



City of Arden Hills Minnesota

2013 Adopted Budget



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**CITY OF ARDEN HILLS
MINNESOTA**

2013 PROPOSED BUDGET

2013 CITY OFFICIALS

	<u>TERM OF OFFICE EXPIRES DECEMBER 31ST</u>
MayorDavid Grant	2014
CouncilpersonFran Holmes	2014
CouncilpersonBrenda Holden	2016
CouncilpersonEd Werner	2014
CouncilpersonDavid McClung	2016
City Administrator/ClerkPatrick Klaers	
Director of Finance and Administrative ServicesSusan Iverson	

**CITY OF ARDEN HILLS, MINNESOTA
2013 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. Each fund and account group is a separate accounting entity. The General Fund is the primary revenue source for most

Guide to the Document

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.

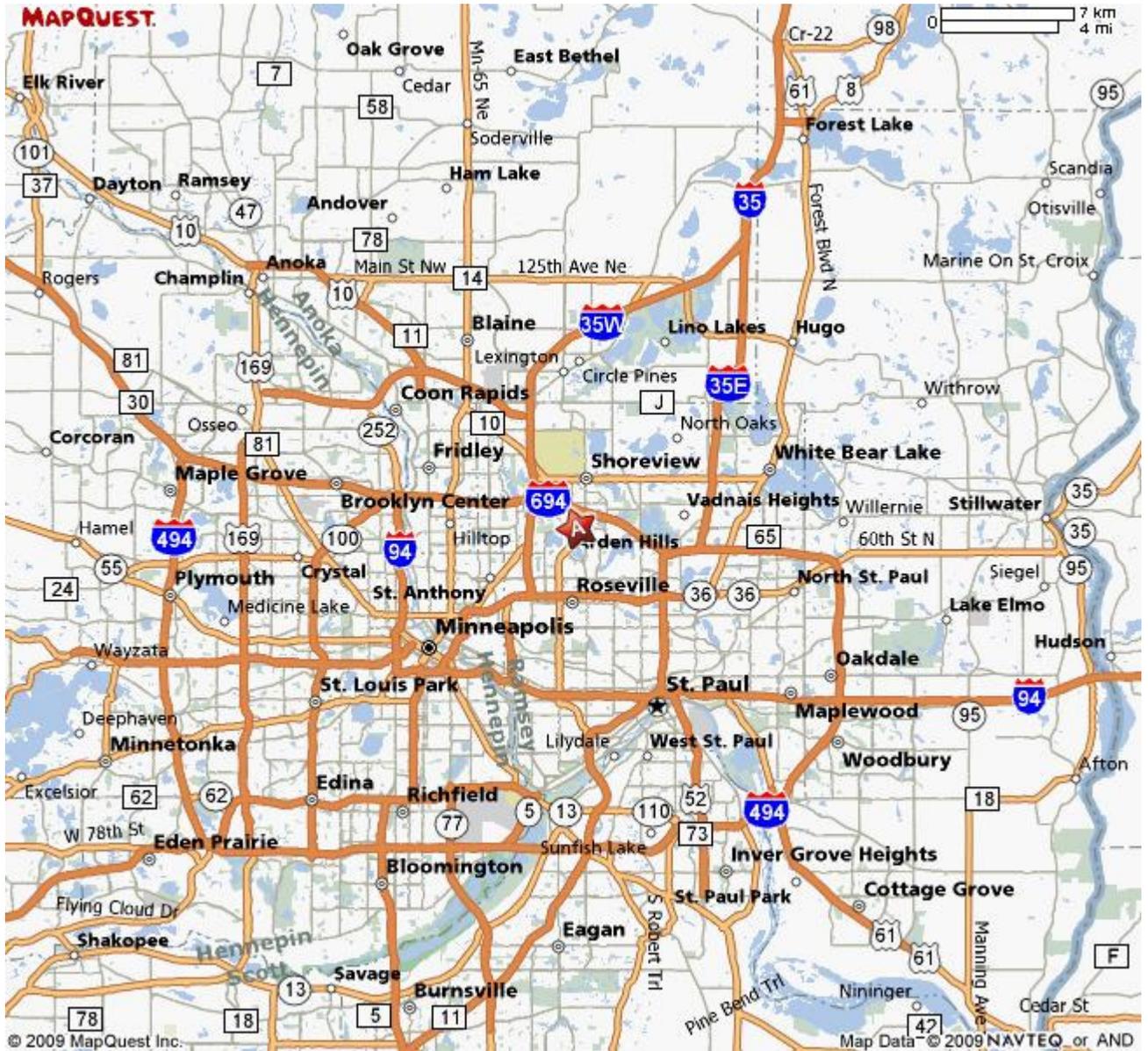
The city was originally part of the Mounds View Township. When the township was organized, it included the present Shoreview, Arden Hills, New Brighton, Mounds View, and parts of North Oaks and St. Anthony. Arden Hills was incorporated on February 14, 1951, in response to New Brighton's request for annexation 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.

