and Charges	36,965	56,260	58,443	35,443	28,482	35,859	1.17%
<b>Total Operating Expenses</b>	<b>68,213</b>	<b>87,571</b>	<b>89,654</b>	<b>66,654</b>	<b>58,130</b>	<b>67,070</b>	<b>0.62%</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>68,213</b>	<b>87,571</b>	<b>89,654</b>	<b>66,654</b>	<b>58,130</b>	<b>67,070</b>	<b>0.62%</b>
Funding Source:	General Fund						

## **ADMINISTRATION**

**Function:** General Government  
**Supervisor:** City Administrator  
**Fund #:** 101  
**Activity#:** 41300

### **Activity Scope**

City Administration provides the overall direction of the City, as determined by the City Council. The City Administrator serves as Chief Administrative Officer for the City, ensuring that laws, ordinances, and resolutions of the City Council are enforced and implemented. The Administration Department is responsible for administering Council policies, coordinating Council agendas, and providing support to other functional areas within the City.

The City Attorney acts as an advisor to the Council and staff on legal matters and represents the City in the legal actions. He prepares the contracts, ordinances, legal opinions and legal documents needed for the operation of City government.

As the City progresses further with the TCAAP Property and is partners with Ramsey County under a Joint Development Agency (JDA), part of the Administrator's time has been allocated to the TCAAP department to more accurately reflect the costs of supporting this development.

### **Objectives**

1. Assist City Council in setting policies and procedures in accordance with Council's position.
2. Provide direction and leadership on major city projects, budget management, oversee performance evaluation and long-range planning.

### **Issues**

1. Long-range planning to maintain current City services while creating funding sources for reserves.
2. Long-range comprehensive TCAAP planning
3. Long-range comprehensive public safety planning

### **Measurable Workload Data**

None developed at this time.

**Budget Commentary**

The 2016 Administration operating budget is increasing by 2.95% over 2015. Notable changes are: increases in salaries and associated benefits and a significant decrease in the City’s Worker’s Comp Insurance premiums.

**Budget Summary**

Function: General Government		Department: Administration					
Appropriation Detail							
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Total Personal Services	199,514	174,920	179,499	179,499	163,077	187,922	4.69%
Total Materials and Supplies	448	1,141	-	-	377	-	0.00%
Other Services and Charges	89,992	72,327	105,948	105,948	82,153	105,948	0.00%
<b>Total Operating Expenses</b>	<b>289,955</b>	<b>248,387</b>	<b>285,447</b>	<b>285,447</b>	<b>245,608</b>	<b>293,870</b>	<b>2.95%</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>289,955</b>	<b>248,387</b>	<b>285,447</b>	<b>285,447</b>	<b>245,608</b>	<b>293,870</b>	<b>2.95%</b>
Funding Source:	General Fund						

## ELECTIONS

**Function:** General Government  
**Supervisor:** City Clerk  
**Fund#:** 101  
**Activity#:** 41410

### Activity Scope

This department covers the cost of administering all Federal, State and Municipal elections. This includes the preparation of any and all absentee ballots, organizing the polling places, election judges, and vote tabulations. The City contracts with Ramsey County for all the required election services.

### Objectives

1. Stay current on election laws.

### Issues

1. Stay current on election laws.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The Elections budget has a zero percent increase for FY16.

### Budget Summary

Function: General Government		Department: Elections					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	-	-	-	-	-	-	0.00%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	17,317	17,429	23,000	23,000	19,438	23,000	0.00%
<b>Total Operating Expenses</b>	17,317	17,429	23,000	23,000	19,438	23,000	0.00%
<b>Total Capital</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	17,317	17,429	23,000	23,000	19,438	23,000	0.00%
Funding Source: General Fund							



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## FINANCE & ADMINISTRATIVE SERVICES

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 101  
**Activity#:** 41500

### Activity Scope

The Finance Department conducts the financial affairs of the City of Arden Hills in accordance with the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). This includes protecting the assets of the City, the initiation of financial plans, investment and debt management, review and implementation of internal controls, and accounting for every financial transaction of the City including accounts payable, accounts receivable, payroll, and accounting control. The preparation of the annual audited financial report and annual budget document are also facilitated through Finance.

The Finance and Administrative Services Department is responsible for coordinating Council agendas, issuing business licenses and providing administrative support to other functional areas within the City. Costs captured in this department include auditor fees, software maintenance, network support fees, management of the website and audio visual equipment, office supplies and postage.

The City Clerk's responsibilities involve the management and retention of all official records and documents of the City, serving as the City's webmaster, as well as all election procedures. Finance and Administrative Services Department staff includes the Director of Finance and Administrative Services, Finance Analyst, Accounting Analyst, Accounting Clerk, City Clerk, and Office Support Staff.

### Objectives

1. Continue working to refine the financial management plan for the City.
2. Continue to produce a budget document in a format that received the GFOA's Distinguished Budget Presentation Award.
3. Continue to produce a Comprehensive Annual Financial Report (CAFR) and report for the public (Popular Annual Financial Report – PAFR) that receives the GFOA's award for excellence in reporting.
4. Provide meaningful and timely financial reports and information to Council, Commissions and other City Departments.
5. Streamline operations by providing more online services both internal and external to the organization.
6. Conduct City elections.
7. Manage information technology and train personal.
8. Manage human resource functions and employee benefits.

**Issues**

1. Implement improved reporting procedures to inform Council, Commissions, and Departments.
2. Work with other Departments to find ways to reduce costs of City operations.
3. Analyze and implement ways to reduce transaction processing and costs.
4. Analyze and comply with the new Health Reform Act.
5. Update and maintain Human Resource Policies and Procedures.

**Measurable Workload Data**

None developed at this time.

**Budget Commentary**

The Finance and Administrative Support Services budget includes funds to handle the financial transactions of the City, in an efficient manner, while maintaining the highest level of internal controls and segregation of duties. It also includes funds to manage the administrative support and human resource functions of the City. This budget increased by 0.67% in 2016.

Personal Services shows a decrease of 2.92% due to staff turnover. Other Services and Charges are increasing slightly, by 3.62%, due to a number of factors. Most of these are due to increased use of credit cards and technology.

Since Administrative Support Services and Finance benefit all areas within the City, an administrative charge was established in 2008 to recover costs from all funds based on the support provided from this department. Various line items in Other Services and Charges were increased or reduced in an effort to more accurately reflect expected expenditures.

**Budget Summary**

Function: General Government		Department: Finance & Administrative Services					
Appropriation Detail							
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	60,832	58,874	67,498	67,498	59,612	65,530	-2.92%
Materials and Supplies	17,490	22,516	24,100	24,100	22,738	24,100	0.00%
Other Services and Charges	99,390	75,962	87,724	87,724	80,196	90,900	3.62%
<b>Total Operating Expenses</b>	<b>177,712</b>	<b>157,352</b>	<b>179,322</b>	<b>179,322</b>	<b>162,546</b>	<b>180,530</b>	<b>0.67%</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>177,712</b>	<b>157,352</b>	<b>179,322</b>	<b>179,322</b>	<b>162,546</b>	<b>180,530</b>	<b>0.67%</b>
Funding Source: General Fund							

## TCAAP

**Function:** General Government  
**Supervisor:** City Administrator  
**Fund#:** 101  
**Activity#:** 41600

### Activity Scope

This department was established to account for revenue and expenditure activity related to the City's comprehensive re-use planning at the Twin Cities Army Ammunition Plant (TCAAP) site.

### Objectives

1. Coordination of TCAAP redevelopment planning activities while continuing to meet the needs of the City of Arden Hills.
2. Work with Ramsey County through the Joint Development Authority (JDA).

### Issues

1. Economic conditions.
2. Coordinating with multiple entities//players

### Measurable Workload Data

None developed at this time.

### Budget Commentary

Since the City's private development partner pulled out of the project in April of 2009, Ramsey County purchased the property and established a Joint Development Authority (JDA) with the City. Revenues and expenditures are for City costs and are estimated, but placeholders have been included for consulting costs, and staff time has been allocated for the City Administrator, Community Development Director, Associate Planner, and Public Works Director as they act as the City's support staff to this Authority. The 2016 budget shows an increase of 9.24%, largely due to the increase in Personal Services as a result of the new compensation plan adopted in 2015.

## **Budget Summary**

Function: General Government		Department: TCAAP					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	2,021	60,655	93,657	93,657	92,230	107,358	14.63%
Materials and Supplies	92	200	1,000	1,000	-	1,000	0.00%
Other Services and Charges	4,925	51,889	64,500	64,500	47,582	65,500	1.55%
<b>Total Operating Expenses</b>	<b>7,037</b>	<b>112,744</b>	<b>159,157</b>	<b>159,157</b>	<b>139,812</b>	<b>173,858</b>	<b>9.24%</b>
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Other Financing Uses</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	<b>7,037</b>	<b>112,744</b>	<b>159,157</b>	<b>159,157</b>	<b>139,812</b>	<b>173,858</b>	<b>9.24%</b>
Funding Source: General Fund							

## PLANNING & ZONING

**Function:** General Government  
**Supervisor:** Community Development Director  
**Fund#:** 101  
**Activity#:** 41910

### Activity Scope

The City's Planning and Zoning Department is responsible for all planning and zoning related functions of the City. Activities administered by this department include requests for variances, subdivisions, re-zonings, zoning code amendments, signs, conditional use permits, compliance with City Ordinances, and other land use issues. The Planners work closely with Protective Inspections, Code Enforcement, and Community Development.

The Planning Commission, consisting of seven members appointed annually by the City Council, meets monthly to review the above requests and to make recommendations to the City Council in an advisory capacity.

### Objectives

1. Continue to work on Rental Housing registrations.
2. Continue improvements of the City's planning process.
3. Develop zoning on the TCAAP property.

### Issues

1. Rental Housing registrations
2. Refine Building Permit process
3. Research and refine an Administrative Fines process

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The budget for 2016 is a total increase of 8.23% over the 2015 budget. The Personal Services budget increased by 10.00%, reflecting the change resulting from the new compensation study adopted in 2015. Other Services and Charges increased by 8.23% due to technology and training and development costs.

## **Budget Summary**

Function: General Government		Department: Planning & Zoning					
Appropriation Detail							
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	169,382	191,125	149,984	149,984	149,861	164,988	10.00%
Materials and Supplies	118	204	394	394	31	200	-49.24%
Other Services and Charges	25,431	20,997	50,850	50,850	20,737	52,600	3.44%
<b>Total Operating Expenses</b>	194,931	212,327	201,228	201,228	170,629	217,788	8.23%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	194,931	212,327	201,228	201,228	170,629	217,788	8.23%
Funding Source: General Fund							

## **GOVERNMENT BUILDINGS**

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 101  
**Activity#:** 41940

### **Activity Scope**

This department captures all of the operation/maintenance related costs for the City Hall and Government Building facilities.

The City entered into a contract with Ramsey County for a joint maintenance facility located just west of City Hall off County Road 96 on Paul Kirkwold Drive. The new facility was completed and occupied as of October, 2004. The City's portion of the Ramsey County maintenance facility is charged to this budget.

### **Objectives**

1. Maintain a reputable facility to house meetings and staff.

### **Issues**

1. Normal maintenance and repair issues as the building (City Hall) has now been in operation for twelve years.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The 2016 budget is an increase of 11.33% from the previous year's budget. This increase is primarily due to increases in maintenances costs of the City Hall building and Personal Services as a result of the new compensation plan adopted in 2015.

## **Budget Summary**

Function: General Government		Department: Government Buildings					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	30,655	32,662	31,491	31,491	25,872	38,417	21.99%
Materials and Supplies	6,941	6,703	4,500	4,500	5,469	7,000	55.56%
Other Services and Charges	177,542	181,733	175,217	175,217	188,328	189,717	8.28%
<b>Total Operating Expenses</b>	<b>215,138</b>	<b>221,098</b>	<b>211,208</b>	<b>211,208</b>	<b>219,669</b>	<b>235,134</b>	<b>11.33%</b>
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	<b>215,138</b>	<b>221,098</b>	<b>211,208</b>	<b>211,208</b>	<b>219,669</b>	<b>235,134</b>	<b>11.33%</b>
Funding Source: General Fund							



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**POLICE AND ANIMAL CONTROL**

**Function: Public Safety**  
**Supervisor: City Administrator**  
**Fund#: 101**  
**Activity#: 42100**

**Activity Scope**

Law Enforcement services for Arden Hills are provided on a contractual basis with the Ramsey County Sheriff's Department. Animal control services are included in this contract.

**Objectives**

1. Continue contracting for law enforcement and animal control services through the Ramsey County Sheriff's Department.

**Issues**

1. Residents concerns over police coverage and visibility.
2. Response times.

**Measurable Workload Data**

None developed at this time.

**Budget Commentary**

Arden Hills portion of the Ramsey County Sheriff's Contracting Communities 2016 budget increased 1.81% over 2015, Animal control is now included as it is now provided by the Ramsey County Sheriff's Department. The cost of boarding animals estimated to be \$2,000 to Hillcrest Animal Hospital is also included in this budget.

**Budget Summary**

Function: Public Safety		Department: Police and Animal Services					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Other Services and Charges	1,023,115	1,045,386	1,087,872	1,087,872	1,083,893	1,107,562	1.81%
<b>Total Operating Expenses</b>	1,023,115	1,045,386	1,087,872	1,087,872	1,083,893	1,107,562	1.81%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	1,023,115	1,045,386	1,087,872	1,087,872	1,083,893	1,107,562	1.81%
Funding Source: General Fund							

## DISPATCH

**Function:** Public Safety  
**Supervisor:** City Administrator  
**Fund#:** 101  
**Activity#:** 42100

### Activity Scope

Emergency dispatch services are provided by Ramsey County.

### Objectives

1. Continue contracting dispatch services though Ramsey County.

### Issues

### Measurable Workload Data

None developed at this time.

### Budget Commentary

Arden Hills portion of the Ramsey County 911 Dispatch Department operation budget decreased by 2.43%. Dispatch saw a significant increase in the 2014 and 2015 budget due to CAD costs, but those costs are now leveling out and appropriately budgeted for.

### Budget Summary

Function: Public Safety		Department: Dispatch					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Other Services and Charges	52,067	60,352	69,468	69,468	68,328	67,780	-2.43%
<b>Total Operating Expenses</b>	52,067	60,352	69,468	69,468	68,328	67,780	-2.43%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	52,067	60,352	69,468	69,468	68,328	67,780	-2.43%
Funding Source: General Fund							

## FIRE PROTECTION

**Function:** Public Safety  
**Supervisor:** City Administrator  
**Fund#:** 101  
**Activity#:** 42100

### Activity Scope

Fire protection for Arden Hills is provided by the Lake Johanna Volunteer Fire Department on a contractual basis. Lake Johanna Volunteer Fire Department presently provides services to the cities of Arden Hills, Shoreview, and North Oaks. Arden Hills pays a percentage of operating and capital costs based on a formula approved by the Lake Johanna Fire Department and Arden Hills City Council.

### Objectives

1. Continue contracting for fire protection services through Lake Johanna Volunteer Fire Department.

### Issues

1. Continue to maintain service levels at a reasonable cost.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

Arden Hills's portion of the Lake Johanna Fire Department operating budget increased 7.85%. This budget reflects increases to operating costs.

### Budget Summary

Function: Public Safety		Department: Fire Protection					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Other Services and Charges	414,541	431,006	459,179	459,179	459,179	495,216	7.85%
<b>Total Operating Expenses</b>	414,541	431,006	459,179	459,179	459,179	495,216	7.85%
Capital Outlay	-	-	-	-	-	-	0.00%
<b>Department Total</b>	414,541	431,006	459,179	459,179	459,179	495,216	7.85%
Funding Source: General Fund							

## EMERGENCY MANAGEMENT

**Function:** Public Safety  
**Supervisor:** City Administrator  
**Fund#:** 101  
**Activity#:** 42300

### Activity Scope

Emergency Management coordination for the City is required by the Federal Government. This department works closely with Ramsey County Department of Homeland Security, as well as the Ramsey County Sheriff and Lake Johanna Fire Department. The City contracts with a consultant to provide these services.

### Objectives

1. Update City's Emergency Response Policy and Procedures.
2. Train staff in emergency management procedures.

### Issues

1. Coordinate with Ramsey County's emergency response procedures and policies

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The 2016 budget is an increase of 0.99% from the 2015 budget.

### Budget Summary

Function: Public Safety		Department: Emergency Management					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	2,578	2,644	2,654	2,654	2,146	2,788	5.05%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	2,583	3,331	10,850	10,850	434	10,850	0.00%
<b>Total Operating Expenses</b>	5,161	5,975	13,504	13,504	2,580	13,638	0.99%
Capital Outlay	-	-	-	-	-	-	0.00%
<b>Department Total</b>	5,161	5,975	13,504	13,504	2,580	13,638	0.99%
Funding Source: General Fund							



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## PROTECTIVE INSPECTIONS

**Function:** Public Safety  
**Supervisor:** Building Official  
**Fund#:** 101  
**Activity#:** 42400

### Activity Scope

This department is responsible for all building construction, plumbing, sanitary sewer, water and mechanical inspections within the City. Electrical inspections are contracted for by an independent inspection firm. This department is also responsible for enforcement of the Zoning Code and other sections of the City Code of Ordinances.

### Objectives

1. Sign Ordinance.
2. Continue implementation of the building codes.
3. Continue to work on Building Permit software to produce Council reports.

### Issues

1. Managing and prioritizing department workloads
2. Keep up with rental license inspections of investor owned residential properties
3. Continued implementation and design of new Building Permit software and reports

### Measureable Workload Data

None developed at this time.

### Budget Commentary

The 2016 operating budget is an increase of 6.69% from the previous year's budget. This is mainly due to personal services increases and associated benefits, and additional technology and software charges.

## **Budget Summary**

Function: Public Safety		Department: Protective Inspections					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	220,421	232,334	236,929	236,929	241,371	252,001	6.36%
Materials and Supplies	38	1,009	3,046	3,046	677	3,046	0.00%
Other Services and Charges	64,204	50,034	52,540	52,540	64,251	57,040	8.56%
<b>Total Operating Expenses</b>	284,664	283,377	292,515	292,515	306,299	312,087	6.69%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	284,664	283,377	292,515	292,515	306,299	312,087	6.69%
Funding Source: General Fund							

## STREET MAINTENANCE

**Function:** Public Works  
**Supervisor:** Public Works Superintendent  
**Fund#:** 101  
**Activity#:** 43100

### Activity Scope

This department is responsible for maintaining City streets, including snowplowing, minor street repair, street signs, and street sweeping.

### Objectives

1. Maintain street infrastructure utilizing all available techniques including crack sealing, seal coating, patching and overlays.
2. Recommend a cost effective program for reconstructing/reclaiming street surfaces when maintenance techniques no longer provide the desired results.
3. Maintain and update equipment and vehicles.

### Issues

1. Implement a capital improvement program for City infrastructure
2. Balance the public works department needs with available funds
3. Increased costs of fuel and street products due to fuel costs
4. Staffing and budgeting for unpredictable circumstances
5. Aging equipment
6. Increased safety regulation for equipment and vehicles

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The 2016 operating budget is an increase of 1.04% from the previous year's budget.

**Budget Summary**

Function: Public Works

Department: Street Maintenance

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	199,643	212,541	197,027	197,027	187,441	197,879	0.43%
Materials and Supplies	90,745	129,754	72,625	72,625	65,563	72,625	0.00%
Other Services and Charges	101,324	238,577	255,334	255,334	83,394	259,939	1.80%
<b>Total Operating Expenses</b>	<b>391,712</b>	<b>580,871</b>	<b>524,986</b>	<b>524,986</b>	<b>336,397</b>	<b>530,443</b>	<b>1.04%</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>391,712</b>	<b>580,871</b>	<b>524,986</b>	<b>524,986</b>	<b>336,397</b>	<b>530,443</b>	<b>1.04%</b>
Funding Source: General Fund							

## **PARKS MAINTENANCE**

**Function:** Parks and Recreation  
**Supervisor:** Parks and Recreation Coordinator/Public Works Superintendent  
**Fund#:** 101  
**Activity#:** 45200

### **Function**

This department is responsible for maintenance of City parks and trails as well as administration of the diseased tree/forestry program. This includes maintaining and improving playground and picnic facilities, fertilizing and mowing of grass, maintaining athletic fields, flooding and maintenance of outdoor ice rinks, snow and ice removal, and tree preservation within the parks system of the City. These assets of the City are extensively used by the residents, and improvements must be made to uphold the safety, functionality, and beauty the City represents.

### **Objectives**

1. Continue pathway maintenance.
2. Continue implementing City's Comprehensive Park and Trails plan.

### **Issues**

1. Other maintenance concerns coming up and not allowing completion of existing projects
2. Budget constraints for future and existing projects

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The 2016 operating budget is a decrease of 9.74% from the previous year's budget. This decrease is primarily due to reallocation of salary for Recreation employees to better account for where hours were actually worked.

### **Budget Summary**

Function: Parks and Recreation

Department: Park Maintenance

Appropriation Detail							
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	272,617	252,885	288,029	288,029	205,538	233,191	-19.04%
Materials and Supplies	38,713	24,359	36,000	36,000	24,217	36,000	0.00%
Other Services and Charges	144,079	141,675	178,849	178,849	95,951	184,704	3.27%
<b>Total Operating Expenses</b>	<b>455,409</b>	<b>418,919</b>	<b>502,878</b>	<b>502,878</b>	<b>325,706</b>	<b>453,895</b>	<b>-9.74%</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>455,409</b>	<b>418,919</b>	<b>502,878</b>	<b>502,878</b>	<b>325,706</b>	<b>453,895</b>	<b>-9.74%</b>
Funding Source: General Fund							

## RECREATION PROGRAM

**Function:** Parks and Recreation  
**Supervisor:** Park and Recreation Coordinator  
**Fund#:** 101  
**Activity#:** 45120

### Activity Scope

This department provides all recreation activities to residents of Arden Hills, as well as residents from neighboring communities.

### Objectives

1. To provide recreation activities to residents of Arden Hills.

### Issues

1. Develop Senior programming
2. Budget constraints

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The 2016 operating budget is an increase of 25.62% from the previous year's budget. This increase is primarily due to reallocation of salary for Recreation employees to better account for where hours were actually worked.

### Budget Summary

Function: Parks and Recreation		Department: Recreation					
Activity	Appropriation Detail						% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	
Personal Services	140,785	150,754	158,592	158,592	171,377	217,479	37.13%
Materials and Supplies	21,193	20,115	16,275	16,275	19,428	16,275	0.00%
Other Services and Charges	56,743	58,426	54,991	54,991	57,073	54,991	0.00%
<b>Total Operating Expenses</b>	<b>218,721</b>	<b>229,295</b>	<b>229,858</b>	<b>229,858</b>	<b>247,878</b>	<b>288,745</b>	<b>25.62%</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>218,721</b>	<b>229,295</b>	<b>229,858</b>	<b>229,858</b>	<b>247,878</b>	<b>288,745</b>	<b>25.62%</b>
Funding Source: General Fund							

## CELEBRATING ARDEN HILLS

**Function:** Parks and Recreation  
**Supervisor:** Parks and Recreation Coordinator  
**Fund#:** 101  
**Activity#:** 45400

### Activity Scope

This department provides all the activities and costs associated with the City-wide celebration, “Celebrating Arden Hills” or for a significant event in a neighborhood park.

### Objectives

1. To provide a City-wide celebration for all residents of Arden Hills or to provide for an event in a neighborhood park.

### Issues

1. Budget constraints
2. Economic conditions which effect donations from the business community

### Measurable Workload Data

None developed at this time.

### Budget Commentary

This department was created to monitor activities and funding for Celebrating Arden Hills. The City Council has elected to forgo an event for 2014-present.

### Budget Summary

Function: General Government		Department: Celebrating Arden Hills					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
Personal Services	-	-	-	-	-	-	0.00%
Materials and Supplies	903	-	-	-	-	-	0.00%
Other Services and Charges	37	-	-	-	-	-	0.00%
<b>Total Operating Expenses</b>	940	-	-	-	-	-	0.00%
<b>Department Total</b>	940	-	-	-	-	-	0.00%

## TRANSFERS TO OTHER FUNDS

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 101  
**Activity#:** 49300

### Activity Scope

The transfers to other funds budget is utilized to account for the transfer of general fund revenues to other funds within the City financial structure.