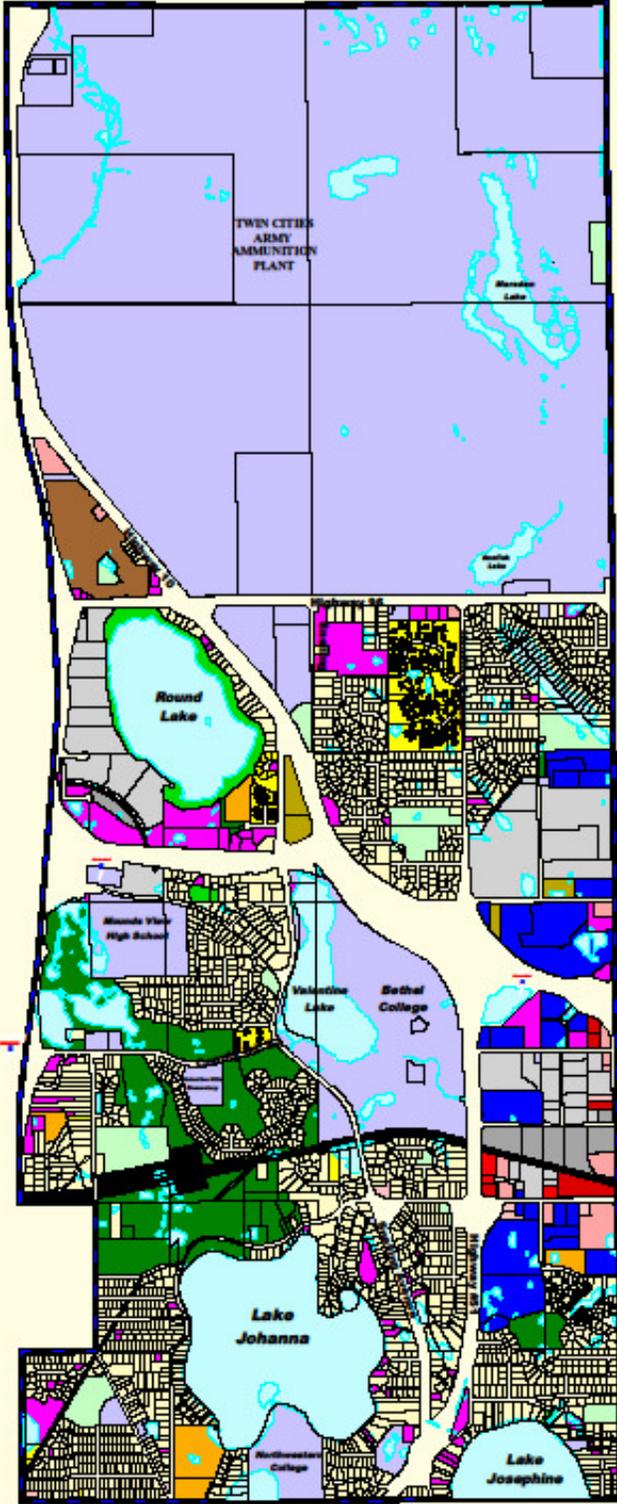
The current city has a population of 9,552 residents. In 1996 the city conducted a Quality of Life study and found that residents are very satisfied with their community. Location, high quality schools and available housing were found to be the most important reasons for living in Arden Hills. Parks, a small town feeling, and lower taxes are also important to the residents of Arden Hills.

MAP OF ARDEN HILLS AND SURROUNDING AREA





Existing Land Use Map



Legend

Existing Land Use

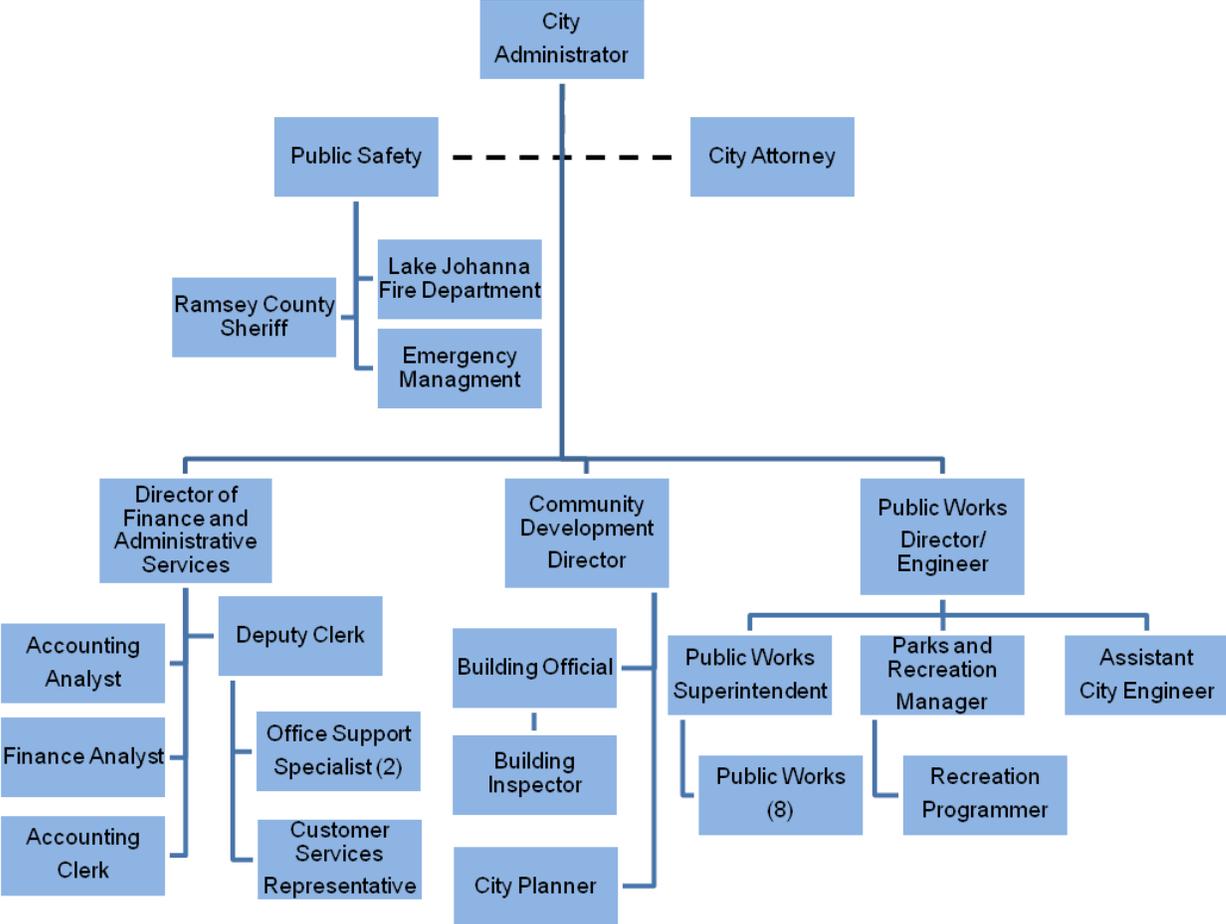
[Light Yellow]	SFD: Single Family Detached Residential
[Yellow]	SFA: Single Family Attached Residential
[Orange]	MF: Multiple Family Residential
[Brown]	MH: Mobile Home
[Light Orange]	NC: Neighborhood Commercial
[Pink]	CC: Community Commercial
[Red]	RC: Regional Commercial
[Dark Red]	HC: Highway Convenience
[Blue]	OFC: Office
[Light Blue]	LI: Light Industrial
[Dark Blue]	HI: Heavy Industrial
[Purple]	I: Institutional
[Light Green]	SRD: Outdoor Sport/Recreation
[Medium Green]	OSN: Natural Open Space
[Dark Green]	OSP: Passive Open Space
[Black]	RR: Rail Road
[Yellow-Green]	UTL: Utility
[White]	VAC: Vacant
[Cyan]	Water Features
[Thin Black Line]	Right-of-Way

Disclaimer:
 The Comprehensive Plan Designation represented on this map is prepared by the City of Arden Hills Policy for Land Use Management. Questions concerning the Land Use Map should be directed to the City of Arden Hills. Land Use Designations are subject to change; please refer to the Comprehensive Plan for complete Land Use Descriptions.