### Objectives

1. To build reserves for capital equipment replacement.
2. To subsidize infrastructure improvements.

### Issues

1. Budget constraints

### Measurable Workload Data

None developed at this time.

### Budget Commentary

2016 includes a transfer of \$50,000 to fund Equipment Replacement, \$60,000 to fund EDA activities, and \$100,000 to the PIR Fund.

### Budget Summary

Function: General Government		Department: Transfers					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Operating Transfers</b>							
Transfer to Storm Water Mgmt	-	-	-	-	-	-	0%
Transfer to Park Fund	-	-	-	-	-	-	0%
Transfer to EDA General Fund	30,000	-	30,000	30,000	30,000	60,000	100%
Transfer to Equipment Fund	40,000	50,000	50,000	50,000	50,000	50,000	0%
Transfer to Public Safety Capital	-	-	-	-	-	-	0%
Transfer to PIR	200,000	162,417	-	-	-	100,000	0%
Transfer to Debt Service	-	-	-	-	-	-	0%
<b>Department Total</b>	<b>270,000</b>	<b>212,417</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>210,000</b>	<b>162.50%</b>
Funding Source: General Fund							

## RESERVES/CONTINGENCY

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 101  
**Activity#:** n/a

### Activity Scope

The reserves/unallocated contingency department is utilized to budget present reserves to be used for future expenditures and to set aside funds for unexpected occurrences or items whose costs cannot be readily estimated.

### Objectives

1. To set aside funds for unexpected occurrences.
2. Allow funding for items which costs cannot be readily estimated.

### Issues

1. Budget constraints

### Measurable Workload Data

None developed at this time.

### Budget Commentary

This budget is to provide designated funding for unanticipated expenses. No reserves/contingency has been budgeted for 2016.

### Budget Summary

Function: General Government		Department: Reserves/Contingency					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Reserves</b>							
Contingency	-	-	-	-	-	-	0.00%
<b>Department Total</b>	-	-	-	-	-	-	0.00%
General Fund							



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## **Special Revenue Funds Summary**

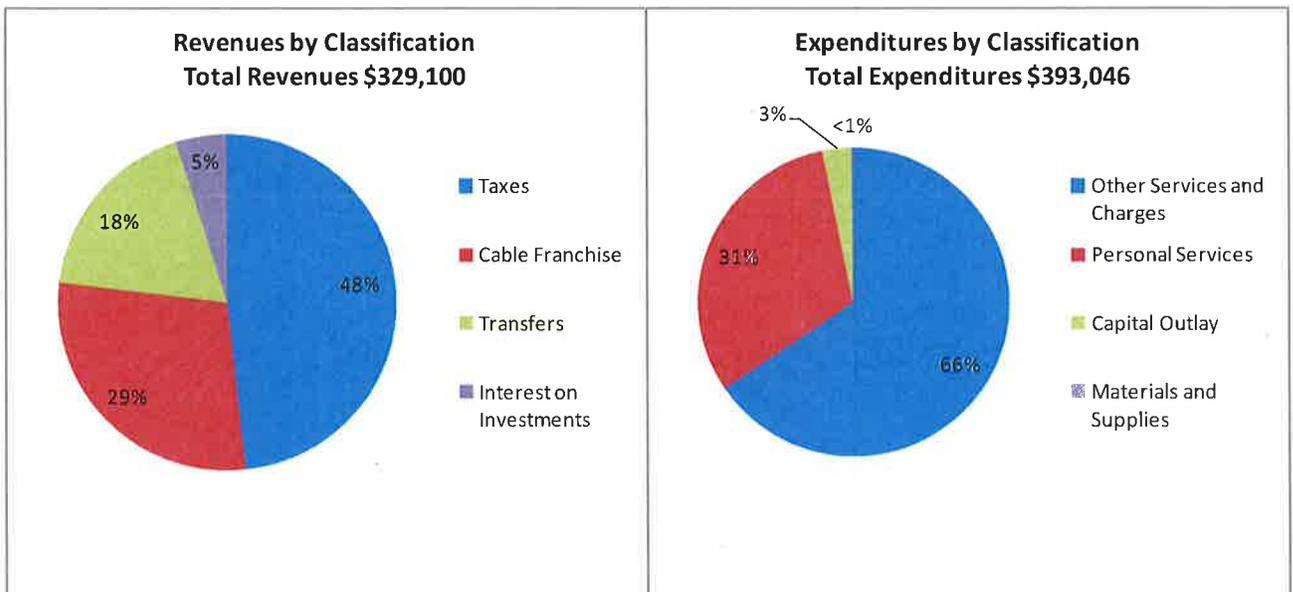
## SPECIAL REVENUE FUNDS SUMMARY

### Description

The City of Arden Hills currently maintains six active Special Revenue Funds. A Special Revenue Fund is used to account for revenue sources that are legally restricted for a specific purpose. The modified accrual basis of accounting is used for Special Revenue Funds. That is, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received. However, compensated absences are expensed when paid for budgetary purposes. Special Revenue Funds budgets are not always balanced, meaning budgeted revenues may be greater or less than budgeted expenditures. In these circumstances reserves will show an increase or decrease in the fund's balance.

### Budget Issues

See individual fund's for budget issues, because each fund will have its own unique budget issues.



## Budget Summary

### Special Revenue Funds

	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Operating Revenue</b>							
Cable Fund	91,375	115,032	97,000	97,000	78,543	98,000	1.03%
EDA General Fund	57,595	73,452	64,000	64,000	69,000	4,000	-93.75%
EDA Revolving Fund	(1,158)	6,378	2,500	2,500	3,264	2,500	0.00%
EDA TIF Dist #2 Round Lake	360,862	353,925	350,200	350,200	428,481	-	-100.00%
EDA TIF Dist #3 Cottage Villas	45,144	70,938	49,000	49,000	74,782	65,000	32.65%
EDA TIF Dist #4 Pres Homes	-	98,289	95,200	95,200	147,508	99,600	4.62%
Operating Revenues	553,817	718,014	657,900	657,900	801,578	269,100	-59.10%
<b>Other Financing Sources</b>							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	30,000	50,000	30,000	30,000	30,000	60,000	100.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	-	-	-	-	-	-	0.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Other Financing Sources	30,000	50,000	30,000	30,000	30,000	60,000	100.00%
<b>Total Revenues</b>	<b>\$ 583,817</b>	<b>\$ 768,014</b>	<b>\$ 687,900</b>	<b>\$ 687,900</b>	<b>\$ 831,578</b>	<b>\$ 329,100</b>	<b>-52.16%</b>
<b>Operating Expenses</b>							
Cable Fund	84,547	98,213	122,651	145,651	127,202	149,812	2.86%
EDA General Fund	87,695	68,837	132,727	132,727	112,999	132,559	-0.13%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	1,359	1,181	2,300	2,300	1,361	1,125	-51.09%
EDA TIF Dist #3 Cottage Villas	1,059	1,181	4,700	4,700	1,273	4,725	0.53%
EDA TIF Dist #4 Pres Homes	1,997	90,784	88,180	88,180	133,850	92,825	5.27%
Operating Expenses	176,656	260,197	350,558	373,558	376,685	381,046	2.00%
<b>Capital Outlay</b>							
Cable Fund	9,545	5,559	7,500	7,500	-	12,000	60.00%
EDA General Fund	28,967	12,333	-	-	10,077	-	0.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	-	125,000	230,000	230,000	424,676	-	-100.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Total Capital Outlay	38,512	142,892	237,500	237,500	434,753	12,000	-94.95%
<b>Other Finance Uses</b>							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	-	-	-	-	-	-	0.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	1,311,504	282,575	285,350	285,350	284,900	-	-100.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Other Financing Uses	1,311,504	282,575	285,350	285,350	284,900	-	-100.00%
<b>Total Expenditures</b>	<b>\$ 1,526,672</b>	<b>\$ 685,665</b>	<b>\$ 873,408</b>	<b>\$ 896,408</b>	<b>\$ 1,096,338</b>	<b>\$ 393,046</b>	<b>-56.15%</b>
Fund Balances - January 1	2,249,161	1,306,306	1,388,655	1,388,655	1,388,655	1,180,147	
Excess Revenue Over Expenditure	(942,855)	82,349	(185,508)	(208,508)	(264,761)	(63,946)	
Fund Balances - December 31	\$ 1,306,306	\$ 1,388,655	\$ 1,203,147	\$ 1,180,147	\$ 1,123,894	\$ 1,116,202	

## CABLE FUND

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 228  
**Activity#:** 41960

### Function

This Special Revenue Fund accounts for revenue and expenditures related to cable TV, internet, and other forms of communication. Revenue for this fund comes primarily from cable owner franchise fees.

### Objectives

1. Completion of the transferring of City Files to Laserfiche.
2. Maintaining audio equipment in Council chambers.

### Issues

1. Workloads and budget constraints.
2. Maintaining state-of-the-art equipment for Council meetings and televising.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The 2016 budget has increased overall by 5.66%. Personal services have increased as a result of the new compensation study adopted in 2015. Repairs and Maintenance to Equipment has been budget this year for the audio and video equipment. The City Council amended the 2015 budget to include newsletter and associated expenses in the Cable Fund for 2015 and beyond.

### Budget Summary

Function: General Government		Department: Cable Fund					
		Appropriation Detail					
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Taxes	96,820	103,711	94,000	94,000	72,837	94,000	0.00%
Miscellaneous	(5,446)	11,321	3,000	3,000	5,706	4,000	33.33%
<b>Total Revenues</b>	<b>\$ 91,375</b>	<b>\$ 115,032</b>	<b>\$ 97,000</b>	<b>\$ 97,000</b>	<b>\$ 78,543</b>	<b>\$ 98,000</b>	<b>1.03%</b>
<b>Expenditures</b>							
Total Personal Services	42,689	46,355	47,491	47,491	46,482	51,085	7.57%
Total Materials and Supplies	283	107	-	-	-	-	0.00%
Other Services and Charges	41,575	51,751	75,160	98,160	80,720	98,727	0.58%
Capital Outlay	9,545	5,559	7,500	7,500	-	12,000	60.00%
<b>Total Expenditures</b>	<b>\$ 94,092</b>	<b>\$ 103,772</b>	<b>\$ 130,151</b>	<b>\$ 153,151</b>	<b>\$ 127,202</b>	<b>\$ 161,812</b>	<b>5.66%</b>
Fund Balance - January 1	297,269	294,551	305,811	305,811	305,811	249,660	
Excess Revenue Over Expenditure	(2,718)	11,260	(33,151)	(56,151)	(48,659)	(63,812)	
<b>Fund Balance - December 31</b>	<b>\$ 294,551</b>	<b>\$ 305,811</b>	<b>\$ 272,660</b>	<b>\$ 249,660</b>	<b>\$ 257,152</b>	<b>\$ 185,848</b>	



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## **EDA GENERAL**

**Function:** Economic Development  
**Supervisor:** Community Development Director  
**Fund#:** 250  
**Activity#:** 47300

### **Activity Scope**

This Special Revenue Fund accounts for general administration activities that are not specific to any individual Tax Increment Financing (TIF) District, as well as activities associated with the Economic Development Commission and Economic Development Authority.

### **Objectives**

1. Research the City revolving loan program, restrictions, guidelines, and possible future uses.
2. Consider the use of TIF District 2 funds for Round Lake Road and sanitary sewer improvements.
3. Consider the use of TIF District 3 funds for low to moderate housing needs.
4. Review operating budget and identify a sustainable funding source.
5. Consider establishing a business retention program.

### **Issues**

1. Consistent administration of the City's policies, plan, ordinances, guidelines, statutes, etc.
2. Promotion of industrial property available.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The revenue to this fund has been primarily excess increment and interest income in the past years with transfers from the General Fund from 2008 - 2011. A transfer was made in 2012 and 2013 for the Conduit Debt revenue received in 2011 and 2012 from the Presbyterian Homes project. The tax increment excess funding source will go away after 2015. Transfer from the General Fund have are now the prime funding source.

An administrative charge was established in 2008 and all funds are charged back for overhead costs associated with Administration, Finance and Administrative Services, and Government Building departments in the General Fund. Other costs such as auditing, financial software, IT, and insurance have been allocated to this fund also.

The expenditure budget shows a decrease of .13% over 2015.

## **Budget Summary**

Function: Economic Development

Department: EDA General Fund

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b><u>Revenues</u></b>							
Taxes	60,292	61,280	60,000	60,000	63,361	-	-100.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	(2,698)	12,172	4,000	4,000	5,639	4,000	0.00%
Other Financing Sources	30,000	50,000	30,000	30,000	30,000	60,000	100.00%
<b>Total Revenues</b>	<b>\$ 87,595</b>	<b>\$ 123,452</b>	<b>\$ 94,000</b>	<b>\$ 94,000</b>	<b>\$ 99,000</b>	<b>\$ 64,000</b>	<b>-31.91%</b>
<b><u>Expenditures</u></b>							
Total Personal Services	43,264	46,673	63,632	63,632	60,769	71,286	12.03%
Total Materials and Supplies	3,522	237	650	650	257	650	0.00%
Other Service Charges	40,909	21,927	68,445	68,445	51,974	60,623	-11.43%
Capital Outlay	28,967	12,333	-	-	10,077	-	0.00%
<b>Total Expenditures</b>	<b>\$ 116,662</b>	<b>\$ 81,170</b>	<b>\$ 132,727</b>	<b>\$ 132,727</b>	<b>\$ 123,076</b>	<b>\$ 132,559</b>	<b>-0.13%</b>
Fund Balance - January 1	297,269	268,202	310,484	310,484	310,484	271,757	
Excess Revenue Over Expenditure	(29,067)	42,282	(38,727)	(38,727)	(24,076)	(68,559)	
<b>Fund Balance - December 31</b>	<b>\$ 268,202</b>	<b>\$ 310,484</b>	<b>\$ 271,757</b>	<b>\$ 271,757</b>	<b>\$ 286,408</b>	<b>\$ 203,198</b>	

## EDA REVOLVING LOAN FUND

**Function:** Economic Development  
**Supervisor:** Community Development Director  
**Fund#:** 251  
**Activity#:** 47306

### Activity Scope

This Special Revenue Fund was established to administer economic development loans. The primary revenue source is from investment income.

### Objectives

1. To assist local businesses that meet the loan criteria established by the EDA.

### Issues

1. Current economy does not lend itself to expansion or improvements.
2. Promoting the program to the community businesses.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

There are currently no planned expenditures at this time. Activity in this fund would occur if the Economic Development Authority authorized a loan after an application is made.

### Budget Summary

Function: Economic Development		Department: EDA Revolving Fund					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Total Miscellaneous	(1,158)	6,378	2,500	2,500	3,264	2,500	0.00%
Total Revenues	\$ (1,158)	\$ 6,378	\$ 2,500	\$ 2,500	\$ 3,264	\$ 2,500	0.00%
Fund Balance - January 1	155,649	154,491	160,869	160,869	160,869	163,369	
Excess Revenue Over Expenditure	(1,158)	6,378	2,500	2,500	3,264	2,500	
Fund Balance - December 31	\$ 154,491	\$ 160,869	\$ 163,369	\$ 163,369	\$ 164,133	\$ 165,869	



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## **EDA TIF DISTRICT #2 – ROUND LAKE**

**Function:** Economic Development  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 252  
**Activity#:** 47307

### **Activity Scope**

TIF District No. 2, Round Lake Office, was established as a twenty-five year Redevelopment District on June 29, 1989. This district is located on the northeast quadrant of the I-35W/I694 intersection. This district will decertify on December 31, 2015.

Improvements for this district were funded with the issuance of \$3,100,000 General Obligation Tax Increment Bonds on March 1, 1998. Debt Service Fund No. 325 was created, per statute, to track repayment of the bond principal and interest. This was paid in full in 2015. An inter-fund loan from the Permanent Revolving Fund No. 411 was needed for the acquisition of the Indykiewicz property. This loan was repaid in full in 2004. All non-tax increment revenue was transferred out of this fund in 2013 to the PIR Fund.

### **Objectives**

1. Utilize available TIF funds for part of the Round Lake Road improvement project.

### **Issues**

1. Ensure compliance with TIF laws for use of available funds.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

One significant change in this fund in 2015 is the use of the remaining TIF funds after the final bond payment to fund part of the Round Lake Road reconstruction (figures are just estimates at this time until the actual amounts are known). Annual transfers were made to Debt Service Fund No. 325 for principal and interest payments on the G.O. Tax Increment Refunding Bonds, 2004A which were paid in full in 2015.

## Budget Summary

Function: Economic Development

Department: EDA TIF District #2 Round Lake Office Park

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenue</b>							
Taxes	358,332	345,058	350,000	350,000	419,944	-	-100.00%
Miscellaneous	2,530	8,867	200	200	8,537	-	-100.00%
Total Revenue	\$ 360,862	\$ 353,925	\$ 350,200	\$ 350,200	\$ 428,481	\$ -	-100.00%
<b>Expenditures</b>							
Other Services and Charges	1,359	1,181	2,300	2,300	1,361	1,125	-51.09%
Capital Outlay	-	125,000	230,000	230,000	424,676	-	-100.00%
Operating Trans	1,311,504	282,575	285,350	285,350	284,900	-	-100.00%
Total Expenditures	\$ 1,312,863	\$ 408,757	\$ 517,650	\$ 517,650	\$ 710,937	\$ 1,125	-99.78%
Fund Balance - January 1	1,287,591	335,590	280,759	280,759	280,759	113,309	
Excess Revenue Over Expenditure	(952,001)	(54,832)	(167,450)	(167,450)	(282,456)	(1,125)	
Fund Balance - December 31	\$ 335,590	\$ 280,759	\$ 113,309	\$ 113,309	\$ (1,698)	\$ 112,184	

## **EDA TIF DISTRICT #3 – COTTAGE VILLAS**

**Function:** Economic Development  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 253  
**Activity#:** 47305

### **Activity Scope**

TIF District No. 3, Cottage Villas Housing, was originally certified as a Housing District on May 10, 1993. This district is located on the east side of Cleveland Avenue, just south of County Road E-2/Cleveland Avenue intersection. This 64 unit Cottage Villas Apartment complex is available for low-moderate income seniors. Originally, this district was set to decertify on December 31, 2009. In December, 2009, the City Council extended this district until December 31, 2019, to allow the City the possibility of using these funds for other affordable housing projects within the City.

The City entered into a “pay-as-you-go” agreement with Cottage Villas of Arden Hills Limited Partnership on February 28, 1994. The Development Agreement called for the developer to be reimbursed for certain public development activities initially estimated at \$834,286. Repayment to the developer would only be from tax increment actually received from the district. Payments were to be 90% of the tax increment received not-to-exceed a total annual payment of \$57,557. The City is no longer obligated to make payments after February 1, 2010.

### **Objectives**

1. Utilize available funds for low to moderate income housing projects.

### **Issues**

1. Ensure use of funds is consistent with TIF laws.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The City no longer has any obligations to pay the development as of February 1, 2010. Only administrative costs have been planned for 2016.

## **Budget Summary**

Function: Economic Development

Department: EDA TIF District #3 Cottage Villas

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b><u>Revenues</u></b>							
Taxes	47,656	60,555	45,000	45,000	67,844	60,000	33.33%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	(2,511)	10,383	4,000	4,000	6,938	5,000	25.00%
Total Revenues	\$ 45,144	\$ 70,938	\$ 49,000	\$ 49,000	\$ 74,782	\$ 65,000	32.65%
<b><u>Expenditures</u></b>							
Other Services and Charges	1,059	1,181	4,700	4,700	1,273	4,725	0.53%
Total Expenditures	\$ 1,059	\$ 1,181	\$ 4,700	\$ 4,700	\$ 1,273	\$ 4,725	0.53%
Fund Balance - January 1	212,355	256,441	326,197	326,197	326,197	370,497	
Excess Revenue Over Expenditure	44,086	69,756	44,300	44,300	73,509	60,275	
Fund Balance - December 31	\$ 256,441	\$ 326,197	\$ 370,497	\$ 370,497	\$ 399,706	\$ 430,772	

## EDA TIF DISTRICT #4 – PRESBYTERIAN HOMES

**Function:** Economic Development  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 254  
**Activity#:** 47308

### Activity Scope

TIF district No. 4, Presbyterian Homes, was established as a 15 year renewal and renovation district to facilitate the redevelopment of existing senior housing units and replacement of existing nursing home units. The first increment was received in 2014 with the districted expiring on December 31, 2029.

### Objectives

1. Utilize funds for Presbyterian Homes project per the development agreement.

### Issues

1. Ensure compliance with TIF laws for uses of available funds.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

Increment was received starting in 2014 and is estimated for 2016. Payments are based on 90% of increment received to the developer and estimated for 2016. The only other charges budgeted are administrative charges.

### Budget Summary

Function: Economic Development		Department: EDA TIF District #4 Pres Homes					
Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Taxes	-	98,529	95,200	95,200	146,854	99,000	3.99%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	-	(240)	-	0	654	600	100.00%
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 98,289</b>	<b>\$ 95,200</b>	<b>\$ 95,200</b>	<b>\$ 147,508</b>	<b>\$ 99,600</b>	<b>4.62%</b>
<b>Expenditures</b>							
Total Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	1,997	90,784	88,180	88,180	133,850	92,825	5.27%
Capital Outlay	-	-	-	-	-	-	0.00%
<b>Total Operating Expenses</b>	<b>1,997</b>	<b>90,784</b>	<b>88,180</b>	<b>88,180</b>	<b>133,850</b>	<b>92,825</b>	<b>5.27%</b>
<b>Total Expenditures</b>	<b>\$ 1,997</b>	<b>\$ 90,784</b>	<b>\$ 88,180</b>	<b>\$ 88,180</b>	<b>\$ 133,850</b>	<b>\$ 92,825</b>	<b>5.27%</b>
Fund Balance - January 1	(972)	(2,969)	4,536	4,536	4,536	11,556	
Excess Revenue Over Expenditure	(1,997)	7,505	7,020	7,020	13,658	6,775	
<b>Fund Balance - December 31</b>	<b>\$ (2,969)</b>	<b>\$ 4,536</b>	<b>\$ 11,556</b>	<b>\$ 11,556</b>	<b>\$ 18,194</b>	<b>\$ 18,331</b>	



## **Debt Service Fund Summary**

# DEBT SERVICE FUND

## Fund Description:

The Debt Service funds repay the City’s outstanding debt obligations. Debt service funds use the modified accrual basis of accounting; however, the cash basis of accounting will be used for budgetary purposes only. The cash basis is used for budgeting to ensure that sufficient cash will be available to make the required payments on the City’s bonded indebtedness.

## Budget Summary:

### DEBT SERVICE FUNDS SUMMARY

Function: Debt Service		Department: GO Tax Increment Bonds of 1998A					
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Interest Income	(44)	73	-	-	-	-	-
Transfer	283,520	282,575	284,900	284,900	284,900	-	-100.00%
<b>Total Revenues</b>	<b>\$ 283,476</b>	<b>\$ 282,648</b>	<b>\$ 284,900</b>	<b>\$ 284,900</b>	<b>\$ 284,900</b>	<b>\$ -</b>	<b>-100.00%</b>
<b>Expenditures</b>							
Bond Principal	260,000	270,000	280,000	280,000	280,000	-	-100.00%
Bond Interest	23,070	14,323	4,900	4,900	4,900	-	-100.00%
Fiscal Agents' Fees	450	450	450	450	-	-	-100.00%
<b>Total Expenditures</b>	<b>\$ 283,520</b>	<b>\$ 284,773</b>	<b>\$ 285,350</b>	<b>\$ 285,350</b>	<b>\$ 284,900</b>	<b>\$ -</b>	<b>-100.00%</b>
Fund Balance - January 1	2,167	2,123	(1)	(451)	(901)	(901)	
Excess Revenue Over Expenditures	(44)	(2,124)	(450)	(450)	-	-	
<b>Fund Balance - December 31</b>	<b>\$ 2,123</b>	<b>\$ (1)</b>	<b>\$ (451)</b>	<b>\$ (901)</b>	<b>\$ (901)</b>	<b>\$ (901)</b>	

The City’s debt consists of general obligation tax increment refinancing bonds.