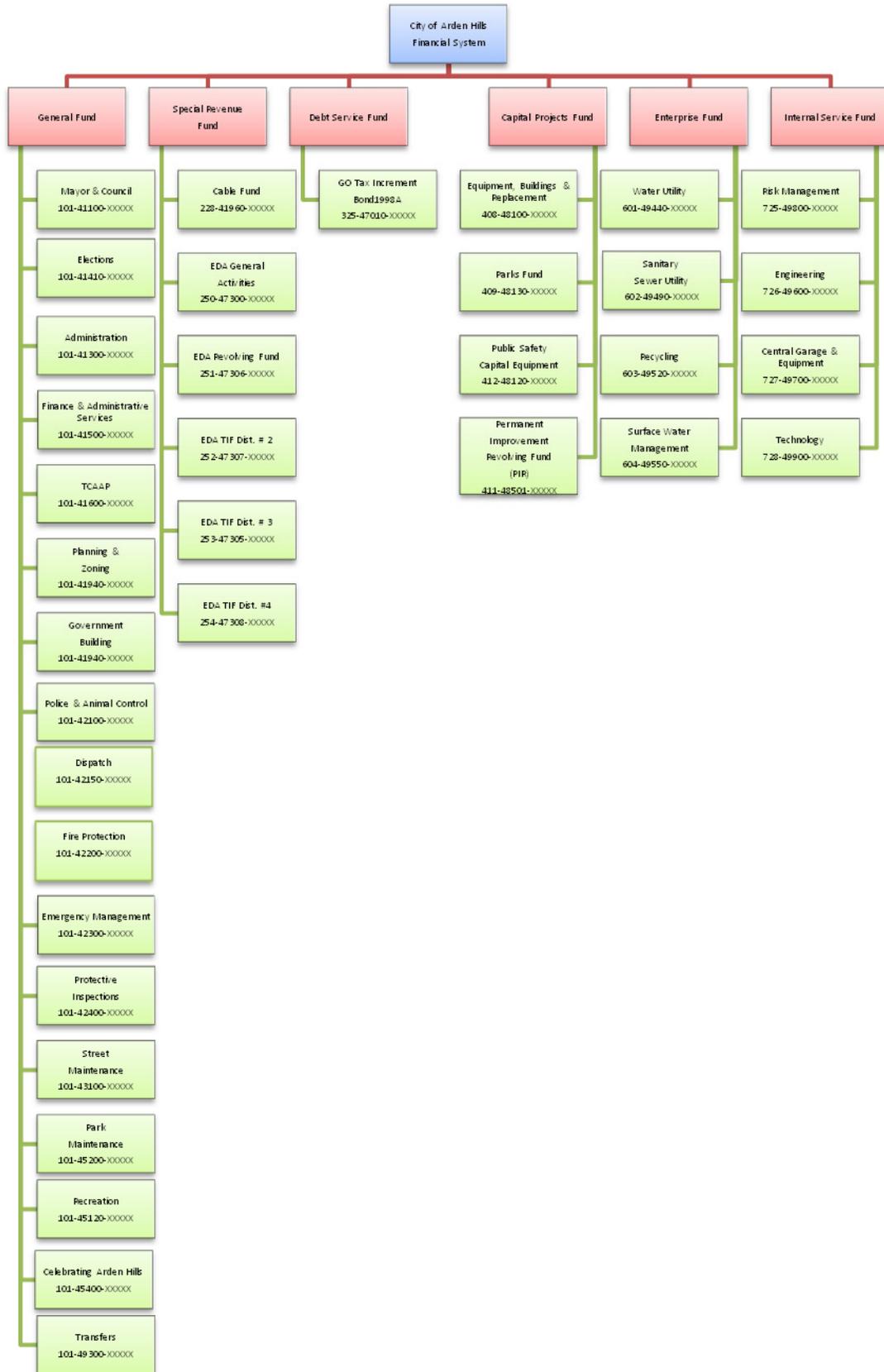
Scale:
 2000 0 2000 Feet

Map Date: December 20, 2001

City of Arden Hills Organizational Chart



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 2013. The adopted 2013 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 10, 2012, the City Council adopted the preliminary property tax levy. The proposed 2013 budget and final property tax levy were adopted at the December 10, 2012 City Council Meeting. The final property tax levy was submitted to Ramsey County on December 26, 2012.

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 2013 and beyond. The following segments will serve to highlight the focal points of these plans for the 2013 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 2013 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 - 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.

Some of the challenges the City faced in 2012 were working with Ramsey County to institute a Joint Development Authority (JDA), to manage the redevelopment of the old Twin Cities Army Ammunition Plant (TCAAP), and the development and implementation of a new City website. Another challenge was that the City’s water meter reading system failed and a new system had to be implemented. This brought on its own challenges as the region experienced a drought which caused conditions not seen since 2008 and many customers had questions about their usage as the City had implemented a tiered water rate system in 2009. Estimates had to be used to create bills and the City also looked at its utility rates and made some revisions as well.

Strategic planning and goal setting was a top priority in 2011 as strategic planning and goal setting had not been formally done with Council and staff since late 2008 and early 2009. The 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. 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. This plan can be found on pages 23 to 31 in the Strategic Planning section of this document.

Since multi-year goals were developed, no new goal setting was done in 2012. 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 helped 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 2012, 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. For progress on these goals, please refer to the document found on pages 23 to 31

The location of the TCAAP property on major highways and close to the core Twin Cities, provides excellent opportunities for the land after clean-up. 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 is now working with the Army to acquire the property.

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 is surplus property. Several portions of the property have been transferred, but 430 acres is still available for redevelopment and requires major clean-up. There are over 110 substandard buildings, miles of existing roads, railroad tracks, and utility lines that need to be removed. Many of the buildings require hazardous materials abatement prior to demolition.

Impact of Legislation

The 2012 legislature did not enact levy limits for 2013. However, in 2011 they did repeal the MVHC (Market Value Homestead Credit) program and instituted a new Market Value Exclusion (MVE) program. This program reduced the local taxable value of homestead properties that are valued under \$413,800 at which point the credit is phased out. This affected the City's tax rates in 2012 as a result of this change, but the full impact was not realized until the 2013 budget as the Fiscal Disparities program lagged a year behind (this program distributes monies from a pool to cities based on a formula from commercial/industrial property in the seven-county metropolitan area based on the previous year's levies).

Under the old MVHC program, home property taxes were reduced by a State credit. The program was designed to hold local governments harmless by a reimbursement from the State of Minnesota for the sum of all credits provided. This credit had been reduced or eliminated altogether in most years due to State budget cuts. (It was only fully funded one year out of the nine that it was in effect.) Another complicating component of the old MVHC program was that the estimated amount of credits needed to be included in the City's levy, even though no reimbursement from the State would occur. This caused a mismatch between the adopted levy and the actual levy collections.

Under the new MVE program, a portion of the home's market value is excluded for tax purposes. This created a new Taxable Market Value (which was lower than the estimated Market Value), as well as a reduced value for tax computations (taxable value). One big advantage of this program is that the State credits are eliminated, which means there is no need to add estimated MVHC credits to the overall levy amount.

This exclusion reduces a property's taxable market value, which in turn reduces the City's tax capacity and thus increases the City's tax rate. This again resulted in property owners paying more in 2012 in order to generate the same amount of tax dollars as it did in 2011 and it shifted tax burden from residential homesteaded properties to non-

homestead properties, including commercial and industrial properties. As previously noted, the Fiscal Disparities piece was finally realized in the 2013 budget.

Arden Hills was hit especially hard by this change, as it not only affected the City's levy but the County, School District, and other local taxing districts. Arden Hills has very little homestead property which qualifies for this exclusion compared to the rest of Ramsey County, so Arden Hills residents picked up the shift of county, school, and special taxing district levy amounts.

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:

- Completed a project which replaced all water meters in the City with radio read meters.
- Completed a utility rate study and revised the structure while maintaining the existing cash flows.
- Updated the previous Compensation Study done in 2007 for 2012 figures to make sure the City was still competitive.
- Completed a sanitary sewer lining 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 design and implementation of a new website.
- Completed numerous Public Works projects, both planned and emergency, including I&I reduction projects.
- Approved a Joint Powers Agreement with Ramsey County for the redevelopment of TCAAP.
- Dissolved a Joint Powers Agreement with the City of Roseville for engineering services and established and filled the position of Assistant City Engineer.

Budget Initiatives

The 2013 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 2013 budget was established for the City:

Funds	Revenue		Expenditures	
	2012	2013	2012	2013
General	\$4,169,081	\$4,130,407	\$4,044,127	\$4,150,861
Special Revenue	867,836	461,881	540,790	529,869
Debt Service	286,698	283,520	286,698	283,520
Capital Project	1,152,093	2,046,765	1,819,604	1,261,252
Enterprise	4,436,379	4,626,397	4,864,661	6,866,033
Internal Service	831,815	863,430	855,125	876,921
Total	\$11,305,100	\$12,412,400	\$12,222,111	\$13,968,456

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 2013, the City's property tax levy will be \$3,191,230, an increase of 3.04% from 2012. Historically, the City does not use reserves to balance the City's budget; however, due to the current economic environment \$20,453 was used to balance the budget for 2013. The following table provides a historical view of the City's property tax levies:

Year	Tax Levy	% Change
2003	2,265,712	-
2004	2,333,337	2.98%
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%

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 2013 at \$10,597,521, which is a 4.5% decrease. 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 2013, the City's tax rate is expected to increase from 25.544% to 27.841%.

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.

Personnel Services

The City's 2013 budget includes no cost-of-living increase for union employees (however there is a contingency set up as contract negotiations are not finalized yet) and a 2.0% COLA increase for non-union City staff. The City's Public Works employees are union employees.