The City defeased (Called for redemption) the original 1998 bond issue in 2005 and issued refunding bonds in 2004. The City currently does not have any plans to issue additional debt.

## Bond Rating:

All bonds issued by the City are assigned ratings by Standard and Poor’s. The City maintains an “AA+” rating from Standard & Poor’s and Fitch for general obligation debt.

## Debt Limitations:

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Under this provision, the legal debt limit is 3.0% of the assessor’s market value of the municipalities’ tax base. Bond issues covered by this limit are those financed by property taxes unless at least 20% of the annual debt service costs are financed by special assessments or tax increments. At present the City has no bond issue that is subject to the debt limit. The City’s current legal debt limit and debt margin is as follows:

<b>Legal Debt Limit (3% of Estimated Market Value)</b>	<b>\$33,672,840</b>
<b>Less: Outstanding Debt Subject to Limit</b>	<b>\$ <u>0</u></b>
<b>Legal Debt margin as of January 1, 2014</b>	<b>\$33,672,840</b>

**Service Levels:**

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Estimate</u>
<b>Bond Rating</b>	AA+	AA+	AA+	AA+
<b>Dec. 31 Debt Outstanding</b> <b>(\$'s in thousands)</b>	\$550	\$280	\$0	\$0
<b>Net Debt Per Capita</b>	\$56	\$38	\$0	\$0

**Bonds Payable:**

**General Obligation Tax Increment Bonds**

<u>Issue</u>	<u>Net</u> <u>Interest</u> <u>Rate</u>	<u>Due</u> <u>Dates</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Authorized</u> <u>And Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>12/31/2015</u>	<u>Principal</u> <u>due in</u> <u>2016</u>	<u>Interest</u> <u>due in</u> <u>2016</u>
2004A	3.2171%	2-1/8-1	11/4/2004	2/1/2015	\$ 2,395,000	\$ 2,395,000	\$ -	\$ -	\$ -

## **G.O. TAX INCREMENT BONDS OF 1998A**

**Function:** Debt Service  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 325  
**Activity#:** 46300

### **Activity Scope**

Issuance of \$3,100,000 General Obligation Tax Increment Bonds dated March 1, 1998 were to finance various public improvements within TIF District No. 2. The improvements were generally the relocated 14<sup>th</sup> Street project and the Round Lake Road intersection improvements project. The seventeen year bonds matured on February 1, 2015. The City defeased these bonds in 2005 and issued refunding bonds in 2004. This significantly reduced the interest cost over the life of the bonds.

### **Objectives**

N/A

### **Issues**

N/A

### **Measurable Workload Data**

N/A

### **Budget Commentary**

The City's outstanding debt has been fully repaid as of 2015, no further expenditures in this fund are expected for 2016.

## Budget Summary

Function: Debt Service

Department: GO Tax Increment Bonds of 1998A

Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Interest Income	(44)	73	-	-	-	-	-
Transfer	283,520	282,575	284,900	284,900	284,900	-	-100.00%
<b>Total Revenues</b>	<b>\$ 283,476</b>	<b>\$ 282,648</b>	<b>\$ 284,900</b>	<b>\$ 284,900</b>	<b>\$ 284,900</b>	<b>\$ -</b>	<b>-100.00%</b>
<b>Expenditures</b>							
Bond Principal	260,000	270,000	280,000	280,000	280,000	-	-100.00%
Bond Interest	23,070	14,323	4,900	4,900	4,900	-	-100.00%
Fiscal Agents' Fees	450	450	450	450	-	-	-100.00%
<b>Total Expenditures</b>	<b>\$ 283,520</b>	<b>\$ 284,773</b>	<b>\$ 285,350</b>	<b>\$ 285,350</b>	<b>\$ 284,900</b>	<b>\$ -</b>	<b>-100.00%</b>
Fund Balance - January 1	2,167	2,123	(1)	(451)	(901)	(901)	
Excess Revenue Over Expenditures	(44)	(2,124)	(450)	(450)	-	-	
<b>Fund Balance - December 31</b>	<b>\$ 2,123</b>	<b>\$ (1)</b>	<b>\$ (451)</b>	<b>\$ (901)</b>	<b>\$ (901)</b>	<b>\$ (901)</b>	



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## **Capital Projects Funds Summary**

# CAPITAL PROJECT FUNDS

## Description:

The Capital Project Funds account for the financial resources and appropriations of constructing and replacing the City's infrastructure, including streets and City buildings or facilities, except those financed by Enterprise Funds. Capital project funds use the modified accrual basis of accounting; however, the cash basis of accounting will be used for budgetary purposes only. The cash basis is used for budgeting to ensure that sufficient cash will be available to make all required payments.

## Budget Issues

The City of Arden Hills uses a pay-as-you go philosophy for most capital improvements. The major issue the City deals with is finding adequate funding resources for the various projects.

## Budget Commentary

The active and proposed projects for 2016 include:

- Playground Structure Replacement
- Forestry Implementation Plan
- Lake Johanna Fire Department Equipment
- Regulatory Street Sign replacement
- Lexington Ave Improvement
- Hwy 96 and County F Sidewalk Improvement
- MnDot Bridge Projects
- Concrete Curb and Gutter Replacement

Some of these project costs for 2016 include feasibility studies for future projects, Pavement Management Program (PMP) costs to preserve streets and infrastructure. These projects have a number of funding sources including special assessments, grants, the Water Fund, Sanitary Sewer Fund, and Surface Water Management Fund. At this time the City does not anticipate issuing debt to finance these projects.

## CAPITAL PROJECTS FUNDS SUMMARY

	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Operating Revenue</b>							
Equipment, Bldg & Replacement	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Public Safety Capital	18,849	37,742	25,000	25,000	28,326	30,000	20.00%
Park Fund	-	-	-	-	51,360	-	0.00%
TCAAP Capital	89,011	1,938	-	-	1,701	-	0.00%
Capital Improvement Fund (PIR)	366,191	1,883,589	1,850,000	1,850,000	2,440,769	988,675	-46.56%
Total Operating Revenues	474,094	1,923,269	1,875,000	1,875,000	2,522,155	1,018,675	-45.67%
<b>Other Financing Sources</b>							
Equipment, Bldg & Replacement	363,780	316,925	280,765	280,765	290,030	280,765	0.00%
Public Safety Capital	-	-	-	-	-	-	0.00%
Park Fund	70,126	-	-	-	-	-	0.00%
TCAAP Capital	500,000	-	-	-	-	-	0.00%
Capital Improvement Fund (PIR)	1,227,984	162,417	230,000	230,000	-	100,000	-56.52%
Total Other Financing Sources	2,161,890	479,342	510,765	510,765	290,030	380,765	-25.45%
<b>Total Revenues</b>	\$ 2,635,984	\$ 2,402,611	\$ 2,385,765	\$ 2,385,765	\$ 2,812,185	\$ 1,399,440	-41.34%
<b>Expenditures</b>							
Equipment, Bldg & Replacement	\$ 194,436	\$ 317,589	\$ 466,925	\$ 466,925	\$ 407,017	\$ 169,925	-63.61%
Public Safety Capital	170,511	66,079	54,593	54,593	52,935	45,411	-16.82%
Park Fund	68,492	18,883	-	-	-	-	0.00%
TCAAP Capital	288,646	203,692	-	-	54,894	-	0.00%
Capital Improvement Fund (PIR)	915,903	1,515,946	3,612,500	3,612,500	5,779,470	100,000	-97.23%
Total Expenditures	1,637,988	2,122,189	4,134,018	4,134,018	6,294,316	315,336	-92.37%
<b>Other Finance Uses</b>							
Equipment, Bldg & Replacement	-	-	-	-	-	-	0.00%
Public Safety Capital	-	-	-	-	-	-	0.00%
Park Fund	-	-	-	-	-	-	0.00%
TCAAP Capital	8,750	15,000	15,000	15,000	15,000	15,000	0.00%
Capital Improvement Fund (PIR)	570,126	50,000	-	-	-	-	0.00%
Total Other Financing Uses	578,876	65,000	15,000	15,000	15,000	15,000	0.00%
<b>Total Expenditures</b>	\$ 2,216,864	\$ 2,187,189	\$ 4,149,018	\$ 4,149,018	\$ 6,309,316	\$ 330,336	-92.04%
Fund Balance - January 1	6,560,749	6,979,869	7,195,292	7,195,292	7,195,292	5,432,039	
Excess Revenue Over Expenditure	419,120	215,422	(1,763,253)	(1,763,253)	(3,497,130)	1,069,104	
Fund Balance - December 31	\$ 6,979,869	\$ 7,195,292	\$ 5,432,039	\$ 5,432,039	\$ 3,698,161	\$ 6,501,143	

## **PERMANENT IMPROVEMENT REVOLVING FUND (PIR)**

**Function:** Public Works  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 411  
**Activity#:** N/A

### **Activity Scope**

This fund was established to temporarily finance pavement management projects being partially financed by special assessments or for high cost improvements for which bonds have not been issued. In 2006, the Municipal Land and Buildings Fund, Non-Assessable Road Improvement Fund, and Capital Improvements Fund were consolidated into the PIR Fund.

### **Objectives**

1. To maintain the City's streets and roadways.
2. To maintain City infrastructure.

### **Issues**

1. Finding adequate funding resources for the various projects.

### **Measurable Workload Data**

N/A

### **Budget Commentary**

The 2016 projects are listed in the proposed five-year capital improvement plan. (All expenditures are reclassified as capital outlay, but actual show in categories such as Engineering, etc. on the budget below.)

## Budget Summary

Function: Public Works

Department: PIR

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Special Assessments	379,142	302,071	400,000	400,000	907,649	400,000	0.00%
Miscellaneous	(119,988)	309,527	375,000	375,000	266,874	180,000	-52.00%
Transfer	1,227,984	162,417	230,000	230,000	-	100,000	-56.52%
Department Total	\$ 1,594,175	\$ 2,046,006	\$ 2,080,000	\$ 2,080,000	\$ 2,440,769	\$ 1,088,675	-47.66%
<b>Expenditures</b>							
Total Materials and Supplies	1,054	223	-	-	-	-	0.00%
Other Services and Charges	443,456	627,998	-	-	1,175,143	-	0.00%
Capital Outlay	471,392	887,725	3,612,500	3,612,500	4,604,327	100,000	-97.23%
Department Total	\$ 1,486,029	\$ 1,565,946	\$ 3,612,500	\$ 3,612,500	\$ 5,779,470	\$ 100,000	-97.23%
Fund Balance - January 1	6,502,759	6,610,905	7,090,965	7,090,965	7,090,965	5,558,465	
Excess Revenue Over Expenditure	108,146	480,060	(1,532,500)	(1,532,500)	(3,338,701)	988,675	
Fund Balance - December 31	\$ 6,610,905	\$ 7,090,965	\$ 5,558,465	\$ 5,558,465	\$ 3,752,264	\$ 6,547,140	
Capital Improvement Fund							

## **PUBLIC SAFETY CAPITAL EQUIPMENT**

**Function:** Public Safety  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 412  
**Activity#:** 48120

### **Activity Scope**

This Capital Fund was created in 1995 with the intent of building a reserve to fund General Fund public safety capital equipment requirements. This use of the fund would level future levy spikes caused by acquisition of costly specialized police and fire capital requirements. Arden Hills pays for a portion (24.9%) of Lake Johanna Fire Department equipment according to a formula which has been updated for 2016, with the balance funded by the other member cities of Shoreview and North Oaks. Arden Hills is responsible for all capital expenses relating to the maintenance and upkeep of Fire Station #1.

In 2012, the Community Services Fund was folded into this fund as it is the primary funding source. This change was necessitated by new GASB standards. The revenues are from the required 10% contribution of net profit from charitable gambling organizations operating within the City.

### **Objectives**

1. Provide adequate equipment to insure public safety for the residents of Arden Hills.

### **Issues**

1. Budget constraints.
2. Arden Hills is only one member on each of the joint powers boards. Decisions are not always made on what Arden Hills sees as important, but rather the group as a whole.
3. Due to the current economy, revenues may be impacted.

### **Measurable Workload Data**

N/A

### **Budget Commentary**

Expenditures have decreased 16.82% based on the numbers provided by LJFD.

## Budget Summary

Function: Public Safety

Department: Public Safety Capital Equipment

Activity	Appropriation Detail							% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016		
<b>Revenue</b>								
Total Miscellaneous	18,849	37,742	25,000	25,000	28,326	30,000		20.00%
Transfer	-	-	-	-	-	-		0.00%
Total Revenues	\$ 18,849	\$ 37,742	\$ 25,000	\$ 25,000	\$ 28,326	\$ 30,000		20.00%
<b>Expenditures</b>								
Capital Outlay	170,511	66,079	54,593	54,593	52,935	45,411		-16.82%
Department Total	\$ 170,511	\$ 66,079	\$ 54,593	\$ 54,593	\$ 52,935	\$ 45,411		-16.82%
Fund Balance - January 1	360,357	208,695	180,358	180,358	180,358	150,765		
Excess Revenue Over Expenditure	(151,662)	(28,337)	(29,593)	(29,593)	(24,609)	(15,411)		
Fund Balance - December 31	\$ 208,695	\$ 180,358	\$ 150,765	\$ 150,765	\$ 155,749	\$ 135,354		
Public Safety Capital Equipment Fund								

## **PARKS FUND**

**Function:** Parks and Recreation  
**Supervisor:** Park and Recreation Manager  
**Fund#:** 409  
**Activity#:** 45200

### **Activity Scope**

This Fund was established for park/trail acquisition and development. Revenue for the Parks Fund comes from developer park dedication fees, contributions, state grants, and investment income. For the past few years, no new funds have been contributed to this fund. As a result of the lack of new revenue, the balance in this fund is declining and currently at a negative balance. This balance will be replenished either through new park dedication fees or a transfer from the Permanent Revolving Fund.

### **Objectives**

1. Playground Structure Replacement
2. Mounds View High School Trail Connection
3. Implementation of a Park Bench program.

### **Issues**

1. Securing funding for improvements.
2. Adhering to grant requirements and local match.
3. Budget restraints.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

There is no budget for this fund in 2016.

## **Budget Summary**

Function: Parks and Recreation

Department: Park Fund

Activity	Appropriation Detail						% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	
<b>Revenues</b>							
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	-	-	-	-	51,360	-	0.00%
Other Financing Sources	70,126	-	-	-	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 70,126</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,360</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Expenditures</b>							
Other Services and Charges	40,099	70	-	-	-	-	0.00%
Capital Outlay	21,224	18,813	-	-	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 68,492</b>	<b>\$ 18,883</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
Fund Balance - January 1	(70,126)	(68,492)	(87,375)	(87,375)	(87,375)	(87,375)	
Excess Revenue Over Expenditure	1,634	(18,883)	-	-	51,360	-	
<b>Fund Balance - December 31</b>	<b>\$ (68,492)</b>	<b>\$ (87,375)</b>	<b>\$ (87,375)</b>	<b>\$ (87,375)</b>	<b>\$ (36,015)</b>	<b>\$ (87,375)</b>	

## **EQUIPMENT, BUILDING, AND REPLACEMENT**

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 408  
**Activity#:** N/A

### **Activity Scope**

This Capital Fund was created in 2008 with the intent of building a reserve to fund equipment replacement, building improvements, office equipment, and technology improvements. This use of the fund would level future levy spikes caused by acquisition of costly capital expenditures. A one-time transfer of \$500,000 was done in 2008 from the General Fund to establish the reserve. Annual transfers from the General Fund and Enterprise Funds provide on-going revenues in addition to interest income.

### **Objectives**

1. Provide adequate equipment to insure operations and services for the residents of Arden Hills.

### **Issues**

1. Budget constraints.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

Anticipated 2016 expenses included the replacement of the replacement of a pick up truck, a one-ton truck, a 2004 Hotbox, and a 2001 Workman. Other expenditures are technology related (Springbrook software, voting equipment and miscellaneous technology).

## Budget Summary

Function: General Government

Department: Equipment Building and Replacement

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Transfers	363,822	316,925	280,765	280,765	290,030	280,765	0.00%
Department Total	\$ 363,822	\$ 316,925	\$ 280,765	\$ 280,765	\$ 290,030	\$ 280,765	0.00%
<b>Expenditures</b>							
Capital Outlay	194,436	317,589	466,925	466,925	407,017	169,925	-63.61%
Department Total	\$ 194,436	\$ 317,589	\$ 466,925	\$ 466,925	\$ 407,017	\$ 169,925	-63.61%
Fund Balance - January 1	(232,240)	(62,853)	(63,517)	(63,517) <sup>F</sup>	(63,517)	(249,677)	
Excess Revenue Over Expenditure	169,387	(664)	(186,160)	(186,160)	(116,987)	110,840	
Fund Balance - December 31	\$ (62,853)	\$ (63,517)	\$ (249,677)	\$ (249,677)	\$ (180,504)	\$ (138,837)	
Equipment Bldg & Replacement Fund							

## **TCAAP CAPITAL FUND**

**Function:** General Government  
**Supervisor:** City Administrator/Community Development Director  
**Fund#:** 413  
**Activity#:** N/A

### **Activity Scope**

This department was established to account for revenue and expenditure activity related to the City comprehensive re-use planning at the Twin Cities Army Ammunition Plant (TCAAP) site as it relates to infrastructure and re-use.

### **Objectives**

1. Coordination of the TCAAP redevelopment planning activities while continuing to meet the needs of the City of Arden Hills.
2. Work with Ramsey County through the Joint Development Authority (JDA).

### **Issues**

1. Economic conditions.
2. Coordinating with multiple entities/players.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

Since the City's private development partner pulled out of the project in April of 2009, Ramsey County purchased the property and established a Joint Development Authority (JDA) with the City. Revenues and expenditures are for City costs and are not known at this time, except for \$15,000 in interest payable to the PIR Fund.

A budget amendment was done in 2014 to reclassify the City's costs for infrastructure development under the JDA into the TCAAP Capital Fund. An interfund loan was made in 2013 from the PIR to be paid back as the property develops.

## **Budget Summary**

Function: TCAAP

Department: TCAAP Capital

Activity	Appropriation Detail							% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016		
<b>Revenue</b>								
Intergovernmental	89,011	-	-	-	-	-	-	0.00%
Miscellaneous	-	1,938	-	-	-	1,701	-	0.00%
Transfer	500,000	-	-	-	-	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 589,011</b>	<b>\$ 1,938</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,701</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Expenditures</b>								
Other Services and Charges	288,646	203,692	-	-	54,894	-	-	0%
Other Financing Sources	8,750	15,000	15,000	15,000	15,000	15,000	-	0%
<b>Department Total</b>	<b>\$ 297,396</b>	<b>\$ 218,692</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 69,894</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>0%</b>
Fund Balance - January 1	-	291,615	74,861	74,861	74,861	59,861	-	
Excess Revenue Over Expenditure	291,615	(216,754)	(15,000)	(15,000)	(68,193)	(15,000)	-	
<b>Fund Balance - December 31</b>	<b>\$ 291,615</b>	<b>\$ 74,861</b>	<b>\$ 59,861</b>	<b>\$ 59,861</b>	<b>\$ 6,668</b>	<b>\$ 44,861</b>	<b>\$ -</b>	
Public Safety Capital Equipment Fund								



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## **Enterprise Funds Summary**

## ENTERPRISE FUNDS

### Description

An Enterprise Fund is a fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. The City operates four Enterprise Funds. The accrual basis of accounting is used for these funds. However, capital outlay items are recorded as expenses. These pages are a summary of the Enterprise Funds.

### Budget Issues

See the individual funds for the various budget issues facing each fund.

### Budget Summary

**City of Arden Hills  
2016 Budget**

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.00%
Licenses and Permits	5,099	3,130	4,000	4,000	7,883	5,500	37.50%
Intergovernmental	176,279	19,611	24,228	24,228	124,228	20,000	-17.45%
Special Assessment	1,667	6,819	2,500	2,500	3,757	2,600	4.00%
Miscellaneous	(8,857)	68,155	41,000	41,000	43,971	47,500	15.85%
Charges for Services	4,810,104	4,858,972	4,810,177	4,810,177	4,846,818	4,911,343	2.10%
<b>Total Revenues</b>	<b>4,984,293</b>	<b>4,956,687</b>	<b>4,881,905</b>	<b>4,881,905</b>	<b>5,026,657</b>	<b>4,986,943</b>	<b>2.15%</b>
<b>Expenditures</b>							
Personal Services	868,080	869,188	880,923	880,923	861,712	907,910	3.06%
Materials and Supplies	57,775	87,646	11,050	11,050	69,364	11,050	0.00%
Other Services and Charges	3,076,732	3,022,472	3,242,559	3,242,559	3,189,236	3,299,728	1.76%
Capital Outlay	-	4,048	2,687,500	2,687,500	-	305,000	-88.65%
Transfers	230,765	230,765	230,765	230,765	230,765	230,765	0.00%
<b>Total Expenditures</b>	<b>4,233,352</b>	<b>4,214,119</b>	<b>7,052,797</b>	<b>7,052,797</b>	<b>4,351,077</b>	<b>4,754,453</b>	<b>-32.59%</b>
Fund Balance - January 1	14,764,319	15,515,260	16,261,876	16,261,876	16,261,876	14,090,984	
Excess Revenue Over Expenditures	750,941	742,568	(2,170,892)	(2,170,892)	675,580	232,490	
Fund Balance - December 31	\$ 15,515,260	\$ 16,257,828	\$ 14,090,984	\$ 14,090,984	\$ 16,937,456	\$ 14,323,473	
Balance Without Capital Outlay	\$ 15,515,260	\$ 16,261,876	\$ 16,778,484	\$ 16,778,484	\$ 16,937,456	\$ 14,628,473	

(Note: Capital Outlays are reclassified as Assets thus having no effect on the Net Assets or Fund Balance – these balances include capital outlay for budget purposes.)



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## **WATER UTILITY**

**Function:** Public Works  
**Supervisor:** Public Works Superintendent  
**Fund#:** 601  
**Activity#:** 49440

### **Activity Scope**

The Water Utility Fund is a self-sustaining fund, or enterprise fund of the City. The City maintains its own water distribution system. Water is purchased from the City of Roseville, who in turn, purchases water on a wholesale basis from St. Paul Regional Water Services. Metering devices are also maintained to account for usage.

### **Objectives**

1. Provide a safe and reliable water system for the users.
2. Maintain the water utility infrastructure including pipes, valves, hydrants and towers.

### **Issues**

1. Staff time demands on many projects
2. Aging water system.
3. Increased State and Federal regulations

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The 2016 rate increase is 2% and the overall revenue increase budgeted in the fund for 2016 is 2.22% over 2015.

The 2016 operating budget is an increase of 1.21% from the previous year's budget and a decrease of 37.99% overall with capital outlay. The only capital outlay budgeted in water for 2016 is valve replacement. An operating transfer has also been budgeted to the Equipment, Building, and Replacement Fund which has been revised and updated.

## Budget Summary

Function: Public Works

Department: Water Utility

Activity	Appropriation Detail						% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	
<b>Revenues</b>							
Licenses and Permits	3,514	2,365	2,000	2,000	5,562	3,500	75.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Special Assessment	240	2,707	2,000	2,000	1,449	2,000	0.00%
Miscellaneous	(14,317)	29,521	14,000	14,000	26,075	20,000	42.86%
Charges for Services	2,267,078	2,126,839	2,261,055	2,261,055	2,090,374	2,304,259	1.91%
<b>Total Revenues</b>	<b>2,256,516</b>	<b>2,161,432</b>	<b>2,279,055</b>	<b>2,279,055</b>	<b>2,123,459</b>	<b>2,329,759</b>	<b>2.22%</b>
<b>Expenditures</b>							
Total Personal Services	284,971	282,675	293,945	293,945	285,617	299,045	1.74%
Total Materials and Supplies	50,090	77,824	5,800	5,800	30,418	5,800	0.00%
Other Services and Charges	1,508,467	1,528,673	1,653,623	1,653,623	1,487,368	1,672,211	1.12%
Capital Outlay	-	4,048	1,325,000	1,325,000	-	30,000	-97.74%
Transfers	68,396	68,396	68,396	68,396	68,396	68,396	0.00%
<b>Total Expenditures</b>	<b>1,911,924</b>	<b>1,961,616</b>	<b>3,346,764</b>	<b>3,346,764</b>	<b>1,871,799</b>	<b>2,075,452</b>	<b>-37.99%</b>
Fund Balance - January 1	6,705,284	7,049,876	7,253,741	7,253,741	7,253,741	6,186,032	
Excess Revenue Over Expenditures	344,592	199,817	(1,067,709)	(1,067,709)	251,660	254,307	
Fund Balance - December 31	\$ 7,049,876	\$ 7,249,693	\$ 6,186,032	\$ 6,186,032	\$ 7,505,400	\$ 6,440,339	
Balance Without Capital Outlay	\$ 7,049,876	\$ 7,253,741	\$ 7,511,032	\$ 7,511,032	\$ 7,505,400	\$ 6,470,339	

(Note: Capital Outlays are reclassified as Assets thus having no effect on the Net Assets or Fund Balance – these balances include capital outlay for budget purposes.)