Due to legislative restrictions on small groups, the City's health insurance premium increased by 3.6% for 2012, but our health insurance carrier did give the City a check in the amount of \$18,374 in 2011 as a result of our claims history for 2010. The same legislative restrictions again caused a health insurance premium increase in 2013 of 5.0%. To control costs, the City discontinued the Co-Pay Plan and added a second HSA plan, in addition to the existing plan, which has decreased rates but an increased deductible which is embedded. Dental insurance premiums increased 3.5% over 2012. The City contribution will not change and will remain at \$697.42 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 2013 the employee contributions rate will remain the same as 2012 rates at 6.25% of wages, while the employer contribution rate will remain at 7.25%.

The remainder of this letter will describe the major initiatives for 2013 for each of the fund types and their activities.

General Fund

Expenditures

The overall General Fund budget is decreasing 0.44% over the 2012 budget. The General Fund expenditure budget consists of the following departments:

	2012 Budget	2013 Budget	% Change
Mayor & Council	\$ 74,511	\$ 76,371	2.50%
Elections	18,068	18,000	-0.38%
Administration	342,236	333,017	-2.69%
Finance & Administrative Services	164,749	170,058	3.22%
TCAAP	60,000	50,000	-16.67%
Planning & Zoning	249,441	249,037	-0.16%
Government Buildings	209,321	210,495	0.56%
Police & Animal Services	978,955	1,011,663	3.34%
Dispatch	49,219	52,067	5.79%
Fire Protection	392,869	414,541	5.52%
Emergency Management	15,533	15,464	-0.44%
Protective Inspections	270,753	284,685	5.15%
Street Maintenance	304,556	318,834	4.69%
Park Maintenance	425,239	444,647	4.56%
Recreation	223,676	232,628	4.00%
Celebrating Arden Hills	25,000	25,000	0.00%
Reserves/Contingency	-	4,354	0.00%
Transfers	364,955	240,000	-34.24%
Capital Outlay	-	-	0.00%
Total Expenditures	\$ 4,169,081	\$ 4,150,861	-0.44%

The largest percentage of change in the budget are decreases to Transfers of 34.24%, and TCAAP of 16.67%. Transfers are down as a result of a one-time transfer of conduit debt proceeds from the General Fund to the EDA Operating Fund in 2012, and TCAAP is down due to the City no longer needing lobbying and consulting costs related to acquisition and redevelopment of TCAAP. All other departments had minimal changes due to inflation and contract increases.

A contingency was budgeted for union employees as the current labor contract expires December 31, 2012. Non-union employees have a 2.0% COLA in the budget on January 1, 2013.

Public Safety is the largest department 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 3.34% over 2012. Contracted fire service costs reflect a 5.52% increase over 2012 to fund a duty crew program which will be implemented over a seven year period and is currently in the fourth year. 911 dispatch services increased by 5.79% as the new consolidated dispatch center is in the fourth 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:

	2012 Budget	2013 Budget	% Change
Taxes	3,126,555	3,220,791	3.01%
Licenses and Permits	256,850	260,525	1.43%
Intergovernmental	115,582	115,867	0.25%
Charges for Service	425,546	417,481	-1.90%
Fines & forfeits	45,462	40,301	-11.35%
Special Assessments	210	2,769	1218.61%
Miscellaneous	73,922	72,673	-1.69%
Transfers	-	-	0.00%
Total Revenues	\$ 4,044,127	4,130,407	2.13%

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.

Debt Service Fund

The City’s debt obligation for 2013 is \$283,070 with the funding coming through the collection of tax increments. 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 2013 project expenditures listed in the City's five-year capital improvement plan. The City maintains four Capital Funds; Permanent Improvement Revolving, Public Safety Capital, Parks Fund, and Equipment, Buildings and Replacement. The revenue source for 2013 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 project for 2013 is the Ridgewood Asbury neighborhoods.

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 \$181,252 in 2013.

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 2013 budget includes transfers from the General Fund, Water Fund, Sanitary Sewer Fund, and the Surface Water Management Fund in the amount of \$270,765. The 2013 budget includes expenditures from this fund to replace the 2000 backhoe, replace the F450 One-Ton Dump Truck, financial and human resource software upgrades, technology and office equipment.

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.

The rate increases for 2013 are 7% for water, 2% for Sanitary Sewer, and 15% for Surface Water Management. Utility revenues are budgeted with the new rate structure for 2013, but revenue levels are not sufficient to cover both the operating and capital expenses in 2013. The rate structure will generate sufficient revenues over time to cover these expenses. Water revenues are budgeted at \$2,209,213 while the operating expense budget, including depreciation, is \$2,000,954. Sanitary Sewer revenues are \$1,695,150 compared to operating expenses, including depreciation, of \$1,613,158. Surface Water revenues are \$574,554 compared to operating expenses, including depreciation, of \$486,351. The 2013 CIP projects impact the Water, Sanitary Sewer and Surface Water

Management funds with capital outlay of \$1,214,500, \$850,000, and \$554,500 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 \$147,480 while the expense budget is \$146,570.

Fund Balances

The 2013 budget proposes that expenditures and expenses exceed revenues by \$1,556,054. However in the Enterprise funds, reserves will be used to fund depreciation of assets and capital outlay. 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 2013 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 2013 budget includes the use of \$20,453 in reserves. The General Fund's fund balance is projected at 48% of 2013 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 2012 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 2013, 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, 2012. 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 2013, 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,



Patrick Klaers
City Administrator



Susan K. Iverson
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, 2012

Christopher P. Morill *Jeffrey R. Egan*

President

Executive Director

Strategic Planning

The City of Arden Hills experienced staff turnover in a number of positions 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 was challenging as these turnovers/changes 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 2013, only one Council seat changed for 2013, the new Councilperson was on the City Council from 2007 – 2010, so there is some continuity.

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.

It was also noted that if a Vikings Stadium Plan ends up coming to Arden Hills, the timing for accomplishing the eighteen (18) goals listed may change as TCAAP and the Vikings Stadium is not listed in this Guiding Plan.

On July 11, 2011, the City Council formally adopt the

Strategic Planning

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:

Patrick Klaers, City Administrator

Community Development:

Jill Hutmacher, Community Development
Director

Public Works:

Terry Maurer, Public Works Director, City
Engineer



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FINANCE AND ADMINISTRATIVE SERVICES		Staff	Priority		
1	Maintain City Records	Sue			
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
2	Establish and refine Human Resource functions within the City	Sue			
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
3	Enhance employee relations and development	Sue			
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
4	Use current technology to further enhance efficiencies and communications	Sue			
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
5	Provide training to staff and Council on technology use	Sue			
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

Estimated Length to Complete		Current Status			
Year Initiated	Time Frame				
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2011	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 checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q1 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q3 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q2 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	4Q 2012	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Q1 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2012	Q2 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2012	Q2 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Q3 2012	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2013	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed

ADMINISTRATION		Staff	Priority		
6	Establish guidelines for how Council Liaisons interact with Commissions and Committees	Pat			
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
7	Review Police Contract and increase public awareness of public safety/crime issues	Pat			
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
8	Review Fire Joint Powers Agreement	Pat			
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
9	Clarify City Council position on various communication issues	Pat			
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

Estimated Length to Complete		Current Status			
Year Initiated	Time Frame				
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
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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
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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 type="checkbox"/> Completed
2014	Q2 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
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2013	Q4 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed

COMMUNITY DEVELOPMENT		Staff	Priority		
10	Minimize complaints regarding single-family rental properties	Jill			
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
11	Establish a detailed plan for private and public investment in the B2 District	Jill			
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
12	Maximize the efficiency and effectiveness of the City's commissions, committees, and processes related to economic and community development	Jill			
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
13	Foster civic pride and an awareness of the City's distinct character and attributes	Jill			
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
14	Develop relationships with the business community and establish a reputation as a business- and development-friendly City	Jill			
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

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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 checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input 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 checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q4 2012	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q3 2014	<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 checked="" type="checkbox"/> Completed
2012	Q4 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q4 2013	<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 checked="" type="checkbox"/> Completed
2012	Q3 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Q4 2012	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Q4 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed

PUBLIC WORKS		Staff	Priority		
15	Establish policies/procedures for the maintenance of city streets	Terry			
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	Terry			
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	Terry			
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	Terry			
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, Water, Forestry, pesticide Sprayer, Playground Inspector, Etc)		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low

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



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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 or 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 159 through 168.

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 15th 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 1st to December 31st. The budget document is prepared using the following established procedures:

**CITY OF ARDEN HILLS
2013 BUDGET CALENDAR**

April 30, 2012	City Council Approval of Budget Instructions and Parameters.
May 1, 2012 –June 1, 2012	Department Heads Prepare 2012-2016 CIP Requests and Background Material.
June 1, 2012	Department Heads Submit CIP Requests to Finance Department.
June 4, 2012 –June 8, 2012	City Administrator and Finance Director review Department CIP Requests and Confer with Departments.
June 8, 2012	Forms Distributed to all Department Heads for 2013 Operating Budget.
June 13, 2012	2013-2017 CIP is drafted for Presentation to Council at Work Session.
June 18, 2012	City Council Work Session to discuss 2013-2017 CIP.
June 11, 2012 – July 6, 2012	Department Heads Prepare Budgets and Background Material.
July 6, 2012	Department Heads Submit Budget Requests to Finance Department.
July 23, 2012 - July 27, 2012	City Administrator and Finance Director review Department Budgets and Confer with Departments.
August 3, 2012	Finance Department completes Preliminary Revenue Estimates.
August 10, 2012	City Administrator Budget is drafted for Presentation to Council at work session.
August 20, 2012	City Council work session to discuss Preliminary 2013 Budget.
September 4, 2012	City Administrator’s recommended Preliminary 2013 Budget distributed to the City Council.
September 10, 2012	City Council adopts the Preliminary 2012 Property Tax Levy (Payable 2013)
September 10, 2012	Council certifies date for public (TNT) hearing and continuation hearing (if necessary) to county.
September 15, 2012	Finance Director submits preliminary 2012 property tax levy (Payable 2013) to County for certification.
Mid-November	Truth in Taxation Notices and Public Hearings Schedule distributed by County.
Early December	Public Hearing for Budget and Levy Consideration.
Mid-December	Continuation Hearing, Approval of Budget and Certification of Property Tax Levy for submission to County.
Late December	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