## **SANITARY SEWER UTILITY**

**Department:** Public Works  
**Supervisor:** Public Works Superintendent  
**Fund#:** 602  
**Activity#:** 49490

### **Activity Scope**

The Sanitary Sewer Utility Fund is a self-sustaining fund, or enterprise fund of the City. The maintenance of the sanitary sewer lines and lift stations are the responsibility of the Public Works Department. The maintenance program involves inspections, flushing and cleaning of sewer lines and routine maintenance of the lift stations. Wastewater flows into the Metropolitan Council's system to be treated.

### **Objectives**

1. Work to eliminate inflow and infiltration from the sanitary sewer system.
2. Maintain the sanitary sewer system so as to provide dependable service for the users.

### **Issues**

1. Ground water inflow and infiltration problems
2. Aging system

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The 2016 rate increase is 2%, the overall revenue budgeted for 2016 is an increase of 1.86% over 2015.

The 2016 operating budget is an increase of 2.53% from the previous year's budget and an overall decrease of 18.23% with Capital Outlay. Capital Outlay costs include the reconstruct of Lift Station 11. An operating transfer has also been budgeted to the Equipment, Building, and Replacement Fund which has been revised and updated.

## Budget Summary

Function: Public Works

Department: Sanitary Sewer Utility

Activity	Appropriation Detail						% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	
<b>Revenues</b>							
Licenses and Permits	1,585	765	2,000	2,000	2,322	2,000	0.00%
Special Assessments	896	3,341	400	400	1,649	400	0.00%
Miscellaneous	510	4,049	5,000	5,000	577	-	-100.00%
Charges for Services	1,796,408	1,853,166	1,754,925	1,754,925	1,851,831	1,789,524	1.97%
<b>Total Revenues</b>	<b>1,955,984</b>	<b>1,861,322</b>	<b>1,762,325</b>	<b>1,762,325</b>	<b>1,856,379</b>	<b>1,791,924</b>	<b>1.68%</b>
<b>Expenditures</b>							
Total Personal Services	355,432	353,085	347,751	347,751	348,043	355,168	2.13%
Total Materials and Supplies	3,376	1,804	3,500	3,500	27,070	3,500	0.00%
Other Services and Charges	1,201,985	1,152,038	1,198,140	1,198,140	1,212,695	1,229,939	2.65%
Capital Outlay	-	-	690,000	690,000	-	225,000	-67.39%
Transfers	96,870	96,870	96,870	96,870	96,870	96,870	0.00%
<b>Total Expenditures</b>	<b>1,657,663</b>	<b>1,603,797</b>	<b>2,336,261</b>	<b>2,336,261</b>	<b>1,684,678</b>	<b>1,910,477</b>	<b>-18.23%</b>
Fund Balance - January 1	4,884,862	5,183,182	5,440,707	5,440,707	5,440,707	4,866,771	
Excess Revenue Over Expenditures	298,320	257,525	(573,936)	(573,936)	171,701	(118,553)	
Fund Balance - December 31	5,183,182	5,440,707	4,866,771	4,866,771	5,612,408	4,748,218	
Balance Without Capital Outlay	5,183,182	5,440,707	5,556,771	5,556,771	5,612,408	4,973,218	

(Note: Capital Outlays are reclassified as Assets thus having no effect on the Net Assets or Fund Balance – these balances include Capital Outlay for budget purposes.)

## RECYCLING PROGRAM

**Function:** General Government  
**Supervisor:** City Planner  
**Fund#:** 603  
**Activity#:** 49520

### Activity Scope

The City contracts with a private company to pick up recycling for residents within the City. The City of Arden Hills participates in a Joint Powers Agreement with Ramsey County to assist with funding the residential curbside recycling program. The County Department of Property Taxation directly places a city recycling fee on residents' property tax statements. Ramsey County then collects the fees and distributes them to the City with the July and December tax settlements. Charges for recycling costs to residents include all costs associated with recycling including the cooperative spring and fall joint cleanup day effort with the City of Shoreview.

### Objectives

1. Provide efficient and cost effective recycling for the residents of Arden Hills.

### Issues

1. Budget constraints.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The revenue budget for 2016 is increasing by 0.96%. Revenues are expected to closely match expenses.

The 2016 operating budget is a decrease of 3.96% from the previous year's budget. The changes in budget are primarily due to recycling costs being less than anticipated.

## **Budget Summary**

Function: General Government

Department: Recycling

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Intergovernmental	19,694	19,611	24,228	24,228	124,228	20,000	-17.45%
Special Assessments	367	349	-	-	458	-	0.00%
Miscellaneous	13,566	15,964	10,000	10,000	7,582	12,500	25.00%
Charges for Services	107,035	116,505	123,232	123,232	122,314	126,466	2.62%
Total Revenues	\$ 140,662	\$ 152,428	\$ 157,460	\$ 157,460	\$ 254,582	\$ 158,966	0.96%
<b>Expenditures</b>							
Total Personal Services	19,830	22,976	18,162	18,162	19,151	19,368	6.64%
Other Services and Charges	124,487	127,441	136,477	136,477	220,573	129,144	-5.37%
Total Expenditures	\$ 144,541	\$ 150,417	\$ 154,639	\$ 154,639	\$ 239,724	\$ 148,512	-3.96%
Fund Balance - January 1	70,778	66,899	68,911	68,911	68,911	71,731	
Excess Revenue Over Expenditures	(3,879)	2,011	2,821	2,821	14,857	10,454	
Fund Balance - December 31	\$ 66,899	\$ 68,911	\$ 71,731	\$ 71,731	\$ 83,768	\$ 82,185	
Recycling							

## **SURFACE WATER MANAGEMENT UTILITY**

**Function:** Public Works  
**Supervisor:** Public Works Superintendent  
**Fund#:** 604  
**Activity#:** 49550

### **Function**

The Surface Water Management Utility Fund is a self-sustaining fund, or enterprise fund of the City. The function of the Surface Water Management (SWM) utility is the collection, treatment and disposition of storm water as well as the maintenance of the storm sewers. The current fee structure is based upon zoning classification and parcel acreage. Collection of these fees is done through the utility billing process.

### **Objectives**

1. Maintain the storm water system including pipes and ponds in an appropriate manner.
2. Continue to make environmental improvements to the surface water system whenever cost-effectively possible.

### **Issues**

1. Budget constraints.
2. Increased State and Federal regulations.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The rate increase for 2016 is 3%. The overall revenue increase for the fund is 3.40% over 2015.

The 2016 operating budget is an increase of 5.74% from the previous year's budget and a decrease of 48.98% overall with Capital Outlay. The only capital outlay budgeted for in 2016 is a sewer lining project. An operating transfer has also been budgeted to the Equipment, Building, and Replacement Fund which has been revised and updated.

## Budget Summary

Function: Public Works

Department: Surface Water Management

Activity	Appropriation Detail						% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Special Assessments	164	423	100	100	202	200.00	100.00%
Miscellaneous	(8,616)	18,621	12,000	12,000	9,737	15,000.00	25.00%
Charges for Services	639,583	762,461	670,965	670,965	782,299	691,094.00	3.00%
<b>Total Revenues</b>	<b>\$ 631,131</b>	<b>\$ 781,505</b>	<b>\$ 683,065</b>	<b>\$ 683,065</b>	<b>\$ 792,238</b>	<b>706,294.00</b>	<b>3.40%</b>
<b>Expenditures</b>							
Total Personal Services	207,847	210,453	221,065	221,065	208,901	234,329.00	6.00%
Total Materials and Supplies	4,084	8,018	1,750	1,750	11,875	1,750.00	0.00%
Other Services and Charges	241,794	214,320	254,319	254,319	268,600	268,434.65	5.55%
Capital Outlay	-	-	672,500	672,500	-	50,000.00	-92.57%
Transfers	65,499.00	65,499.00	65,499	65,499	65,499	65,499.00	0.00%
<b>Total Expenditures</b>	<b>\$ 519,224</b>	<b>\$ 498,290</b>	<b>\$ 1,215,133</b>	<b>\$ 1,215,133</b>	<b>\$ 554,876</b>	<b>620,012.65</b>	<b>-48.98%</b>
Fund Balance - January 1	3,103,395	3,215,302	3,498,517	3,498,517	3,498,517	2,966,449	
Excess Revenue Over Expenditures	111,907	283,215	(532,068)	(532,068)	237,362	86,281	
<b>Fund Balance - December 31</b>	<b>\$ 3,215,302</b>	<b>\$ 3,498,517</b>	<b>\$ 2,966,449</b>	<b>\$ 2,966,449</b>	<b>\$ 3,735,879</b>	<b>\$ 3,052,731</b>	
Balance Without Capital Outlay	\$ 3,215,302	\$ 3,498,517	\$ 3,638,949	\$ 3,638,949	\$ 3,735,879	\$ 3,102,731	

(Note: Capital Outlays are reclassified as Assets thus having no effect on the Net Assets or Fund Balance – these balances include Capital Outlay for budget purposes.)



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## **Internal Service Fund Summary**

## INTERNAL SERVICE FUNDS

### Description

An Internal Service Fund is a fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. The City operates four Internal Service Funds. The accrual basis of accounting is used for these funds. However, Capital Outlay items are recorded as expenses. These pages are a summary of the Internal Service Funds.

### Budget Issues

See the individual funds for the various budget issues facing each fund.

### Budget Summary

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenue</b>							
Charges for Services	828,599	833,313	889,192	889,192	824,614	908,380	2.16%
Micellaneous	31,445	33,637	25,280	25,280	70,578	25,290	0.04%
Total Revenues	\$ 860,044	\$ 866,950	\$ 914,472	\$ 914,472	\$ 895,192	\$ 933,670	2.10%
<b>Expenditures</b>							
Personal Services	145,006	156,808	168,567	168,567	163,106	165,497	-1.82%
Materials and Supplies	167,912	144,000	167,370	167,370	119,751	167,370	0.00%
Other Services and Charges	457,872	581,973	670,499	670,499	596,140	621,031	-7.38%
Capital Outlay	11,773	-	-	-	-	-	0.00%
Total Expenditures	\$ 782,562	\$ 882,781	\$ 1,006,436	\$ 1,006,436	\$ 878,998	\$ 953,898	-5.22%
Fund Balance - January 1	401,320	478,801	462,970	462,970	462,970	371,006	
Excess Revenue Over Expenditure	77,481	(15,831)	(91,964)	(91,964)	16,194	(20,228)	
Fund Balance - December 31	478,801	462,970	371,006	371,006	479,164	350,779	



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## **RISK MANAGEMENT**

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 725  
**Activity#:** 49800

### **Activity Scope**

This Fund was established to pool dividends received from the League of Minnesota Cities for positive claims experience. This fund tracks dividend revenues and deductible costs for claims. The goal of this fund is to build a fund balance that would allow the City to increase deductible limits in order to reduce premium costs. Dividends received from the health insurance Co-op are also deposited in this fund to use for employee wellness activities and to supplement the City's contribution to health/dental insurance.

### **Objectives**

1. Cover deductible costs on claims.
2. Establish employee Wellness programs to minimize health insurance costs.

### **Issues**

1. Maintain the proper level of insurance coverage and deductibles to assure the best possible coverage at the lowest possible cost.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The insurance dividend was budgeted as a conservative amount for 2016. Expenditures have been reduced to reflect the City's exposure as these are charges for the City's deductible against claims.

## **Budget Summary**

General Government		Department: Risk Management					
		Appropriation Detail					
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Charges for Services	292,092	381,701	363,732	363,732	321,861	384,496	5.71%
Miscellaneous	31,296	31,744	25,280	25,280	69,035	25,290	0.04%
Total Revenues	\$ 323,388	\$ 413,445	\$ 389,012	\$ 389,012	\$ 390,896	\$ 409,786	5.34%
<b>Expenditures</b>							
Personal Services	6,477	10,955	11,167	11,167	10,205	11,877	6.36%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	282,309	393,147	469,809	469,809	367,381	418,137	-11.00%
Total Expenditures	\$ 288,786	\$ 404,102	\$ 480,976	\$ 480,976	\$ 377,586	\$ 430,014	-10.60%
Fund Balance - January 1	389,861	424,463	433,806	433,806	433,806	341,842	
Excess Revenue Over Expenditure	34,602	9,343	(91,964)	(91,964)	13,310	(20,228)	
Fund Balance - December 31	424,463	433,806	341,842	341,842	447,115	321,614	

## ENGINEERING

**Function:** General Government  
**Supervisor:** Public Works Director  
**Fund#:** 726  
**Activity#:** 49600

### Activity Scope

The Engineering Fund is a self-sustaining fund, or internal service fund of the City. The Assistant Engineer performs work on various City projects, reviews development plans, represents the City at various meetings on projects which are County or State led. Detailed records are kept of time and the costs are charged out to various projects, escrow accounts or City departments.

### Objectives

1. Provide Engineering services to the City.
2. Look out for the City's best interests in projects involving multiple jurisdictions.
3. Provide review of new developments and projects.

### Issues

1. Provide cost effective services vs. using an independent contractor.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

This was a new department in 2012. Previously City Engineer services were provided by the City of Roseville. The budgeted costs in this department are comparable to the engineering contract the City previously held with Roseville. The costs are charged back to the other funds based on usage per fund, as was previously done when contracting with Roseville. The major increase is primarily salary and benefits and technology charges.

## **Budget Summary**

Public Works

Department: Engineering

Activity	Appropriation Detail						
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenues</b>							
Charges for Services	145,145	131,335	148,235	148,235	157,650	145,222	-2.03%
Miscellaneous	149	1,893	-	-	1,543	-	0.00%
Total Revenues	\$ 145,294	\$ 133,228	\$ 148,235	\$ 148,235	\$ 159,193	\$ 145,222	-2.03%
<b>Expenditures</b>							
Personal Services	120,800	121,512	132,184	132,184	128,674	127,175	-3.79%
Materials and Supplies	-	-	250	250	-	250	0.00%
Other Services and Charges	11,438	9,274	15,801	15,801	6,901	17,797	12.63%
Capital Outlay	902	-	-	-	-	-	-
Total Expenditures	\$ 133,139	\$ 130,786	\$ 148,235	\$ 148,235	\$ 135,575	\$ 145,222	-2.03%
Fund Balance - January 1	28,683	40,838	43,280	43,280	43,280	43,280	
Excess Revenue Over Expenditure	12,155	2,442	-	-	23,617	0	
Fund Balance - December 31	40,838	43,280	43,280	43,280	66,897	43,280	

## CENTRAL GARAGE & EQUIPMENT

**Function:** General Government  
**Supervisor:** Public Works Superintendent  
**Fund#:** 727  
**Activity#:** 49700

### Activity Scope

The Central Garage and Equipment Fund is a self-sustaining fund, or internal service fund of the City. The Public Works Department works on Streets, Parks, Water, Sanitary Sewer, and Surface Water Management. All costs are compiled in this fund and charged out to the departments based on usage.

### Objectives

1. Maintain cost effective control of multi-purpose department.
2. Manage costs involving multiple departments.

### Issues

1. Aging equipment.
2. Balance the Public Works Department needs with available funds.
3. Managing an effective cost allocation structure.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

This was a new department in 2013. Previously these services were split into all five public works departments, Streets, Parks, Water, Sanitary Sewer, and Surface Water Management. Setting up one fund to manage these costs is more effective and will save administrative time. The total impact is the same as if budgeting these costs across each individual fund. The major increase to this fund is salary and benefits.

## **Budget Summary**

Public Works

Department: Central Garage & Equipment

Activity	Appropriation Detail							% Change 15 vs 16
	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016		
<b>Revenues</b>								
Charges for Services	222,734	223,262	227,431	227,431	180,997	228,424		0.44%
Miscellaneous	-	-	-	-	-	-	-	0.00%
Total Revenues	\$ 222,734	\$ 223,262	\$ 227,431	\$ 227,431	\$ 180,997	\$ 228,424		0.44%
<b>Expenditures</b>								
Personal Services	17,528	18,064	18,942	18,942	17,929	19,791		4.48%
Materials and Supplies	144,486	137,002	142,120	142,120	113,257	142,120		0.00%
Other Services and Charges	58,796	64,057	66,369	66,369	53,180	66,513		0.22%
Capital Outlay	3,445	-	-	-	-	-		0.00%
Total Expenditures	\$ 224,255	\$ 219,123	\$ 227,431	\$ 227,431	\$ 184,366	\$ 228,424		0.44%
Fund Balance - January 1	(17,224)	(18,745)	(14,606)	(14,606) <sup>r</sup>	(14,606)	(14,606)		
Excess Revenue Over Expenditure	(1,521)	4,139	-	-	(3,370)	0		
Fund Balance - December 31	(18,745)	(14,606)	(14,606)	(14,606)	(17,975)	(14,606)		

## TECHNOLOGY

**Function:** General Government  
**Supervisor:** Director of Finance and Administrative Services  
**Fund#:** 728  
**Activity#:** 49900

### Activity Scope

The Technology Fund is a self-sustaining fund, or internal service fund of the City. All departments use technology. All costs are compiled in this fund and charged out to the departments based on usage.

### Objectives

1. Maintain cost effective control of multi-purpose department.
2. Manage costs involving multiple departments.

### Issues

1. Aging equipment.
2. Balance department needs with available funds.
3. Managing an effective cost allocation structure.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

This was a new department in 2013. Previously these services were split into all departments. Setting up one fund to manage these costs is more effective and will save administrative time. The total impact is the same as if budgeting these costs across each individual fund.

## Budget Summary

General Government		Department: Technology					
		Appropriation Detail					
Activity	Actual FY 2013	Actual FY 2014	Budget FY 2015	Amended FY2015	Estimated FY2015	Adopted FY 2016	% Change 15 vs 16
<b>Revenue</b>							
Charges for Services	168,628	97,015	149,794	149,794	164,107	150,238	0.30%
Miscellaneous	-	-	-	-	-	-	0.00%
Operating Revenues	\$ 168,628	\$ 97,015	\$ 149,794	\$ 149,794	\$ 164,107	\$ 150,238	0.30%
<b>Expenditures</b>							
Personal Services	201	6,277	6,274	6,274	6,298	6,654	6.06%
Materials and Supplies	23,426	6,999	25,000	25,000	6,494	25,000	0.00%
Other Services and Charges	105,329	115,495	118,520	118,520	168,678	118,584	0.05%
Capital Outlay	7,427	-	-	-	-	-	0.00%
Total Expenditures	\$ 136,382	\$ 128,770	\$ 149,794	\$ 149,794	\$ 181,471	\$ 150,238	0.30%
Fund Balance - January 1	-	32,246	491	491	491	491	
Excess Revenue Over Expenditure	32,246	(31,755)	-	-	(17,364)	(0)	
Fund Balance - December 31	32,246	491	491	491	17,854	491	



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# Staffing

The following chart shows the staffing comparison by department for the City of Arden Hills in full-time equivalents.

Full-time Equivalents for full time employees are calculated by taking the total number of hours worked (up to 2080) divided by 2080. Seasonal and Interns are calculated by adding up total hours each employee worked based on department then dividing by 2080.

	2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Adopted</u>	2015 <u>Actual</u>	2016 <u>Adopted</u>
<b>Administration</b>					
Administrator	1.00	1.00	1.00	1.00	1.00
FTE's	1.00	1.00	1.00	1.00	1.00
<b>Finance &amp; Administrative Services</b>					
Finance & Administrative Director	1.00	1.00	1.00	1.00	1.00
Accounting Analyst	1.00	1.00	1.00	1.00	1.00
Finance Analyst	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	-	-	1.00	1.00
Accounting Clerk	1.00	1.00	1.00	1.00	1.00
Office Support Specialist	2.00	2.00	2.00	2.00	1.00
Customer Service Representative	1.00	1.00	1.00	1.00	1.00
FTE's	8.00	8.00	8.00	9.00	8.00
<b>Community Development</b>					
Comm. Dev Director	1.00	1.00	1.00	1.00	1.00
Bldg Official	1.00	1.00	1.00	1.00	1.00
Bldg Inspector	1.00	1.00	1.00	1.00	1.00
City Planner	1.00	1.00	1.00	1.00	1.00
Associate Planner	-	1.00	1.00	1.00	1.00
FTE's	4.00	5.00	5.00	5.00	5.00
<b>Public Works</b>					
Public Works Director	1.00	1.00	1.00	1.00	1.00
Assistant City Engineer	1.00	1.00	1.00	1.00	1.00
Public Works Superintendent	1.00	1.00	1.00	1.00	1.00
Parks & Rec. Manager	1.00	1.00	-	-	-
Recreation Coordinator	-	-	1.00	1.00	1.00
Recreation Programmer	1.00	1.00	1.00	1.00	1.00
PW Maint. Workers (8)	8.00	8.00	8.00	8.00	8.00
FTE's	13.00	13.00	13.00	13.00	13.00
<b>Seasonal and Interns</b>					
Public Works	1.49	2.06	2.00	2.06	2.00
Parks and Rec.	1.56	2.43	2.00	2.43	2.00
Finance and Admin Intern	1.50	0.00	0.25	0.00	0.00
Engineering Intern	0.50	0.50	0.50	0.50	0.00
Community Development Intern	1.50	0.00	0.00	0.00	0.00
FTE's	6.55	4.99	4.75	4.99	4
<b>Total FTE's</b>	<b>32.55</b>	<b>31.99</b>	<b>31.75</b>	<b>32.99</b>	<b>31.00</b>

In comparison to the chart above, the chart below shows the total number of employees hired to work for the City, that compose of the FTE's listed above. Note in 2016 an extra employee was added to PW Seasonal for rain garden maintenance.

**Head Count of Total Number of Employees**

	2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Adopted</u>
<b>Full Time Employees</b>	27	27	27	27
<b>Part Time Employees</b>	-	-	-	-
<b>Public Works Seasonal</b>	8	8	8	9
<b>Parks &amp; Recreation Seasonal</b>	37	36	36	36
<b>Interns</b>				
<i>Administration</i>		-	-	-
<i>Community Development</i>	1	-	-	-
<i>Engineering</i>	1	1	-	-
<i>Finance</i>	1	-	-	-
<i>Public Works</i>	-	-	-	-
<b>Total Employees</b>	75	72	71	72

(Count includes all employees that received a pay check at any point in the year)  
(Council Members were omitted)

The following page shows the 2016 payroll and benefit allocation by person to each department. This page also shows how the Administrative Charge is calculated for the Administration, Finance, and Government Buildings Departments to other funds.

## **Employee Benefits**

The City of Arden Hills has one employee association which represents the Public Works union employees. All other employees of the City are unrepresented. The current contract expires December 31, 2015, and a contingency has been set up in the General Fund and Utility Funds. The assumed salary and benefit increases for budgeting purposes are as follows:

Salary increases throughout the budget include step increases for employees and a 3.00% COLA for union employees and a 3.00% COLA for non-union employees. The City pays \$728.62 toward health insurance premiums and dental.

Health	6.5%
Dental	2.9%
Life	0.0%
Disability	0.0%

All of the above costs are included in the budget as presented.

## Employee Compensation

Salaries included in this budget are based on pay grades and steps, the following salaries have been calculated using the City's compensation system and the each employee's classification in that system.

<u>Title</u>	<u>Total Salary Payable</u>
City Administrator	\$ 128,958
Dir of Finance & Admin Svcs	115,747
Accounting Analyst	68,014
Finance Analyst	64,155
Accounting Clerk	55,823
City Clerk	72,740
Deputy City Clerk	56,519
Office Support Specialist	52,950
Customer Support Specialist	52,397
Community Development Dir	115,747
Building Official	86,359
Building Inspector	69,479
City Planner	71,381
Associate Planner	68,510
Public Works Director	115,747
Superintendant of PW	76,293
Asst. Engineer	88,337
Recreation Coordinator	59,342
Recreation Programmer	46,658
PW Maintenance	55,434
PW Maintenance	55,659
PW Maintenance	43,561
PW Maintenance	55,659
PW Maintenance	55,659
PW Maintenance	54,998
PW Maintenance	55,659
PW Maintenance	55,659
Total Budget for Full-Time Employees	\$ 1,897,444
Mayor	\$6,100
Councilmember	5,700

**2016 Payroll Allocation**  
2016 Budget

	Admin 41300	TCAAP 41800	Emergency Mgmt 2015	Prot Inspect 2015	Govt Bldg 2015	Finance 41500	Streets 43100	Parks 45200	Rec 42120	Cable 41960	Tech 49300	Water 49440	Sewer 49490	Recycling Wtr Mgmt 49520	EDA 47300	Engr 49600	Risk Mgmt 49600	Central Garage 49700	Total	FTE	
<b>Administration</b>	50.25%	10.00%	3.50%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	10.00%	1.75%	1.75%	1.75%	10.00%	1.75%	1.75%	1.75%	100.00%	1.00	
Administrator	60.00%																			100.00%	0.00
Assistant City Administrator																					1.00
<b>FTE's</b>	<b>0.5025</b>	<b>0.1</b>	<b>0.035</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.1</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	<b>1.00</b>	<b>1.00</b>
<b>Finance &amp; Support Services</b>	10.00%					15.00%			5.00%	5.00%	2.00%	18.00%	18.00%	2.00%	5.00%	2.00%	3.00%	2.00%	100.00%	1.00	
Finance Director						19.00%			0.00%	0.00%	2.25%	23.25%	23.25%	2.25%	2.25%	2.25%	2.25%	2.25%	100.00%	1.00	
Accounting Analyst						19.00%			2.50%	2.50%	1.00%	25.00%	25.00%	2.50%	25.00%	2.50%	2.25%	2.25%	100.00%	1.00	
Accounting Clerk						6.50%			1.75%	1.75%	0.00%	30.00%	30.00%	1.75%	30.00%	3.00%	3.00%	3.00%	100.00%	1.00	
City Clerk	40.00%								25.00%	25.00%	1.00%	10.00%	10.00%	10.00%	10.00%	1.00%	3.00%	3.00%	100.00%	1.00	
CS Off SupSpec	10.00%	20.00%		42.50%			5.00%		15.00%	15.00%	2.50%	2.50%	2.50%	2.50%	0.00%	0.00%	0.00%	0.00%	100.00%	1.00	
Deputy Clerk	10.00%	5.00%		0.00%			7.50%	2.50%	5.00%	5.00%	5.00%	15.00%	15.00%	5.00%	5.00%	5.00%	5.00%	5.00%	100.00%	1.00	
CSR I	20.00%			5.00%	5.00%	5.00%			35.00%	35.00%		10.00%	10.00%	10.00%	10.00%				100.00%	1.00	
<b>FTE's</b>	<b>0.9</b>	<b>0</b>	<b>0.25</b>	<b>0</b>	<b>0.475</b>	<b>0.05</b>	<b>0.125</b>	<b>0.025</b>	<b>0.5</b>	<b>0.5425</b>	<b>0.0625</b>	<b>1.3375</b>	<b>1.3375</b>	<b>0.135</b>	<b>1.3375</b>	<b>0.11</b>	<b>0.0425</b>	<b>0.0825</b>	<b>0.0425</b>	<b>8.00</b>	<b>8.00</b>
<b>Community Development</b>	15.00%	30.00%	25.00%	15.00%	5.00%										15.00%				100.00%	1.00	
Comm Dev Director				95.00%																100.00%	1.00
Bldg Official				100.00%																100.00%	1.00
Bldg Inspector																				100.00%	1.00
Planner	5.00%	50.00%	90.00%		0.00%					0.00%				5.00%						100.00%	1.00
Associate Planner			25.00%												25.00%					100.00%	1.00
<b>FTE's</b>	<b>0.2</b>	<b>0.8</b>	<b>1.4</b>	<b>0</b>	<b>2.1</b>	<b>0.05</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.05</b>	<b>0</b>	<b>0.4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.00</b>	<b>5.00</b>
<b>Public Works</b>		3.00%					12.00%	10.00%	5.00%			20.00%	20.00%	20.00%	20.00%	5.00%		5.00%	100.00%	1.00	
Public Works Director							20.00%	20.00%				20.00%	20.00%	10.00%	10.00%	5.00%		5.00%	100.00%	1.00	
Public Works Superintendent							0.00%	0.00%				0.00%	0.00%	0.00%	0.00%				100.00%	1.00	
Assistant Engineer																				100.00%	1.00
Recreation Coordinator	0.00%				10.00%		0.00%	0.00%	90.00%			0.00%	0.00%							100.00%	1.00
Recreation Programmer							0.00%	0.00%	100.00%			0.00%	0.00%							100.00%	1.00
PW Maint Workers (B)					1.25%		18.75%	25.00%				18.75%	25.00%	11.25%						100.00%	8.00
<b>FTE's</b>	<b>0</b>	<b>0.03</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.25</b>	<b>1.82</b>	<b>2.3</b>	<b>1.95</b>	<b>0</b>	<b>0</b>	<b>1.9</b>	<b>2.4</b>	<b>0</b>	<b>1.2</b>	<b>0</b>	<b>105.00%</b>	<b>0.00%</b>	<b>0.1</b>	<b>13.00</b>	<b>13.00</b>
<b>Total FTE's</b>	<b>1.6025</b>	<b>0.93</b>	<b>1.685</b>	<b>0.0175</b>	<b>2.5925</b>	<b>0.3675</b>	<b>1.9625</b>	<b>2.3425</b>	<b>2.4675</b>	<b>0.56</b>	<b>0.0625</b>	<b>3.255</b>	<b>3.755</b>	<b>0.2025</b>	<b>2.555</b>	<b>0.61</b>	<b>1.11</b>	<b>0.1</b>	<b>0.16</b>	<b>27.00</b>	<b>27.00</b>



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## **Fiscal Policies**

### **Financial Management Policies**

Arden Hills has an important responsibility to its citizens to plan the adequate funding of services desired by the public, including the provision and maintenance of public facilities, to manage municipal finances wisely, and to carefully account for public funds. The City strives to ensure that it is capable of adequately funding and providing local government services needed by the community. The City will maintain or improve its infrastructure on a systematic basis to insure its citizens will maintain quality neighborhoods.

In order to achieve this purpose, this plan has the following objectives for the City's fiscal performance:

- 1) To protect the City Council's policy-making ability by ensuring that important decisions are not controlled by financial problems or emergencies.
- 2) To enhance the City Council's policy-making ability by providing accurate information on the full cost of various authority or service levels.
- 3) To assist sound management of the City government by providing accurate and timely information on financial condition.
- 4) To provide sound principles to guide the important decisions of the City Council and of management which have significant fiscal impact.
- 5) To set forth operational principals which minimize the cost of local government, to the extent consistent with services desired by the public, and which minimize financial risk.
- 6) To employ revenue policies and forecasting tools to prevent undue or unbalanced reliance on certain revenues, especially property taxes, which distribute the cost of municipal services fairly, and which provide adequate funds to operate desired programs.
- 7) To provide essential public facilities and prevent deterioration of the City's infrastructure including its various facilities.
- 8) To protect and enhance the City's credit rating and prevent default on any municipal debts.
- 9) Ensure the legal use and protection of all City funds through a good system of financial and accounting controls.
- 10) Record expenditures in a manner, which allocates to current taxpayers and/or users the full cost of providing current services.

## **Fiscal Policies**

To achieve these objectives the following fiscal policies have been adopted by the City or unwritten followed policies to guide the City's budgeting and financial planning process. The City recognizes that additional policies need to be adopted in the future to reflect on-going procedures and City practices that have never been written down or formally approved by City Council. Each fiscal policy section includes the purpose and a description. The policies below are summaries of the actual adopted or unwritten policies, which will be available on the City's website in the future.

### **Operating Budget Policies**

#### **Purpose**

The operating budget policies ensure that the City's annual operating expenditures are consistent with past expenditures and respond to long-term objectives rather than short-term benefits. The policies allow the City to maintain a stable level of service, expenditures and tax levies over time. The policy is most critical to programs funded with property tax revenue because accommodating large fluctuations in this revenue source can be difficult.

#### **Goals**

1. Maintain a stable level of City services
2. Avoid large property tax fluctuations
3. Maintain sound budgetary controls

#### **Policy**

The City will always adopt a balanced operating budget for the General Fund. The definition of a balanced budget is that budgeted revenues equal budgeted expenditures and thus, creating no change to the fund balance for the fund. The City's various other funds may have unbalanced budgets based on the timing of revenues and expenditures. The City will pay for current expenditures with current revenues. The City will avoid balancing current revenues with funds necessary for future expenses. Left over revenue from a given fiscal year will be placed in the City's reserves according to the City's reserve policies. The City will avoid postponing expenditures, rolling over short-term debt and using reserves to balance the operating budget. To protect against unforeseen events, the City will budget a contingency and maintain reserves according to the City's reserve policies. The City staff will monitor revenues and departmental expenditures to adhere to their budgeted amounts. Line items within a fund

# **Fiscal Policies**

may be overspent as long as the total fund budget is not overspent. Only the City Council can approve a fund be overspent. City staff will prepare for Council review quarterly financial summary reports.

## **Revenue Policies**

### **Purpose**

The revenue policies are designed to ensure 1) diversified and stable revenue sources, 2) adequate long-term funding by using specific revenue sources to fund related programs and services, and 3) funding levels to accommodate all City services and programs equitable.

### **Goals**

1. Provide adequate funding sources for funding City services and programs.
2. Avoid large budget fluctuations.
3. Provide a diversified revenue source and limit dependency on one or two revenue sources.

### **Policy**

The City will maintain a diversified and stable revenue system in order to avoid short-term fluctuations in a single revenue source. The City will conservatively estimate its annual revenues by an objective, analytical process. All existing and potential revenue sources will be re-examined annually. The City will use one-time or special purpose revenue for capital expenditures or for expenditures required by the revenue, and not to subsidize recurring personnel, operation and maintenance costs. The City will establish all fees and charges at a level related to the cost of providing the services, or as adjusted for particular program goals. Each year, the City will review the full cost of activities supported by fees and charges to identify the impact of inflation and other cost increases and will review these fees and charges along with resulting net tax costs with City Council at budget time. The City will seek a balanced tax base through support of a sound mix of residential, commercial, and industrial development. The City will set Enterprise Fund fees at a level that fully supports the total direct and indirect cost of the activity (net of any grants or similar revenues), including depreciation of capital assets and debt service, to maintain a positive cash flow and provide adequate working capital. Replacement (or bonding for replacement) of enterprise infrastructure will be paid for from

# **Fiscal Policies**

accumulated (or annual) earnings of the particular fund. The City will offset reduced revenues with reduced expenditures.

## **Expenditure Policies**

### **Purpose**

The expenditure policies are designed to ensure proper funding of services.

### **Goals**

1. Maintain a stable level of services provided.
2. Respond to long-term objectives of the City.

### **Policy**

The City will adopt and maintain a balanced General Fund budget in which expenditures will not exceed reasonable estimated resources and revenue. The City will pay for all current operation and maintenance expenses from current revenue sources. The operating budget will provide for the adequate maintenance of capital assets and equipment. The City will maintain a budgetary control system, which will enable it to adhere to the adopted budget. This includes a centralized record keeping system to be adhered to by all departments receiving annual appropriations. Proposed major budgeted expenditures such as new positions, equipment acquisitions, and capital improvements will have City Council approval. The Finance Department will prepare and maintain at least quarterly financial reports comparing actual revenues and expenditures to budgeted amounts for Council review. The City will develop and implement an effective risk management program to minimize losses and reduce costs. The City will cooperate and coordinate with other governmental agencies in an effort to provide maximum services at minimum costs.

## **Accounting, Auditing and Financial Reporting Policy**

### **Purpose**

The accounting, auditing and financial reporting policies are designed to maintain a system of financial monitoring, control and reporting for all operations and funds in order to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's residents and investors that the City is well managed and fiscally sound.

## **Fiscal Policies**

### **Goals**

1. Maintain a financial system that is sound, effective, well managed, and open to City staff, Council, and residents.

### **Policy**

The City will adhere to a policy of full and open public discourse of all financial activity. The proposed budget will be prepared in a manner to maximize its understanding by citizens and elected officials. Financial documents will be available to all interested parties on the City's website or copies can be provided. Opportunities will be provided for full citizen participation prior to adopting the budget.

The City will maintain its accounting records and report on its financial condition and results of operations in accordance with City, State and Federal law and regulations, and Generally Accepted Accounting Principles (GAAP), and standards established by the Governmental Accounting Standard Board (GASB). Budgetary reporting will be in accordance with City and State budget laws, regulations, and guidelines.

An independent firm of certified public accountants will annually perform a financial and compliance audit of the City's financial statements. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR).

As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR). The City will also annually seek to obtain the GFOA's award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR). The CAFR and PAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.

## **Reserve Policies**

### **Purpose**

The purpose of the City's reserve funds are to provide 1) a stable funding source for expenditures that fluctuate significantly each year, for example, equipment acquisitions and replacements, 2) working capital to maintain a sufficient cash flow, 3) provide funding of services during periods of

budget shortfalls or other revenue reductions during a budget year, and 4) a stable or improved credit rating.

### **Goals**

1. Maintain a stable level of services provided by the City.
2. Provide working capital during the fiscal year.
3. Maintain or improve the City's credit rating.

### **Policy**

The City's goal is to maintain a General Fund balance reserve of 50 percent of the General Fund's operating budget as assigned for working capital to provide cash flow between its two semiannual tax payments (July and December).

At the end of the fiscal year, if the General Fund's fund balance has a reserve for working capital at a minimum balance of 50% of next year's operating budget, the remaining fund balance can be assigned for a specific use or transferred to other funds for the funding of future improvement projects or equipment purchases as approved by the City Council.

Special Revenue Funds will commit fund balances for the intended use that created the fund. Committed fund balances will first be used when paying expenditures, then assigned fund balances, and lastly unassigned fund balances.

Fund balances in Debt Service Funds are restricted for future debt payments.

Excess balances in Capital Funds will be used to reduce debt issues or be used to fund future capital projects. The fund balances in these funds will fluctuate based on the timing of funding sources and expenditures.

Enterprise Funds shall maintain a fund balance to help finance infrastructure replacements and the addition of new capital facilities, such as water towers or lift stations.

## **Investment Policies**

### **Purpose**

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds.

# **Fiscal Policies**

## **Goals**

1. Safeguard funds on behalf of the City.
2. Meet the daily operating cash flow demands.
3. Assure the availability of Capital Funds when needed.
4. Conform to all applicable Federal, State and/or Local statutes governing the investment of public funds.
5. Invest public funds in a manner which maximizes returns.

## **Policy**

The City will regularly analyze its cash flow need of all funds. The City will seek to place all of its deposits and investments with Minnesota depositories and/or brokers. A market average rate of return will be sought throughout budgetary and economic cycles. The investment strategy will take into account the constraints on risk and cash flow characteristics of the investment portfolio.

The City will pool cash from its different funds and invest the idle funds with compliance to State and Federal laws at the highest rate of return possible, while maintaining a diversified investment portfolio. Interest earnings and market value adjustment will be credited to the source of the invested monies at the end of each year based on the average cash balances during the year. The City Council will be provided a listing of the City's investment portfolio at the end of each quarter.

## **Debt Policies**

### **Purpose**

The debt policies ensure that the City's debt 1) does not weaken the City's financial structure; and 2) provide limits on debt to avoid problems in servicing debt. This policy is critical for maintaining the best possible credit rating.

### **Goals**

1. Maintain the City's financial integrity.
2. Maintain or improve the City's credit rating.
3. Avoid large property tax increases due to debt payment requirements.

### **Policy**

The City will not use long-term debt for current operations. The City will avoid the issuance of short-term debt, such as Budget, Tax and Revenue Anticipation Notes. The City will confine long-term borrowing to capital improvements,

## **Fiscal Policies**

equipment or projects that have a life of more than 5 years and cannot be financed from current revenues. The City will use special assessments, revenue bonds, and/or any other available self-liquidating debt measures instead of general obligation bonds where and when possible, applicable and practical. The City will pay back debt within a period not to exceed the expected life of the project. The City will not exceed three percent of the market value of taxable property for general obligation debt per state statutes.

The City will maintain good communications with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The City will comply with Securities Exchange Commission (SEC) reporting requirements. The City will refinance or call any debt issue when beneficial for future savings. The City will follow a policy of full disclosure on financial reports and bond prospectus.

## **Capital Asset Policies**

### **Purpose**

The Capital Asset Policy is designed to provide guidance to City staff involved in purchasing, recording, tracking, and disposing of capital assets by specifying procedures to be followed.

### **Goals**

1. To ensure that capital assets are tracked and recorded consistently and according to policy.
2. To provide an internal control structure over capital assets.
3. To provide accurate capital asset values and records to annual financial statements and reporting.

### **Policy**

A capital asset is an asset or item with a cost of at least \$5,000 per asset and a life expectancy of greater than one year. The classes of capital assets will be: land, building and structures, infrastructure improvements, machinery and equipment, office furniture and equipment, vehicles, and construction in progress.

Donations of capital assets are recorded at estimated fair market value at the date of acquisition. Depreciation is the allocation of the cost of a depreciable capitalized asset over its estimated useful life. Straight-line depreciation will be the

method used to allocate the cost on an annual basis. Land, easements and construction in progress are not considered depreciable assets.

Department heads shall be responsible for reporting disposal of capital assets to the Finance Department. The Finance Department will distribute a list of inventory, by department, to each department head annually during the fall of each year for the purpose of conducting an inventory. Physical inventory will be conducted at least every four years by the Finance Department staff. Random inventories may be conducted at any time.

## **Capital Improvement Program Policies**

### **Purpose**

The purpose of the capital improvement policy is to plan for the construction and replacement of infrastructure, along with the purchase and replacement of capital equipment of the City with as little impact to the City's funds and taxpayers as possible.

### **Goals**

1. Avoid large budget and property tax fluctuations due to capital improvements and equipment purchase.
2. Strategically plan the replacement and construction of infrastructure and the purchase or replacement of capital equipment so that improvements and purchases are not needed in one fiscal year but spread out over time.

### **Policy**

The City will develop a multi-year plan for capital improvements and equipment and update it annually. The City will identify the estimated cost and potential funding sources for each capital project. The City will coordinate development of the Capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in the operating budget. The city will use inter-governmental assistance to finance those capital improvements that are consistent with the capital improvement plan and City priorities. The City will maintain all its assets at a level adequate to protect the City's and its citizens' capital investment and to minimize future maintenance and replacement costs. Federal, State and other intergovernmental and private funding sources of a special revenue nature shall

## **Fiscal Policies**

be sought out and used as available to assist in financing capital improvements.

### **Risk Management Policies**

#### **Purpose**

The risk management policy assures proper insurance coverage of City assets while minimizing risk and cost.

#### **Goals**

1. Build a fund balance that would allow the City to increase deductible limits in order to reduce premium costs.

#### **Policy**

Insurance policies will be analyzed regularly to assure proper coverage and deductibles on City assets. The City will maintain the highest deductible amount, considered prudent in light of the relationship between the cost of insurance and the City's ability to sustain the loss.

Besides these policies, the City follows many unwritten practices and procedures when it comes to handling the City's finances and budgeting. In the future more of the unwritten practices will be formatted into written formal policies to guide current and future City staff and Councils.



## **Capital Improvement Plan**

Included in the budget are capital expenditures and capital improvements. The following information is the City of Arden Hills' Capital Improvement Plan for 2016.

The City has developed a 5-year Capital Improvement Plan, approved by the City Council. This plan includes detailed policies and procedures for budgeting and managing the projects included in the plan.

Included in this document are the project sheets for projects included in plan. The budgeted amounts for 2016 of each project are included in the appropriate fund as indicated on the project sheet.

As funding is approved, budget adjustments will be requested when the project is approved and contracts awarded.

Capital Projects are listed on pages 181 through 218

Capital Equipment is listed on pages 219 through 244



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City of Arden Hills, Minnesota

Capital Improvement Plan

2016 thru 2020

PROJECTS BY CATEGORY

Category	Project#	Priority	2016	2017	2018	2019	2020	Total
<b>Economic Devl Improvement</b>								
Gateway Signs	16-EDA-001	n/a		45,000	0			45,000
<b>Economic Devl Improvement Total</b>				<b>45,000</b>	<b>0</b>			<b>45,000</b>
<b>Equipment: Office</b>								
Springbrook Software Upgrades	12-Tec-001	n/a	5,000	5,000	5,000	5,000	5,000	25,000
Technology and Office Equipment	12-Tec-002	n/a	5,000	5,000	5,000	5,000	5,000	25,000
Communications Equipment	12-Tec-003	n/a	2,000	2,000	2,000	2,000		8,000
New Voting System	14-Tec-005	1	26,925					26,925
Audio Visual Equipment	16-Tec-001	n/a	10,000					10,000
<b>Equipment: Office Total</b>			<b>48,925</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>10,000</b>	<b>94,925</b>
<b>Park Capital Equipment</b>								
Playground Structure Replacement	11-Park-003	n/a	75,000	65,000	125,000	120,000	45,000	430,000
<b>Park Capital Equipment Total</b>			<b>75,000</b>	<b>65,000</b>	<b>125,000</b>	<b>120,000</b>	<b>45,000</b>	<b>430,000</b>
<b>Park Capital Improvements</b>								
Forestry Implementation Plan	11-Park-004	n/a	5,000	5,000	5,000	5,000		20,000
Development of TCAAP Park Facilities	17-Park-001	3			2,500,000	2,500,000	2,000,000	7,000,000
Hard Court Reconstruction	18-Park-001	3		40,000	40,000	40,000	50,000	170,000
<b>Park Capital Improvements Total</b>			<b>5,000</b>	<b>45,000</b>	<b>2,545,000</b>	<b>2,545,000</b>	<b>2,050,000</b>	<b>7,190,000</b>
<b>Public Safety</b>								
Lake Johanna Fire Dept Equipment	09-Pub-001	n/a	45,411	225,792	35,427	10,413	50,960	368,003
<b>Public Safety Total</b>			<b>45,411</b>	<b>225,792</b>	<b>35,427</b>	<b>10,413</b>	<b>50,960</b>	<b>368,003</b>
<b>Sanitary Sewer Maintenance</b>								
Sewer Lining/Rehabilitation	09-Sew-002	3	0	500,000	0	500,000	0	1,000,000
<b>Sanitary Sewer Maintenance Total</b>			<b>0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>1,000,000</b>
<b>Storm Water Maintenance</b>								
Storm Pond Maintenance	09-Storm-001	3	0	50,000	0	50,000		100,000
Storm Water Inlet/Outlet Repairs	13-Storm-001	3	0	25,000	0	25,000		50,000
Storm Water BMP Study	17-Storm-001	3	50,000	125,000				175,000
<b>Storm Water Maintenance Total</b>			<b>50,000</b>	<b>200,000</b>	<b>0</b>	<b>75,000</b>		<b>325,000</b>
<b>Streets: Reconstruction</b>								
Co. Rd. D and Shorewood Drive	17-Str-002	3		600,000				600,000
Old Snelling Ave including Bridge Reconstruction	17-Str-004	3		1,750,000				1,750,000

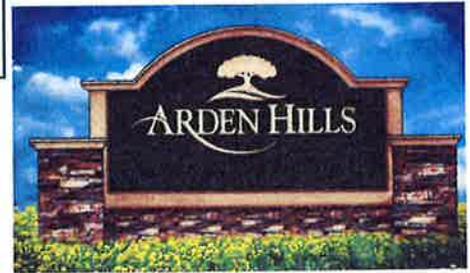
Category	Project#	Priority	2016	2017	2018	2019	2020	Total
<b>Streets: Reconstruction Total</b>			<b>2,350,000</b>					<b>2,350,000</b>
<b>Streets: Misc</b>								
Regulatory Street Sign Replacement Program	11-Str-001	3	10,000					10,000
Lexington Avenue Improvement (I-694 to CR F)	14-Str-001	3	300,000					300,000
Hwy 96 and County Road F Sidewalk Improvement	14-Str-002	3	50,000	425,000				475,000
MnDOT Bridge Projects	15-Str-061	3	300,000	100,000				400,000
Concrete Curb and Gutter Replacement	16-Str-001	3	65,000					65,000
Hwy 96 Landscaping	17-Str-003	4		600,000				600,000
CR E Sidewalk and Old Hwy 10 Trail (Bethel)	18-Str-003	3		100,000	1,000,000			1,100,000
<b>Streets: Misc Total</b>			<b>725,000</b>	<b>1,225,000</b>	<b>1,000,000</b>			<b>2,950,000</b>
<b>Utility Improvements</b>								
Reconstruct Lift Stations 11	10-Sew-003	3	225,000	10,000				235,000
TCAAP Trunk Sanitary Sewer & Lift Station	16-Sew-001	3		1,200,000				1,200,000
TCAAP New Booster Station	16-W-001	3		1,000,000				1,000,000
TCAAP Trunk Water Improvements (Spine Road)	16-W-002	3		1,000,000				1,000,000
TCAAP Water Tower	16-W-003	3		4,800,000				4,800,000
<b>Utility Improvements Total</b>			<b>225,000</b>	<b>8,010,000</b>				<b>8,235,000</b>
<b>Utility Maintenance</b>								
Water Towers Repair and Repainting	12-W-001	3		900,000				900,000
Valve Replacement Program	13-W-001	3	30,000	30,000	35,000	35,000	35,000	165,000
Hydrant Replacement Program	15-W-001	3		40,000		40,000		80,000
CR E2 Water Replacement/Old Hwy 10 Water Loop	17-W-001	4		400,000				400,000
<b>Utility Maintenance Total</b>			<b>30,000</b>	<b>1,370,000</b>	<b>35,000</b>	<b>75,000</b>	<b>35,000</b>	<b>1,545,000</b>
<b>GRAND TOTAL</b>			<b>1,204,336</b>	<b>14,047,792</b>	<b>3,752,427</b>	<b>3,337,413</b>	<b>2,190,960</b>	<b>24,532,928</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 16-EDA-001  
**Project Name** Gateway Signs

**Type** Improvement                      **Department** Economic Development  
**Useful Life**                                      **Contact** Community Devl Dir  
**Category** Economic Devl Improvement      **Priority** n/a



**Description** **Total Project Cost: \$45,000**

Install gateway signs at the major entrance points to the City. Potential locations for the signs include: (1) Highway 96 at Round Lake Boulevard and (2) at Lexington Avenue; (3) County Road E2 at I-35W; (4) County Road E at Highway 51 and (5) at Lexington Avenue; (6) County Road D at Cleveland Avenue (7) Lake Johanna Boulevard at the Roseville border; and (8) Lexington Avenue at the Roseville border. Potential sign locations are listed from north to south and are not in priority order.

The cost for a typical sign is \$25,000 per sign, including installation, lighting, and landscaping is estimated. Actual costs may be more or less depending on the amount of site improvements and/or landscaping that are necessary in a specific location.

The sign that is proposed for consideration in 2017 is at Lexington and Highway 96 and is estimated to cost approximately \$45,000.

The EDA General Fund balance includes approximately \$80,000 in reserves from previous transfers for Gateway signs.

**Justification**

Advance the economic development goals in the 2030 Comprehensive Plan. Implement the Guiding Plan for the B2 District. Work to better identify the entrance points to the City for businesses and visitors. Foster civic pride and community identity.

Prior	Expenditures	2016	2017	2018	2019	2020	Total
0	Construction/Maintenance		45,000	0			45,000
<b>Total</b>	<b>Total</b>		<b>45,000</b>	<b>0</b>			<b>45,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
EDA Revenues		45,000				45,000
<b>Total</b>		<b>45,000</b>				<b>45,000</b>

**Budget Impact/Other**

Annual maintenance costs for sign cleaning and care of landscaped beds surrounding the signs is estimated by the Public Works Department at \$500 per sign annually.

Prior	Budget Items	2016	2017	2018	2019	2020	Total
0	Annual Maintenance Charge	0	0	500	500	500	1,500
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>1,500</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project # 11-Park-003**  
**Project Name Playground Structure Replacement**



**Type** Improvement                      **Department** Parks Department  
**Useful Life**                                      **Contact** Park & Recreation Mgr  
**Category** Park Capital Equipment                      **Priority** n/a

**Description**                                      **Total Project Cost: \$430,000**  
 Play Structures are placed on a 20 year replacement pattern.

**Justification**  
 In order to maintain playground structures that meet current safety guidelines, require a minimum amount of maintenance, and have replacement parts available, a 20 year replacement schedule was established for play structures. The following is a list of play structures, the year they were constructed, the year they are scheduled to be replaced, and the anticipated replacement cost.  
 Perry Park - 2016. This structure was last replaced in 1996. (\$75,000)  
 Hazelnut Park - 2017. This structure was last replaced in 1997. (\$65,000)  
 Freeway Park (\$45,000) & Cummings Park - 2018 (\$80,000). These structures were last replaced in 1998.  
 Arden Manor (\$75,000) & Arden Oaks (\$45,000) - 2019, These structures were last replaced in 1999.  
 Ingerson Park (\$45,000) - 2020, This structure was last replaced in 2000.  
 Includes removal of wood curbing and replacement with concrete curbing.

Expenditures	2016	2017	2018	2019	2020	Total
Construction/Maintenance	75,000	65,000	125,000	120,000	45,000	430,000
<b>Total</b>	<b>75,000</b>	<b>65,000</b>	<b>125,000</b>	<b>120,000</b>	<b>45,000</b>	<b>430,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
Capital Improvement Funds (PIR)	75,000	65,000	125,000	120,000	45,000	430,000
<b>Total</b>	<b>75,000</b>	<b>65,000</b>	<b>125,000</b>	<b>120,000</b>	<b>45,000</b>	<b>430,000</b>

**Budget Impact/Other**  
 Replacement Part Costs

Prior	Budget Items	2016	2017	2018	2019	2020	Total
-800	Maintenance of Parks and Trails	-200	-200				-400
<b>Total</b>	<b>Total</b>	<b>-200</b>	<b>-200</b>				<b>-400</b>

# Capital Improvement Plan

## City of Arden Hills, Minnesota

2016 *thru* 2020

<b>Project #</b>	<b>11-Park-004</b>
<b>Project Name</b>	<b>Forestry Implementation Plan</b>



**Type** Operational Maintenance      **Department** Parks Department  
**Useful Life**      **Contact** Park & Recreation Mgr  
**Category** Park Capital Improvements      **Priority** n/a

<b>Description</b>	<b>Total Project Cost: \$85,000</b>
<p>With the Emerald Ash Borer identified in St. Paul in the spring of 2009, the studies show that the beetles will move out at a rate of one to two miles per year. Roseville found EAB in Langton Park and Northwestern has positive finds on both the Roseville and Arden Hills portion of campus. A positive tree was found in Sampson Park in fall, 2013. Staff has included funding for extra removals and replacements that may be needed for Emerald Ash Borer.</p>	

<b>Justification</b>
<p>The City will have impacts to the Forestry with the Emerald Ash Borer Treatment, Removal and Replacement on the horizon.</p>

Prior	Expenditures	2016	2017	2018	2019	2020	Total
65,000	Construction/Maintenance	5,000	5,000	5,000	5,000		20,000
<b>Total</b>	<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>		<b>20,000</b>

Prior	Funding Sources	2016	2017	2018	2019	2020	Total
65,000	Capital Improvement Funds (PIR)	5,000	5,000	5,000	5,000		20,000
<b>Total</b>	<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>		<b>20,000</b>

<b>Budget Impact/Other</b>
<p>Removal and Replacement will be a large impact.</p>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>17-Park-001</b>
<b>Project Name</b>	<b>Development of TCAAP Park Facilities</b>

<b>Type</b> Improvement	<b>Department</b> Parks Department
<b>Useful Life</b> 20	<b>Contact</b> Public Works Director
<b>Category</b> Park Capital Improvements	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$7,000,000</b>
This item is for the park development (not land acquisition) of park areas throughout TCAAP.	

<b>Justification</b>
Ramsey County will be providing park land with the development of TCAAP but the City will be required to develop the parks. An estimate has been made of \$7.0 million for full build out of all the park areas according to the approved plan.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Construction/Maintenance			2,500,000	2,500,000	2,000,000	7,000,000
<b>Total</b>			<b>2,500,000</b>	<b>2,500,000</b>	<b>2,000,000</b>	<b>7,000,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Park Capital Fund (Park Dedication Fees)		2,500,000	2,500,000	2,000,000		7,000,000
<b>Total</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>2,000,000</b>		<b>7,000,000</b>

<b>Budget Impact/Other</b>

# Capital Improvement Plan

## City of Arden Hills, Minnesota

2016 *thru* 2020

**Project #** 18-Park-001  
**Project Name** Hard Court Reconstruction

**Type** Improvement  
**Useful Life** 20-25  
**Category** Park Capital Improvements

**Department** Parks Department  
**Contact** Public Works Director  
**Priority** 3 Important



**Description** **Total Project Cost: \$170,000**

The Maintenance Plan has placed the City's hard court play area's on a 5-7 year resurface schedule. Floral Park was last replaced in 2012. At that time, it was recommended that the City reconstruct that court in 5-6 years. There are structural cracks that cannot be corrected with a basic resurface. Hazelnut was resurfaced in 2013 and is scheduled to be reconstructed in 2019. Royal Hills was resurfaced in 2013 and is scheduled to be reconstructed in 2020.

**Justification**

The cracks at Floral Park, Hazelnut Park and Royal Hills cannot be resolved through a basic resurface. The court at Floral is surrounded by trees and roots are intruding into the playing surface. The constant leaves on the court and root intrusion reduces the life of this court. The City did root cutting and tree trimming/removal around the entire Floral court in 2012. This will help to keep the roots from continuing into the court area. Staff does not know the exact date the Floral court was built but estimates in the early 1980's. Hazelnut was built in 1981 and Royal Hills in 1986. The court life is usually 25-30 years.

Note: Added a court reconstruction to 2017 for Johanna Marsh. It was scheduled to be recoated in 2015 but the condition is such that recoating would be a not cost effective as the court should be reconstructed. The order of the courts planned to be reconstructed could be switched but all three should ultimately be done. 7/7/15 TJM

Expenditures	2016	2017	2018	2019	2020	Total
Construction/Maintenance		40,000	40,000	40,000	50,000	170,000
<b>Total</b>		<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>50,000</b>	<b>170,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
Capital Improvement Funds (PIR)		40,000	40,000	40,000	50,000	170,000
<b>Total</b>		<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>50,000</b>	<b>170,000</b>

**Budget Impact/Other**



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 09-Sew-002  
**Project Name** Sewer Lining/Rehabilitation

**Type** Maintenance **Department** Sanitary Sewer Department  
**Useful Life** 30 **Contact** Public Works Director  
**Category** Sanitary Sewer Maintenance **Priority** 3 Important

**Description** **Total Project Cost: \$4,300,000**  
 Sewer Lining and Rehabilitation.  
 Note: Increased 2013 amount to 500,000 because there will likely be another round of I&I elimination grants from MCES. Will not use addition dollars unless they can be leveraged for grant monies. 5/21/12 TJM  
 Note: An analysis of our system shows that we still have approximately 18 miles (40%) that are old clay lines subject to infiltration and root intrusion. It was estimated it would cost \$3,500,000 to line all of these clay lines over the next 20 years. Estimated expenditures have been extended for 20 years to reflect this cost. 10/1/12 TJM

**Justification**  
 As part of our sanitary sewer program, lines found with holes and cracks allowing for infiltration should be lined or repaired as needed. As the sewer infrastructure is aging, we should plan for a rehabilitation project on an annual basis.  
 Note: increased 2017 and 2019 budget to \$500K anticipating another round State Grants

Prior	Expenditures	2016	2017	2018	2019	2020	Total	Future
1,200,000	Construction/Maintenance	0	500,000	0	500,000	0	1,000,000	2,100,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>1,000,000</b>	<b>Total</b>

Prior	Funding Sources	2016	2017	2018	2019	2020	Total	Future
1,200,000	Sanitary Sewer Utility Fund	0	500,000	0	500,000	175,000	1,175,000	1,925,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>175,000</b>	<b>1,175,000</b>	<b>Total</b>

**Budget Impact/Other**  
 This project will help the overall I&I reduction program. Savings are estimated at this time based on part of the surcharge fees for I&I by the Metropolitan Council.

Prior	Budget Items	2016	2017	2018	2019	2020	Total
-30,000	Surcharge	-5,000					-5,000
<b>Total</b>	<b>Total</b>	<b>-5,000</b>					<b>-5,000</b>



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>16-Sew-001</b>
<b>Project Name</b>	<b>TCAAP Trunk Sanitary Sewer &amp; Lift Station</b>

<b>Type</b> Improvement	<b>Department</b> Sanitary Sewer Department
<b>Useful Life</b> 30	<b>Contact</b> Public Works Director
<b>Category</b> Utility Improvements	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$1,200,000</b>
As the TCAAP site develops it will be served by a trunk sanitary sewer system and a lift station that collects all of TCAAP sewer flow (only TCAAP flow) and carries it through Mounds View to a MCES regional lift station.	

<b>Justification</b>
As Ramsey County starts to develop TCAAP infrastructure the City's sanitary sewer system will be placed in the Spine Road right-of-way.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Construction/Maintenance		1,200,000				1,200,000
<b>Total</b>		<b>1,200,000</b>				<b>1,200,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
County Funds (Assessments)		1,200,000				1,200,000
<b>Total</b>		<b>1,200,000</b>				<b>1,200,000</b>

<b>Budget Impact/Other</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 11-Str-001  
**Project Name** Regulatory Street Sign Replacement Program

**Type** Operational Maintenance      **Department** Street Department  
**Useful Life** 10-12      **Contact** Public Works Director  
**Category** Streets:Misc      **Priority** 3 Important

**Description** **Total Project Cost: \$50,000**

In December 2008, the FHWA adopted changes to the Manual for Uniform Traffic Control Devices (MUTCD) as they relate to reflectivity of regulatory, warning, and guide signs on streets. These changes were adopted to Federal Law. These changes effectively make Engineer Grade signs no longer compliant after 2014. This will be a phased in project beginning with inspection and inventory of our existing signs. This review must be complete before January 2012. After the inspection, a systematic replacement will be developed. All non-compliant regulatory, warning, and ground mounted guide signs must be replaced before January 2015. All non-compliant street name and overhead guide signs must be replaced by January 2018. It is estimated that to maintain the new reflectivity requirements signs will be replaced with Diamond Grade material and replaced at the end of the warranty period; 8-10 years.

Sign posts will also be inventoried and replaced as needed to be in compliance with the Federal law.

**Justification**

To meet new Federal Law requirements.

NOTE: Implementation of the Federal Law was postponed until 2014 so the funds allocated in 2012 have been moved and combined with 2013 monies anticipating work towards meeting the new Federal guidelines will begin in late 2013.

Prior	Expenditures	2016	2017	2018	2019	2020	Total
40,000	Equip/Vehicles/Furnishings	10,000					10,000
<b>Total</b>	<b>Total</b>	<b>10,000</b>					<b>10,000</b>

Prior	Funding Sources	2016	2017	2018	2019	2020	Total
40,000	Capital Improvement Funds (PIR)	10,000					10,000
<b>Total</b>	<b>Total</b>	<b>10,000</b>					<b>10,000</b>

**Budget Impact/Other**

Increased costs for more frequent replacement to meet new retroreflectivity standards













**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b> 17-Str-003
<b>Project Name</b> Hwy 96 Landscaping

<b>Type</b> Improvement	<b>Department</b> Street Department
<b>Useful Life</b> 20-25	<b>Contact</b> Park & Recreation Mgr
<b>Category</b> Streets:Misc	<b>Priority</b> 4 Less Important

<b>Description</b>	<b>Total Project Cost: \$600,000</b>
MnDot and Ramsey County grade separated US 10/Hwy 96 in 2013/2014 and reconstructed the I-35W/Hwy 96 Interchange in 2015/2016. These projects created several new medians and boulevard areas that have not been landscaped as the remainder of the Hwy 96 corridor is through Arden Hills	

<b>Justification</b>
This work will complete the landscaping of the Hwy 96 corridor in Arden Hills

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Construction/Maintenance		600,000				600,000
<b>Total</b>		<b>600,000</b>				<b>600,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Capital Improvement Funds (PIR)		600,000				600,000
<b>Total</b>		<b>600,000</b>				<b>600,000</b>

<b>Budget Impact/Other</b>



# Capital Improvement Plan

2016 *thru* 2020

## City of Arden Hills, Minnesota

Funding Sources	2016	2017	2018	2019	2020	Total
Capital Improvement Funds (PIR)		250,000				250,000
Grant Revenue		125,000				125,000
State Aid Funds		1,325,000				1,325,000
Surface Water Mgmt Utility Funds		50,000				50,000
<b>Total</b>		<b>1,750,000</b>				<b>1,750,000</b>

### Budget Impact/Other

The street has deteriorated past the point where other forms of maintenance are cost-effective. Long-term, reconstruction will provide a consistent roadway section that will reduce costs associated with patching potholes and other pavement failures. Monitoring/maintenance will be required for new stormwater features that are not resident-maintained rain gardens.

Anticipated costs included here are for a Municipal State Aid fundable street rural reconditioning/reconstruction, bridge replacement and detached trail.



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>09-Storm-001</b>
<b>Project Name</b>	<b>Storm Pond Maintenance</b>

<b>Type</b> Maintenance	<b>Department</b> Surface Water Management Dept
<b>Useful Life</b> 20-25	<b>Contact</b> Public Works Director
<b>Category</b> Storm Water Maintenance	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$200,000</b>
Development of a maintenance plan to be implemented to meet MPCA SWPPP requirements.	
Due to new regulations from the MPCA regarding disposal of materials removed from ponds, staff is reviewing best management practices and costs related to these types of projects.	

<b>Justification</b>
Storm pond cleaning and rehabilitation projects to meet surface water quality requirements.

<b>Prior</b>	<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
100,000	Construction/Maintenance	0	50,000	0	50,000		100,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>		<b>100,000</b>

<b>Prior</b>	<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
100,000	Surface Water Mgmt Utility Funds	0	50,000	0	50,000		100,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>		<b>100,000</b>

<b>Budget Impact/Other</b>
There are no operational impacts associated with this project at this time.







**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>12-Tec-002</b>
<b>Project Name</b>	<b>Technology and Office Equipment</b>

<b>Type</b> Technology	<b>Department</b> Technology
<b>Useful Life</b>	<b>Contact</b> Finance Director
<b>Category</b> Equipment: Office	<b>Priority</b> n/a

<b>Description</b>	<b>Total Project Cost: \$25,000</b>
Equipment replacement of copiers, computers, and other various equipment and software. As technology advances, so does software and machines. New licenses must be purchased to upgrade and we must upgrade to stay compatible with other systems we integrate with at other levels, for example, website, CTV, State Auditor's Office, etc.	

<b>Justification</b>
Maintenance on all office equipment, computers, and machines plus software upgrades as old operating systems are no longer supported, we are forced to upgrade our systems, some printers and print drivers will no longer work with current equipment in this ever-changing environment.

<b>Prior</b>	<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
0	Equip/Vehicles/Furnishings	5,000	5,000	5,000	5,000	5,000	25,000
<b>Total</b>	<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>25,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund	5,000	5,000	5,000	5,000	5,000	25,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>25,000</b>

<b>Budget Impact/Other</b>
None

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 12-Tec-003  
**Project Name** Communications Equipment

**Type** Technology                      **Department** Technology  
**Useful Life**                              **Contact** Finance Director  
**Category** Equipment: Office              **Priority** n/a

**Description** **Total Project Cost: \$10,000**  
 Replace and upgrade audio visual and communications equipment as necessary with CTV, website, and in Council Chambers..

**Justification**  
 Communicate information to residents and businesses in a manner and format that is up-to-date, efficient, and professional.

Prior	Expenditures	2016	2017	2018	2019	2020	Total
2,000	Technology	2,000	2,000	2,000	2,000		8,000
<b>Total</b>	<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>		<b>8,000</b>

Prior	Funding Sources	2016	2017	2018	2019	2020	Total
2,000	Special Revenue Cable Fund	2,000	2,000	2,000	2,000		8,000
<b>Total</b>	<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>		<b>8,000</b>

**Budget Impact/Other**  
 Annual equipment maintenance of \$3,000 is currently included in the Cable Fund budget. No additional impact at this time.

Prior	Budget Items	2016	2017	2018	2019	2020	Total
0	Annual Maintenance Charge	0	0				0
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>0</b>				<b>0</b>



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 16-Tec-001  
**Project Name** Audio Visual Equipment

**Type** Technology                      **Department** Technology  
**Useful Life**                                      **Contact** Community Devl Dir  
**Category** Equipment: Office                      **Priority** n/a

**Description** **Total Project Cost: \$10,000**  
 Additional Camera for the City Council Chambers: \$10,000 for a new Camera.

**Justification**  
 Maintenance and replacement for the equipment necessary to broadcast public meetings.

Expenditures	2016	2017	2018	2019	2020	Total
Equip/Vehicles/Furnishings	10,000					10,000
<b>Total</b>	<b>10,000</b>					<b>10,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
Special Revenue Cable Fund	10,000					10,000
<b>Total</b>	<b>10,000</b>					<b>10,000</b>

**Budget Impact/Other**  
 No additional impact as this is a replacement.

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 12-W-001  
**Project Name** Water Towers Repair and Repainting

**Type** Operational Maintenance      **Department** Water Department  
**Useful Life** 15-17      **Contact** Public Works Director  
**Category** Utility Maintenance      **Priority** 3 Important

**Description** **Total Project Cost: \$900,000**

The City has two water towers; a 500,000 gallon north tower and a 1,000,000 gallon south tower. Based on a 2005 inspection report some improvements are needed at the south tower. The north tower was last inspected in 2000 and repairs were undertaken in 2001.

In 2012 both water towers were inspected inside and outside using the "float down" method by Kollmer Consultants, inc of Stacy MN. Based upon these inspections the recommendation is to make minor structural modifications to each of towers together with a complete stripping of the existing paint and a full repainting. Kollmer recommended that the south water tower be completed in the next 1 to 2 years and the north water tower be completed in the next 2 to 3 years.

Note: 7/21/14 Council Worksession moved to 2016 due to TCAAP workload in 2015.  
 Note: 6/4/15 Increased Cost to \$900K due to rising construction costs

**Justification**

In order to proceed with the repairs at the both towers plans and specs need to be prepared based on most recent inspection of the towers by Kollmer Consultants in 2012.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Construction/Maintenance		900,000				900,000
<b>Total</b>		<b>900,000</b>				<b>900,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Water Utility Funds		900,000				900,000
<b>Total</b>		<b>900,000</b>				<b>900,000</b>

**Budget Impact/Other**

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 thru 2020

<b>Project #</b> 13-W-001
<b>Project Name</b> Valve Replacement Program

<b>Type</b> Unassigned	<b>Department</b> Water Department
<b>Useful Life</b> 30	<b>Contact</b> Public Works Director
<b>Category</b> Utility Maintenance	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$750,000</b>
<p>Much of the City's water system was built in the 1960's through 1980's and with the City's "hot soils" there have been many failure of valves in the water system. Failures have ranged from deteriorated bolts to mechanical failure. Most valves have been replaced on an emergency basis thus far. This item is an attempt at planning for a certain amount of valve repair/replacement on an annual basis. It is estimated that over the next 20 years as many as 175 existing valves will need to be repaired/replaced in our system. It is also estimated that the cost per valve will average \$4000 per valve over the 20 years.</p>	

<b>Justification</b>

Prior	Expenditures	2016	2017	2018	2019	2020	Total	Future
90,000	Construction/Maintenance	30,000	30,000	35,000	35,000	35,000	165,000	495,000
<b>Total</b>	<b>Total</b>	<b>30,000</b>	<b>30,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>165,000</b>	<b>Total</b>

Prior	Funding Sources	2016	2017	2018	2019	2020	Total	Future
90,000	Water Utility Funds	30,000	30,000	35,000	35,000	35,000	165,000	495,000
<b>Total</b>	<b>Total</b>	<b>30,000</b>	<b>30,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>165,000</b>	<b>Total</b>

<b>Budget Impact/Other</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>15-W-001</b>
<b>Project Name</b>	<b>Hydrant Replacement Program</b>

<b>Type</b> Unassigned	<b>Department</b> Water Department
<b>Useful Life</b> 30	<b>Contact</b> Public Works Director
<b>Category</b> Utility Maintenance	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$400,000</b>
The City's water system contains approximately 600 hydrants. It is reasonable to expect over the next 20 years some of those hydrants will need to be replaced. Assuming two per year over the next 20 years would mean that 40 hydrants would be replaced; some of these would be with PMP projects. Each replaced hydrant is estimated to cost \$10,000.	

<b>Justification</b>

<b>Prior</b>	<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>	<b>Future</b>
40,000	Construction/Maintenance		40,000		40,000		80,000	280,000
<b>Total</b>	<b>Total</b>		<b>40,000</b>		<b>40,000</b>		<b>80,000</b>	<b>Total</b>

<b>Prior</b>	<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>	<b>Future</b>
40,000	Water Utility Funds		40,000		40,000		80,000	280,000
<b>Total</b>	<b>Total</b>		<b>40,000</b>		<b>40,000</b>		<b>80,000</b>	<b>Total</b>

<b>Budget Impact/Other</b>



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>16-W-002</b>
<b>Project Name</b>	<b>TCAAP Trunk Water Improvements (Spine Road)</b>

<b>Type</b> Improvement	<b>Department</b> Water Department
<b>Useful Life</b> 30	<b>Contact</b> Public Works Director
<b>Category</b> Utility Improvements	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$1,000,000</b>
<p>With the Ramsey County construction of the Spine Road, a TCAAP City trunk water main will also be installed. This improvement will be primarily in the Spine Road right-of-way but will include some water main outside of the right-of-way to get to the water tower site and the connection points to the City's existing system.</p>	

<b>Justification</b>
<p>In order to prepare the TCAAP site for development the City needs to extend trunk utilities into through the site with the construction of the Spine Road.</p>

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Construction/Maintenance		1,000,000				1,000,000
<b>Total</b>		<b>1,000,000</b>				<b>1,000,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
County Funds (Assessments)		1,000,000				1,000,000
<b>Total</b>		<b>1,000,000</b>				<b>1,000,000</b>

<b>Budget Impact/Other</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

**Project #** 16-W-003  
**Project Name** TCAAP Water Tower

**Type** Improvement                      **Department** Water Department  
**Useful Life** 30                              **Contact** Public Works Director  
**Category** Utility Improvements        **Priority** 3 Important

**Description** **Total Project Cost: \$4,800,000**  
Construct a new 1.0-1.5 million gallon water tower (actual size to be determined in final design) on the TCAAP site.

**Justification**  
TCAAP will be served with water by expanding the City's current high pressure zone. Currently the high pressure zone only has a half million gallons of elevated storage. This amount of storage is not sufficient to provide for domestic consumption and fire flow. The additional tower will provide the needed storage. A site for the tower will be provided by Ramsey County on the TCAAP site.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Construction/Maintenance		4,800,000				4,800,000
<b>Total</b>		<b>4,800,000</b>				<b>4,800,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
County Funds (WAC)		3,000,000				3,000,000
Water Utility Funds		1,800,000				1,800,000
<b>Total</b>		<b>4,800,000</b>				<b>4,800,000</b>

**Budget Impact/Other**



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City of Arden Hills, Minnesota  
*Capital Improvement Plan*  
 2016 thru 2020

**PROJECTS BY CATEGORY**

Category	Project#	Priority	2016	2017	2018	2019	2020	Total
<b>Equipment: Public Works</b>								
Replace 1997 Street Sweeper (Unit 103)	13-Eqp-004	3		240,000				240,000
Large Area Mower (Unit 433)	16-Eqp-001	3		80,000				80,000
Replace 1997 Workman (Unit 410)	16-Eqp-002	3	26,000					26,000
Replace Air Compressor (Unit 107)	16-Eqp-004	4		27,500				27,500
Replace 2004 Hotbox (Unit 112)	16-Eqp-007	3	28,000					28,000
Replace 2006 Felling Trailer (Unit 415)	17-Eqp-001	4		10,000				10,000
Brush Chipper (Unit 426)	17-Eqp-005	n/a		26,500				26,500
Add Two Toro "Z" Lawn Mowers (TCAAP)	18-Eqp-001	3			17,000		18,000	35,000
Replace 2005 Felling Trailer Unit (414)	18-Eqp-002	4			10,000			10,000
Replace Two 2014 Toro "Z" Lawn Mowers (451 & 452)	18-Eqp-003	3			24,000			24,000
Add Felling Trailer (TCAAP)	18-Eqp-004	3			10,000			10,000
Replace Easement Sewer Cleaning Machine (Unit 310)	19-Eqp-001	3				70,000		70,000
<b>Equipment: Public Works Total</b>			<b>54,000</b>	<b>384,000</b>	<b>61,000</b>	<b>70,000</b>	<b>18,000</b>	<b>587,000</b>
<b>Vehicles</b>								
Replace 2004 F-250 Pick-up Truck (Unit 213)	14-EqpV-010	3	35,000					35,000
Replace 2005 F-350 One-Ton Truck (Unit 401)	16-EqpV-005	3	44,000					44,000
Add Pick-up Truck (TCAAP)	17-EqpV-004	3		35,000				35,000
Replace 2002 F-450 One Ton Truck (Unit 302)	17-EqpV-001	3		72,000				72,000
Replace 2001 Dump Truck with Used Dump Truck (116)	17-EqpV-002	3		130,000				130,000
Add Plow Truck w/Plow, Wing and Sander (TCAAP)	18-EqpV-001	4				250,000		250,000
Add One-Ton Truck w/Plow, Wing and Sander (TCAAP)	18-EqpV-002	4			82,000			82,000
Add F350 Pick-up with Lift Gate (TCAAP)	18-EqpV-003	4				42,000		42,000
Add Pick-up Truck (TCAAP)	18-EqpV-004	3			40,000			40,000
<b>Vehicles Total</b>			<b>79,000</b>	<b>237,000</b>	<b>122,000</b>	<b>292,000</b>		<b>730,000</b>
<b>GRAND TOTAL</b>			<b>133,000</b>	<b>621,000</b>	<b>183,000</b>	<b>362,000</b>	<b>18,000</b>	<b>1,317,000</b>

1998-1999  
 Financial Statement  
 of the  
 Board of Directors

Account	1998	1999	Change	Account	1998	1999	Change
1000	1000	1000	0	2000	2000	2000	0
1001	1001	1001	0	2001	2001	2001	0
1002	1002	1002	0	2002	2002	2002	0
1003	1003	1003	0	2003	2003	2003	0
1004	1004	1004	0	2004	2004	2004	0
1005	1005	1005	0	2005	2005	2005	0
1006	1006	1006	0	2006	2006	2006	0
1007	1007	1007	0	2007	2007	2007	0
1008	1008	1008	0	2008	2008	2008	0
1009	1009	1009	0	2009	2009	2009	0
1010	1010	1010	0	2010	2010	2010	0
1011	1011	1011	0	2011	2011	2011	0
1012	1012	1012	0	2012	2012	2012	0
1013	1013	1013	0	2013	2013	2013	0
1014	1014	1014	0	2014	2014	2014	0
1015	1015	1015	0	2015	2015	2015	0
1016	1016	1016	0	2016	2016	2016	0
1017	1017	1017	0	2017	2017	2017	0
1018	1018	1018	0	2018	2018	2018	0
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1059	1059	1059	0	2059	2059	2059	0
1060	1060	1060	0	2060	2060	2060	0
1061	1061	1061	0	2061	2061	2061	0
1062	1062	1062	0	2062	2062	2062	0
1063	1063	1063	0	2063	2063	2063	0
1064	1064	1064	0	2064	2064	2064	0
1065	1065	1065	0	2065	2065	2065	0
1066	1066	1066	0	2066	2066	2066	0
1067	1067	1067	0	2067	2067	2067	0
1068	1068	1068	0	2068	2068	2068	0
1069	1069	1069	0	2069	2069	2069	0
1070	1070	1070	0	2070	2070	2070	0
1071	1071	1071	0	2071	2071	2071	0
1072	1072	1072	0	2072	2072	2072	0
1073	1073	1073	0	2073	2073	2073	0
1074	1074	1074	0	2074	2074	2074	0
1075	1075	1075	0	2075	2075	2075	0
1076	1076	1076	0	2076	2076	2076	0
1077	1077	1077	0	2077	2077	2077	0
1078	1078	1078	0	2078	2078	2078	0
1079	1079	1079	0	2079	2079	2079	0
1080	1080	1080	0	2080	2080	2080	0
1081	1081	1081	0	2081	2081	2081	0
1082	1082	1082	0	2082	2082	2082	0
1083	1083	1083	0	2083	2083	2083	0
1084	1084	1084	0	2084	2084	2084	0
1085	1085	1085	0	2085	2085	2085	0
1086	1086	1086	0	2086	2086	2086	0
1087	1087	1087	0	2087	2087	2087	0
1088	1088	1088	0	2088	2088	2088	0
1089	1089	1089	0	2089	2089	2089	0
1090	1090	1090	0	2090	2090	2090	0
1091	1091	1091	0	2091	2091	2091	0
1092	1092	1092	0	2092	2092	2092	0
1093	1093	1093	0	2093	2093	2093	0
1094	1094	1094	0	2094	2094	2094	0
1095	1095	1095	0	2095	2095	2095	0
1096	1096	1096	0	2096	2096	2096	0
1097	1097	1097	0	2097	2097	2097	0
1098	1098	1098	0	2098	2098	2098	0
1099	1099	1099	0	2099	2099	2099	0
1100	1100	1100	0	2100	2100	2100	0



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Budget Items</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment and Vehicle repair costs			-300	-300		-600
<b>Total</b>			<b>-300</b>	<b>-300</b>		<b>-600</b>





**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>16-Eqp-002</b>
<b>Project Name</b>	<b>Replace 1997 Workman (Unit 410)</b>

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 13-15	<b>Contact</b> Public Works Director
<b>Category</b> Equipment: Public Works	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$26,000</b>
Replace the 1997 Toro Workman (unit 410) Hours 1588 (2015)	

<b>Justification</b>
The workman will be 19 years old in 2016 and is used almost every day during the summer. It is reaching its useful (dependable) life. 2014 \$514 2015 \$125

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings	28,000					28,000
Estimated Trade-In Value	-2,000					-2,000
<b>Total</b>	<b>26,000</b>					<b>26,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund	26,000					26,000
<b>Total</b>	<b>26,000</b>					<b>26,000</b>

<b>Budget Impact/Other</b>



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>16-Eqp-007</b>
<b>Project Name</b>	<b>Replace 2004 Hotbox (Unit 112)</b>

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 10-12	<b>Contact</b> Public Works Director
<b>Category</b> Equipment: Public Works	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$28,000</b>
Replace unit 112 the 20004 Hotbox use for bituminous patching	

<b>Justification</b>
Current Hot Box is 2 CY, plan to replace with 4 CY version. This will make the crews more efficient as they can work for most of the day without shutting down to go get more hot mix. Each year more time is spent on bituminous repair as the streets age.
Repairs
2011 \$252
2014 \$543
2015 \$1,126

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings	30,000					30,000
Estimated Trade-In Value	-2,000					-2,000
<b>Total</b>	<b>28,000</b>					<b>28,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund	28,000					28,000
<b>Total</b>	<b>28,000</b>					<b>28,000</b>

<b>Budget Impact/Other</b>



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b> 17-EgpV-004
<b>Project Name</b> Add Pick-up Truck (TCAAP)

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 10-12	<b>Contact</b> Public Works Director
<b>Category</b> Vehicles	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$35,000</b>
Add a pick-up truck to the public works fleet for the sanitary sewer and water service inspections in TCAAP.	

<b>Justification</b>
Public Works does the inspections of new sanitary sewer and water services. With the development of TCAAP expected to begin in 2017 with homes and other buildings this will be a busy position. In order to not take away from current crew capacity as TCAAP develops it may be necessary to add a dedicated staff member and vehicle to provide this service.

Expenditures	2016	2017	2018	2019	2020	Total
Equip/Vehicles/Furnishings		35,000				35,000
<b>Total</b>		<b>35,000</b>				<b>35,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
Equipment/Building Replacement Fund		35,000				35,000
<b>Total</b>		<b>35,000</b>				<b>35,000</b>

<b>Budget Impact/Other</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b> 17-Eqp-001
<b>Project Name</b> Replace 2006 Felling Trailer (Unit 415)

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 13-15	<b>Contact</b> Public Works Director
<b>Category</b> Equipment: Public Works	<b>Priority</b> 4 Less Important

<b>Description</b>	<b>Total Project Cost:</b> \$10,000
Replace 2006 Felling trailer with new 14 foot trailer	

<b>Justification</b>
The 2006 Felling Trailer is showing wear due to significant winter use. It does not meet LMC recommendations for ergonomics of use due to the manual lifting of the access ramps. It is proposed to replace it with a 14 foot trailer with improved ergonomics of operation.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings		10,000				10,000
<b>Total</b>		<b>10,000</b>				<b>10,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund		10,000				10,000
<b>Total</b>		<b>10,000</b>				<b>10,000</b>

<b>Budget Impact/Other</b>





**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b> 17-EqpV-001
<b>Project Name</b> Replace 2002 F-450 One Ton Truck (Unit 302)

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 10-12	<b>Contact</b> Public Works Director
<b>Category</b> Vehicles	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost:</b> \$72,000
Replace Unit 302 a 2002 F450 one ton truck with plow and sander. Milage 60,759	

<b>Justification</b>
The one ton trucks are the " work horse" of the City fleet. They are typically replaced on a 10-12 year rotation. This truck will be 11 years old in 2015. Repairs 2013 \$1,601 2014 \$238 2015 \$132

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings		82,000				82,000
Estimated Trade-In Value		-10,000				-10,000
<b>Total</b>		<b>72,000</b>				<b>72,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund		72,000				72,000
<b>Total</b>		<b>72,000</b>				<b>72,000</b>

<b>Budget Impact/Other</b>





Capital Improvement Plan

2016 thru 2020

City of Arden Hills, Minnesota

<b>Project #</b> 18-Eqp-002
<b>Project Name</b> Replace 2005 Felling Trailer Unit (414)

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 13-15	<b>Contact</b> Public Works Director
<b>Category</b> Equipment: Public Works	<b>Priority</b> 4 Less Important

<b>Description</b>	<b>Total Project Cost: \$10,000</b>
Replace 2005 Felling trailer	

<b>Justification</b>
Replace the 2005 Felling trailer with a 22 foot trailer with better ergonomics

Expenditures	2016	2017	2018	2019	2020	Total
Equip/Vehicles/Furnishings			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
Equipment/Building Replacement Fund			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

<b>Budget Impact/Other</b>



**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b> 18-Eqp-004
<b>Project Name</b> Add Felling Trailer (TCAAP)

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 10-12	<b>Contact</b> Public Works Director
<b>Category</b> Equipment: Public Works	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$10,000</b>
Add a Felling trailer to the fleet to allow for a second mowing crew.	

<b>Justification</b>
Over the course of the development of TCAAP a second mowing crew will need to be added. The trailer will be necessary to carry the mowers and other grass maintenance equipment.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

<b>Budget Impact/Other</b>

**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b>	<b>18-EqpV-001</b>
<b>Project Name</b>	<b>Add Plow Truck w/Plow, Wing and Sander (TCAAP)</b>

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 15	<b>Contact</b> Public Works Director
<b>Category</b> Vehicles	<b>Priority</b> 4 Less Important

<b>Description</b>	<b>Total Project Cost: \$250,000</b>
Add the fourth plow truck with plow, wing and sander due to the start of the development of TCAAP.	
Note: 7/21/14 Council Worksession moved to 2019, will continue to evaluate as TCAAP starts to develop	

<b>Justification</b>
As TCAAP develops the City will have more streets to plow and maintain. In order for the same level of service to be maintained in the existing City at some point a fourth plow route will need to be established. As this date comes closer, the development of TCAAP will be reviewed and this addition to the fleet will be pushed out if appropriate.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings				250,000		250,000
<b>Total</b>				<b>250,000</b>		<b>250,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund				250,000		250,000
<b>Total</b>				<b>250,000</b>		<b>250,000</b>

<b>Budget Impact/Other</b>





**Capital Improvement Plan**  
**City of Arden Hills, Minnesota**

2016 *thru* 2020

<b>Project #</b> 18-EqpV-004
<b>Project Name</b> Add Pick-up Truck (TCAAP)

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 13-15	<b>Contact</b> Public Works Director
<b>Category</b> Vehicles	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost:</b> \$40,000
Add pick-up truck to the public works fleet.	

<b>Justification</b>
With the need to start a second mowing crew for the TCAAP development a truck will be needed to pull the equipment trailer and transport the workers.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equip/Vehicles/Furnishings			40,000			40,000
<b>Total</b>			<b>40,000</b>			<b>40,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Equipment/Building Replacement Fund			40,000			40,000
<b>Total</b>			<b>40,000</b>			<b>40,000</b>

<b>Budget Impact/Other</b>

# Capital Improvement Plan

2016 *thru* 2020

## City of Arden Hills, Minnesota

<b>Project #</b>	<b>19-Eqp-001</b>
<b>Project Name</b>	<b>Replace Easement Sewer Cleaning Machine (Unit 310)</b>

<b>Type</b> Equipment	<b>Department</b> Equipment
<b>Useful Life</b> 20	<b>Contact</b> Public Works Director
<b>Category</b> Equipment: Public Works	<b>Priority</b> 3 Important

<b>Description</b>	<b>Total Project Cost: \$70,000</b>
The easement sewer cleaning machine is jointly owned by Arden Hills nad White Bear Township. In 2019 it will be 20 years old.	

<b>Justification</b>
The easement sewer cleaning maching will be 20 years old in 2019. Being jointly owned by Arden Hills and White Bear Township this piece of equipment gets significant use every year. The funding for this replacement will be split between the two communities. Coordination will be necessary between the two communities regarding having funding available.
Repairs 2014 \$126 2015 \$352

Expenditures	2016	2017	2018	2019	2020	Total
Equip/Vehicles/Furnishings				35,000		35,000
Other				35,000		35,000
<b>Total</b>				<b>70,000</b>		<b>70,000</b>

Funding Sources	2016	2017	2018	2019	2020	Total
Equipment/Building Replacement Fund				35,000		35,000
<b>Total</b>				<b>35,000</b>		<b>35,000</b>

<b>Budget Impact/Other</b>



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## Future Financial Forecasting

As discussed earlier in this document, the City of Arden Hills has been focusing on the financial well being of the community, and in doing so has completed a preliminary ten-year forecast for the City. The purpose of a ten-year forecast is to provide a long-term view of General Fund revenues, expenditures, and the assessment districts in the City. A rate analysis was completed in 2012 on the Water, Sanitary Sewer and Surface Water Management Funds. These funds provide the services that most impact the citizens of Arden Hills. The information provided in this section of the budget will enable the City Council to evaluate the impact of policy choices on the long-term fiscal health of the City.

The City Council can change the City's long-term financial outlook based upon actions taken or policies enacted. The ten-year forecast will enable the City Council to act more strategically and to understand the impact of its decisions.

The City Council is often faced with making decisions that have long-term fiscal impacts. Some of these decisions include:

- Long-term consequences of employee pay and benefit policies.
- Long-term financial responsibilities for increased City maintained parks.
- Financial implications of growth policies adopted by the City Council.
- Long-term consequences of water usage and continuing the current rate structure.

### **Forecasting Assumptions**

The overall fiscal strategy will be based on compliance with the City's General Plan and the achievement of a variety of community service and infrastructure goals.

**CITY OF ARDEN HILLS**  
**Financial Management Plan Summary DRAFT ONLY**

	2014 Actual	2015		2016 Budget	2017		2018		2019		2020		2021		2022		2023		2024		2025	
		Budget	Budget		3.00%	5.00%	3.00%	5.00%	3.00%	5.00%	3.00%	5.00%	3.00%	5.00%	3.00%	5.00%	3.00%	5.00%	3.00%	5.00%	3.00%	5.00%
<b>REVENUE</b>																						
GENERAL PROPERTY TAX AND FISCAL DISPARITIES	3,002,718	3,111,093	3,280,500	3,632,333	3,817,831	4,028,950	4,234,285	4,467,016	4,684,233	4,950,845	5,202,264	5,485,196	5,800,862	6,168,272	6,651,412	7,152,078	7,677,018	8,234,285	8,817,831	9,428,950	10,084,233	10,784,233
Adjust for fiscal disp	254,738	248,682	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375	228,375
LICENSE AND PERMIT	259,873	273,730	285,530	273,496	281,701	290,152	298,896	307,822	317,057	326,568	336,365	346,456	356,859	367,568	378,591	389,926	401,575	413,542	425,831	438,456	451,426	464,751
INTERGOVERNMENTAL	117,280	125,328	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659	141,659
CHARGES FOR SERVICES	415,588	439,943	476,302	490,591	505,309	520,468	536,082	552,165	568,729	585,791	603,365	621,466	640,105	659,302	679,051	699,351	720,201	741,601	763,551	786,051	809,101	832,701
FINES/FOREFEITS	31,900	38,740	34,568	35,606	36,674	37,774	38,908	40,075	41,277	42,516	43,791	45,105	46,456	47,842	49,265	50,726	52,226	53,765	55,342	56,956	58,606	60,291
INTEREST EARNINGS	65,000	65,000	65,000	66,950	66,959	71,027	73,158	75,363	77,613	79,942	82,340	84,810	87,349	89,942	92,581	95,266	97,997	100,774	103,597	106,466	109,381	112,341
MISC. (See note 1 below)	55,772	48,455	18,356	18,907	19,474	20,058	20,660	21,280	21,918	22,576	23,253	23,950	24,672	25,429	26,221	27,048	27,911	28,809	29,742	30,710	31,713	32,751
SALE OF ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUE</b>	<b>4,202,849</b>	<b>4,350,971</b>	<b>4,510,291</b>	<b>4,887,917</b>	<b>5,095,981</b>	<b>5,338,464</b>	<b>5,571,963</b>	<b>5,833,744</b>	<b>6,090,862</b>	<b>6,378,272</b>	<b>6,661,412</b>	<b>6,977,018</b>	<b>7,297,018</b>	<b>7,621,412</b>	<b>7,950,862</b>	<b>8,285,312</b>	<b>8,624,762</b>	<b>8,969,212</b>	<b>9,318,662</b>	<b>9,673,112</b>	<b>10,032,562</b>	<b>10,397,012</b>
<b>EXPENDITURES</b>																						
GENERAL GOVERNMENT	1,132,080	1,149,016	1,191,250	1,250,813	1,313,353	1,379,021	1,447,972	1,520,370	1,596,389	1,676,208	1,760,019	1,848,020	1,939,239	2,033,668	2,132,307	2,235,156	2,342,215	2,453,484	2,568,863	2,688,352	2,811,951	2,940,670
PUBLIC SAFETY	1,825,881	1,922,538	1,996,283	2,096,097	2,200,902	2,310,947	2,426,494	2,547,819	2,675,210	2,808,971	2,949,419	3,096,860	3,250,299	3,409,747	3,574,195	3,743,643	3,918,091	4,097,539	4,281,987	4,471,435	4,665,883	4,865,331
PUBLIC WORKS	469,593	524,986	530,443	551,235	556,965	578,797	584,813	607,737	614,054	638,124	644,757	670,030	676,760	702,033	708,764	734,037	739,768	765,041	770,772	796,045	801,776	827,049
CULTURE AND RECREATION	727,293	732,736	742,640	779,772	818,761	859,699	902,664	947,818	995,209	1,044,969	1,097,218	1,152,078	1,208,569	1,266,610	1,326,201	1,387,342	1,449,033	1,512,274	1,576,065	1,640,406	1,706,297	1,772,738
ECONOMIC DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL GOVERNMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PUBLIC SAFETY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PUBLIC WORKS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CULTURE AND RECREATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998 GO BONDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TCAAP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
STREET RECONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>4,154,847</b>	<b>4,329,276</b>	<b>4,460,616</b>	<b>4,677,917</b>	<b>4,889,981</b>	<b>5,128,464</b>	<b>5,361,963</b>	<b>5,623,744</b>	<b>5,880,862</b>	<b>6,168,272</b>	<b>6,451,412</b>	<b>6,767,018</b>	<b>7,087,018</b>	<b>7,371,412</b>	<b>7,660,862</b>	<b>7,955,312</b>	<b>8,254,762</b>	<b>8,559,212</b>	<b>8,868,662</b>	<b>9,183,112</b>	<b>9,492,562</b>	<b>9,807,012</b>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<b>48,002</b>	<b>21,695</b>	<b>49,675</b>	<b>210,000</b>	<b>210,000</b>																	
<b>BEGINNING FUND BALANCE</b>	<b>2,128,921</b>	<b>1,964,506</b>	<b>1,906,201</b>	<b>1,745,876</b>	<b>1,745,876</b>																	
Transfer In	212,417	80,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Transfers Out	1,964,506	1,906,201	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876	1,745,876
<b>ENDING FUND BALANCE</b>	<b>1,964,506</b>	<b>1,906,201</b>	<b>1,745,876</b>	<b>1,745,876</b>																		

GENERAL FUND OPERATING TAX LEVY ANNUAL INCREASE	3,257,456	3,359,775	3,478,775	3,860,708	4,046,206	4,257,325	4,462,640	4,695,391	4,922,608	5,179,220	5,430,639	5,713,571
		3.1%	3.6%	11.0%	4.8%	5.2%	4.8%	5.2%	4.8%	5.2%	4.9%	5.2%
<b>OTHER GENERAL LEVIES</b>												
<b>TOTAL OTHER GENERAL LEVIES</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>DEBT SERVICE LEVIES</b>												
<b>TOTAL DEBT SERVICE LEVIES</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXISTING TAX LEVIES</b>	3,257,456	3,359,775	3,478,775	3,860,708	4,046,206	4,257,325	4,462,640	4,695,391	4,922,608	5,179,220	5,430,639	5,713,571
<b>NEW ADDITIONS TO LEVY</b>												
NEW PERSONNEL												
NEW OPERATING COSTS												
STREET RECONSTRUCTION (see Exhibit C)												
FIRE SAFETY (see Exhibit D)												
OTHER												
OTHER												
<b>TOTAL NEW TAX LEVY</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>GROSS LEVY TO TAXPAYERS</b>	3,257,456	3,359,775	3,508,875	3,632,333	3,817,831	4,028,950	4,234,265	4,467,016	4,694,233	4,950,845	5,202,264	5,485,196
<b>FISCAL DISPARITIES</b>	-254,738	-248,682	-228,375	-228,375	-228,375	-228,375	-228,375	-228,375	-228,375	-228,375	-228,375	-228,375
<b>NET LEVY TO TAXPAYERS</b>	3,002,718	3,111,093	3,280,500	3,860,708	4,046,206	4,257,325	4,462,640	4,695,391	4,922,608	5,179,220	5,430,639	5,713,571
EXISTING TAX BASE	10,741,749	11,425,974	12,163,391	12,510,077	12,510,077	12,510,077	12,510,077	12,549,140	12,549,140	12,549,140	12,549,140	12,549,140
NEW CONSTRUCTION TAX CAP (from lines 88-92)			0	0	0	0	0	0	0	0	0	0
DECERTIFIED TIF DISTRICT			346,686				39,063					
<b>TOTAL TAX CAPACITY</b>	10,741,749	11,425,974	12,510,077	12,510,077	12,510,077	12,510,077	12,549,140	12,549,140	12,549,140	12,549,140	12,549,140	12,549,140
<b>TAX RATE ON TAX CAPACITY</b>	27.954%	27.228%	26.429%	30.861%	32.344%	34.031%	35.561%	37.416%	39.227%	41.272%	43.275%	45.530%
<b>TAX RATE % CHANGE</b>		-2.60%	-2.93%	16.77%	4.80%	5.22%	4.50%	5.22%	4.94%	5.21%	4.85%	5.21%
City Taxes (with inflation on value/prior to homestead credit)	703	774	766	927	971	1,022	1,058	1,124	1,178	1,239	1,300	1,367
<b>Percentage City tax increase in home (\$295,100 inflated from 2015)</b>			-1.03%	20.95%	4.80%	5.22%	4.50%	5.22%	4.84%	5.21%	4.85%	5.21%
Existing Tax Base Inflation		11.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Tax Base Increase		6.4%	6.5%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
% from New Growth			1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New tax capacity assumptions												
Residential units completed in beginning of year		0	0	0	0	0	0	0	0	0	0	0
New home average value (\$300,000 in 2005 inflated)		0	0	0	0	0	0	0	0	0	0	0
Commercial - New construction (15,000 s.f./year)		0	0	0	0	0	0	0	0	0	0	0
New Home Value Construction Initiation		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Existing \$300,300 home Market Value (inflated by line 63)	257,500	295,100	300,300	300,300	300,300	300,300	300,300	300,300	300,300	300,300	300,300	300,300
Note 1: Other taxes besides Levy included												
Percentage of Tax Levy for Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Decertified TIF District	346,686	346,686	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063
CTC Old 4C - decertifies 12/31/2015	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063	39,063
CTC Old 2H - decertifies 12/31/2019												



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## APPENDIX

### SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

The following is a summary of certain statutory provisions effective 2005 relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Chapter 21, Laws of Minnesota Special Session 2003-1 was passed by the 2003 Minnesota Legislature and signed by the Governor on June 8, 2003. The enactment of this legislation caused changes for payable years 2003 and thereafter. These changes are incorporated in the following discussions.

#### **Property Valuations (Chapter 273, Minnesota Statutes)**

##### Assessor's Estimated Market Value

Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2, of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value."

##### Indicated Market Value

Because the Estimated Market Value as determined by an assessor may not represent the price of real property in the marketplace, the "Indicated Market Value" is generally regarded as more representative of full value. The Indicated Market Value is determined by dividing the Estimated Market Value of a given year by the same year's sales ratio determined by the State Department of Revenue. The sales ratio represents the overall relationship between the Estimated Market Value of property within the taxing unit and the actual selling price.

##### Net Tax Capacity

The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Estimated Market Value. Class rate percentages vary depending on the type of property as shown on page 250 of the Appendix. The formulas and class rates for converting Estimated Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature.

Property taxes are determined by multiplying the Net Tax Capacity by the tax capacity rate, expressed as a percentage.

**Property Tax payments and Delinquencies  
(Chapters 276, 279-282 and 549, Minnesota Statutes)**

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year proceeding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty which, depending on the type of property, increases from 2% to 4% on the day after the due date. In the case of the first installment of real property taxes due May 15, the penalty increases to 4% or 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property owned by a tax-exempt entity, but which is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection, all delinquencies are subject to an additional 2% penalty; those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the clerk of court files a publication of legal action and a mailing notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks, but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have five years (5) in the case of all property located outside of cities or in the case of residential homestead, agricultural homestead and seasonal residential recreational property located within cities or three (3) years with respect to other types of property to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county – 40%; Township or City – 20%; and school district – 40%.

## **Property Tax Credits (Chapter 273, Minnesota Statutes)**

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the circuit breaker credit, which relates property taxes to income and provides relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The circuit breaker credit and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, market value homestead credit and disparity reduction aid.

Beginning in 2012 the State has eliminated the market value homestead credit (MVHC) program and replaced it with a market value exclusion (MVE) program. Under the MVHC, local governments levied the amount needed in property taxes to operate their jurisdiction. The State then provided residential property owners a credit of \$304 on homes valued \$76,000 or less in market value and decreased the credit by 9% of market value until \$0 credit was provided on homes valued \$413,800 or above. The State then reimbursed the local government for the total credit amount. However the State only fully funded the program twice in the ten years the program existed.

The MVE will exclude a portion of a homestead market value from taxation. The exclusion equals 40% of the first \$76,000 in market value and is reduced by 9% of the market value over \$76,000 until it hits \$0 at \$413,800 of market value.

## **Levy Limitations for Counties and Cities (M.S. 275.70 to 275.74)**

The 2008 State Governor and Legislature re-imposed levy limits for the budget years 2009, 2010, and 2011. Tax increases are limited to 3.9% or the increase in the implicit price deflator – whichever is less but cannot go below 0%. The tax levy can also be increased by  $\frac{1}{2}$  the increase in growth.

Certain property tax levies are authorized outside of the new overall levy limitation ("special levies"). Special levies do not include levies for bonded indebtedness on installment payments on conditional sales contracts, state-aid road bonds, contracts for deed, tax increment revenue bonds, and lease payments under certificates of participation. In order to receive approval for any special levy claims outside of the overall levy limitation, requests for such special levies must be submitted to the Property Tax Division of the Department of Revenue on or before September 15<sup>th</sup> in the year in which the levy is to be made for collection in the following year. The Department of Revenue has the authority to approve, reduce or deny a special levy request. Home-rule charter cities are authorized to exceed any levy limits and referendum requirements contained in their city charters and increase their property tax levies if such increases are necessary to offset the 2004 LGA reductions. Final adjustments to all levies must be made to the Department of Revenue on or before December 10<sup>th</sup>.

Levy limits were removed for taxes payable beginning in 2012, but could be reinstated in future years.

## **Debt Limitations**

All Minnesota municipalities (county, cities, townships and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregation of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.
6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provision of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.

## **Levies for General Obligation Debt (Sections 475.61 and 475.74, Minnesota Statutes)**

Any municipality which issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

## **Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes) “Fiscal Disparities Law”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly know as “Fiscal Disparities” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota excluding the City of

Northfield, Hennepin, Ramsey, Scott excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULA CONVERSION OF ESTIMATED MARKET VALUE  
(EMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY  
CLASSIFICATIONS**

<u>General Classification</u>	<u>Net Tax Capacity Levy Year 1999</u>	<u>Net Tax Capacity Levy Year 2000 &amp; 2001</u>	<u>Net Tax Capacity Levy Year 2002 – 2012</u>
Residential Homestead	First \$75,000 of EMV at 1%. EMV in excess of \$75,000 at 1.7%.	First \$76,000 of EMV at 1%. EMV in excess of \$76,000 at 1.65%.	First \$500,000 of EMV at 1%. Over \$500,000 at 1.25%.
Residential Non-Homestead	2.5% of EMV.	2.4% of EMV.	1.8% of EMV.
Agricultural Land Homestead	First \$115,000 of EMV on first 320 acres at .35%. EMV in excess of \$115,000 on first 320 acres at .8%. EMV in excess of \$115,000 over 320 acres at 1.25%.	First \$115,000 of EMV on first 320 acres at .35%. EMV in excess of \$115,000 on first 320 acres at .8%. EMV in excess of \$115,000 over 320 acres at .80%.	First \$600,000 of EMV at .55%. Over \$600,000 at 1%.
Agricultural Land Non-Homestead	1.25% of EMV.	1.20% of EMV.	1.00% of EMV.
Commercial/Industrial/Utility	First \$150,000 of EMV at 2.45%. EMV in excess of \$150,000 at 3.5%.	First \$150,000 of EMV at 2.40%. EMV in excess of \$150,000 at 3.4%.	First \$150,000 of EMV at 1.5%. EMV in excess of \$150,000 at 2.0%.

The City has the following Major Funds

General Fund	Page 63
EDA Operating Fund	Page 110
Tax Increment Bonds	Page 122
Permanent Improvement Revolving Fund	Page 128
Equipment, Building, and Replacement Fund	Page 134



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## **Glossary of Budget Terms**

### **Account**

A term used to identify an individual asset, liability, expenditure controls, revenue control, or fund balance.

### **Accounts Payable**

Amounts owed to others for goods or services received.

### **Accounts Receivable**

Amounts due from others for goods furnished or services rendered.

### **Accounting System**

The total set of records and procedures which are used to record, classify and report information on financial status and operations of an entity.

### **Accrual Basis of Accounting**

The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

### **Activity**

A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. For example, "Code Enforcement" is an activity performed in the discharge of the "Public Safety" function.

### **Adoption**

The formal action taken by the City Council to authorize or approve the budget.

### **Ad Valorem**

In proportion to value, a basis for levying taxes upon property.

### **Agency Fund**

A fund consisting of resources received and held by the governmental unit as an agent for others or other funds of the governmental unit.

### **Appropriation**

An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

# Glossary of Budget Terms

## **Assessed Valuation**

Value placed upon real estate or other property as a basis for levying taxes.

## **Assessments**

Charges made to parties for actual services or benefits received.

## **Assets**

Property owned by a governmental unit, which has a monetary value.

## **Audit**

The examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

- a) To ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principles applicable to governmental units and on a basis consistent with that of the preceding year.
- b) To determine the propriety, legality, and mathematical accuracy of a governmental unit's financial transactions.
- c) To ascertain whether all financial transactions have been properly recorded.
- d) To ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

## **B2 District**

Zoning District, which only exists in the vicinity of County Road E between Lexington Avenue and Minnesota Highway 51.

## **Balanced Budget**

A budget in which estimated revenues equal estimated expenditures.

## **Bond**

A written promise, generally under seal, to pay a specified sum of money, called the face value or principal amount, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.

# Glossary of Budget Terms

## **Bonded Indebtedness**

Outstanding debt by issues of bonds, which is paid by ad valorem or other revenue.

## **Budget**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

## **Budget Document**

The official written statement prepared by the Administrator and Finance Director of the City which presents the proposed budget to the City Council.

## **Budget Body Message**

A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Administrator and Finance Director.

## **Budget Calendar**

The schedule of key dates, which a government follows in the preparation and adoption of the budget.

## **Budgetary Control**

The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

## **Capital Assets**

Assets with a value of \$5,000 or more.

## **Capital Expenditures**

Capital expenditures are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

## **Capital Improvement Budget**

A plan of proposed capital expenditures and a means of financing them. The capital budget is enacted as part of the complete annual budget.

# Glossary of Budget Terms

## **Capital Program**

A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

## **Capital Projects Funds**

To account for financial resources to be used for the acquisition or construction of major capital facilities.

## **Cash Basis**

The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

## **Certified Levy**

Total tax levy of a jurisdiction, which is certified to the County Auditor.

## **Charges for Services**

Charges for current services rendered.

## **Chart of Accounts**

The classification system used by a City to organize the accounting for various funds.

## **Consumer Price Index (CPI)**

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation.)

## **Contingency**

Budget for expenditures which cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. The contingency also serves as a hedge against shortfalls in revenues or unexpected expenditures.

## **Current**

A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods.

## **Glossary of Budget Terms**

### **Debt**

An obligation resulting from the borrowing of money or from the purchase of goods and services.

### **Debt Limit**

The maximum amount of gross or net debt, which is legally permitted.

### **Debt Margin**

The amount of available debt, which may be issued by a governmental unit before reaching its debt limit.

### **Debt Service Funds**

To account for the accumulation of resources for payment of general long-term debt.

### **Department**

Basic organizational unit of government, responsible for carrying out related functions.

### **Depreciation**

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

### **Distinguished Budget Presentation Awards Program**

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

### **Effective Buying Income (EBI)**

A statistical measure of buying power of an area or group of individuals.

### **Enterprise Funds**

To account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost of providing services are to be recovered primarily on a user-charged basis to the general public.

### **Estimated Market Value**

Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

# Glossary of Budget Terms

## **Expenditure**

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payment have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

## **Fines**

Revenues from penalties imposed for violation of laws or regulations.

## **Fiscal Disparities**

A Minnesota law enacted in 1975 which provides for the pooling or 40 percent of all new commercial and industrial property valuation in the seven county metropolitan area and then redistributed to taxing jurisdictions according to specific criteria.

## **Fiscal Policy**

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal Policy provides an agreed-upon set of principles for the planning and programming of budgets and their funding.

## **Fiscal Year**

The budget and accounting year that begins on the first day of January and ends on the last day of December of each year.

## **Fixed Assets**

Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

## **Full Time Equivalent (FTE)**

The number of employee hours (2080) needed to be equal to one full-time employee. Several part-time employees may be combined to make one full-time equivalent.

## **Function**

A group of related activities aimed at accomplishing a major service or regulatory program for which the government unit is responsible.

# Glossary of Budget Terms

## **Fund**

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

## **Fund Balance**

The difference between a funds assets and liabilities (the equity) in governmental funds.

## **General Fund**

Accounts for the general operation of the City and all financial resources except those to be accounted for in another fund.

## **General Government**

Expenditures, which represents a set of accounts, to which are charged the expenditures for operating the City.

## **General Obligation Bonds**

When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds.

## **Goal**

A statement of broad direction, purpose, or intent based on the need of a community. A goal is general and timeless; that is it is not concerned with a specific achievement in a given period.

## **Governmental Accounting**

The composite of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

## **Governmental Fund Types**

Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregation of financial resources. Under current GAAP, there are four governmental funds types: general, special revenue, debt service, and capital projects.

## **Grant**

A contribution of assets by one governmental unit or other organization to another. Grants are usually made for specified purposes.

# Glossary of Budget Terms

## **Homestead and Agricultural Credit (HACA)**

A form of state paid property tax relief for farm property and owner occupied homes.

## **Improvement Bonds**

Bonds payable from the proceeds of special assessments from properties benefiting from an improvement.

## **Improvements**

Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drains, and sewers.

## **Inflow/Infiltration (I&I)**

The term used to describe clean water entering into the sanitary sewer system.

## **Interfund Transfers**

Amounts transferred from one fund to another.

## **Infrastructure**

Assets which are immovable and of value only to the governmental unit (i.e., roads, gutters, sewer lines).

## **Intergovernmental Revenues**

Revenues from other governments in the form of grants, entitlement, or shared revenues.

## **Investments**

Securities held for the production of income in the form of interest.

## **Levy**

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities.

(Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental unit.

## **Licenses**

Revenues received from the sale of business and non-business licenses.

# Glossary of Budget Terms

## **Limited Market Value**

The amount the market value of a property can increase from one year to the next for calculating property taxes. The limited market value system is currently being phased-out by the State of Minnesota.

## **Line Item**

A specific item or group of similar items defined by detail in a unique account in the financial records.

## **Local Government Aid (LGA)**

Intergovernmental revenue from the State to municipalities to help fund general expenditures.

## **Long-Term Debt**

Debt with a maturity of more than one year after the date of issuance.

## **Maintenance**

The upkeep of physical properties in condition for use or occupancy.

## **Market Value Homestead Credit (MVCH)**

State paid property tax reduction on owner occupied homes based on the property's market value.

## **Miscellaneous**

Revenues or expenditures not classified in any other revenue or expenditure category.

## **Modified Accrual Basis**

The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the tax levied and revenue earned.

## **Object of Expenditure**

Expenditure classifications based upon the types or categories of goods and services purchased.

## **Objective**

Desired output oriented accomplishments, which can be measured and achieved within a given time frame.

## **Glossary of Budget Terms**

### **Operating Budget**

A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them.

### **Operating Expense**

The cost for personnel, material and equipment required for a department to function.

### **Operating Revenue**

Funds that the government receives as income to pay for ongoing operations. Operating revenues are used to pay for day-to-day services.

### **Operating Transfers**

Amounts transferred from one fund to another, shown as an expenditure in the originating fund and revenue in the receiving fund.

### **Ordinance**

A formal legislative enactment by the City Council.

### **Pay-As-You-Go Basis**

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

### **Performance Measure**

See Service Levels.

### **Personal Services**

Expenditures for salaries, wages, and fringe benefits of employees.

### **Program**

A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the governmental unit is responsible.

### **Project**

A plan of work, job assignment, or task.

# Glossary of Budget Terms

## **Proprietary Accounts**

Those accounts which show actual financial position and operation, such as actual assets, liabilities, reserve, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

## **Public Safety**

To account for expenditures related to the protection of persons and property.

## **Public Works**

To account for expenditures for the maintenance of City property and infrastructure.

## **Purpose**

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

## **Refunding Bonds**

Bonds issued to retire bonds already outstanding.

## **Reimbursement**

Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

## **Reserve**

An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

## **Resolution**

A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

## **Resources**

The actual assets of a governmental unit, such as cash, plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected, and bonds authorized and not issued.

# Glossary of Budget Terms

## **Revenue**

The term designates an increase to a fund's assets which: 1) does not increase a liability; 2) does not represent a repayment of an expenditure already made; 3) does not represent a cancellation of certain liabilities; and 4) does not represent an increase in contributed capital.

## **Revenue Bond**

A bond that is backed by a particular revenue source such as water user fees.

## **Service Levels**

Data to determine how effective or efficient a program is in achieving its objective.

## **Special Assessment**

A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to such properties.

## **Special Revenue Fund**

To account for revenue derived from specific revenue sources that are legally restricted for specific purposes.

## **SY**

Abbreviation for square yard, which is how seal coating and street overlay projects are measured.

## **Tax Capacity**

An amount determined by a percentage of a property's market value, which is then applied to the tax rates of taxing jurisdictions affecting the property to determine the amount of property taxes owed. The current tax rates and property classifications can be found on page 36.

## **Tax Capacity Rate**

Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

## **Tax Classification Rate**

Rate at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial, farm, etc.) and, in some cases, there are tow tiers of classification rates, with the rate increasing as the estimated market values increases.

## **Glossary of Budget Terms**

### **Tax Increment Financing (TIF)**

Financing tool originally intended to combat severe blight in areas, which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

### **Tax Levy**

The total amount to be raised by general property taxes for the purpose stated in the resolution certified to the County Auditor.

### **Tax Rate**

The amount applied to properties tax capacity to determine the taxes generated by the property.

### **Taxes**

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

### **Trust and Agency Funds**

Funds used to account for assets held by a government in a trust capacity or as an agent for individuals, private organizations, other governments and/or other funds.

### **Trust Fund**

A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of the trust.

### **Unbalanced Budget**

A budget which undesignated fund balance or reserves are used or increased, in order to balance estimated revenues to estimated expenditures or expenses.

### **Unreserved Fund Balance**

The portion of a fund’s balance that is not restricted for a specific purpose and is available for general appropriation.

### **User Fees**

The payment of a charge for direct receipt of a public service by the party benefiting from the service.

### **Utility Valuation Transition Aid (UVTA)**

A State financial aid program for 2009 and 2010 paid to local governments to offset the reduced property tax revenue generated by utility properties due to the State reducing the tax rate paid on utility property.

# Glossary of Budget Terms

## Workload Data

A unit of work to be done.

## Acronyms

ACS	Animal Control Services
CAFR	Comprehensive Annual Financial Report
CD	Certificate of Deposit
CIP	Capital Improvement Plan
CP	Commercial Paper
CPI	Consumer Price Index
HACA	Homestead and Agricultural Credit Aid
EBI	Effective Buying Income
EDA	Economic Development Authority
EMV	Estimated Market Value
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GO	General Obligation
I&I	Inflow & Infiltration
JDA	Joint Development Authority
LGA	Local Government Aid
MCES	Metropolitan Council Environmental Services
MVHC	Market Value Homestead Credit
SAC	Sewer Availability Charge
SCBA	Self-contained Breathing Apparatus
SY	Square Yard
TCAAP	Twins Cities Army Ammunition Plant
TIF	Tax Increment Financing
TRC	TCAAP Redevelopment Code
UVTA	Utility Valuation Transition Aid
WAC	Water Availability Charge