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. A list of major funds is included on page 246.

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.

Capital Project Funds

These funds include the Equipment and Building Replacement Fund, Public Safety Capital Fund, Parks Fund 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, sanitary 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

Fund Structure

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

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

Revenues

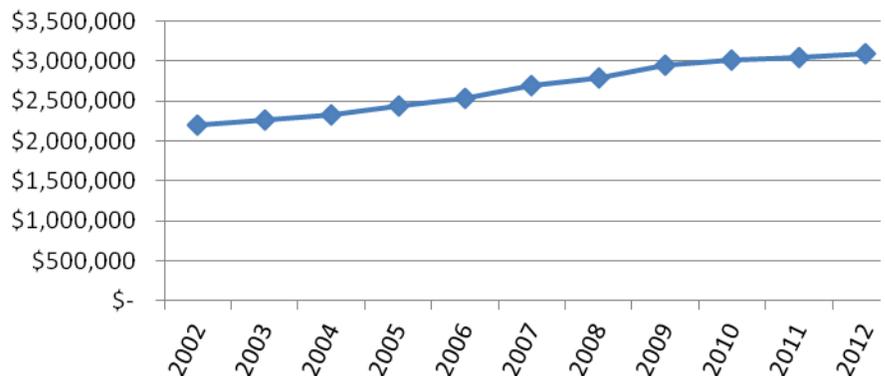
measurement of results of operations. The City currently does not have any fiduciary funds.

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.

Tax Levies

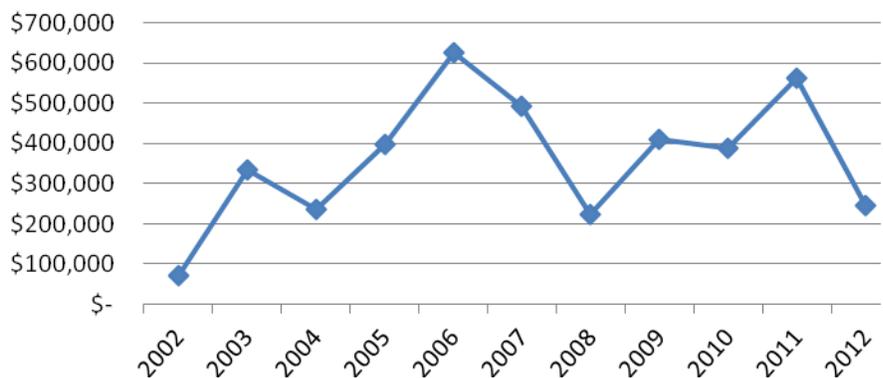


Trends: Property tax levies have been increasing due to cuts in State Aid that began in 2001. A more in depth discussion of the Property Tax Levies is found on page 46.

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.

Special Assessments



Revenues

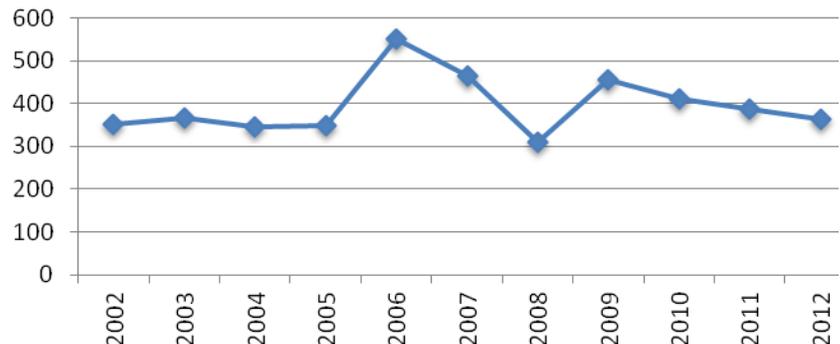
Trends: Special Assessment Revenues fluctuate due to the timing of Pavement Management Plan (PMP) projects. The 2006 and 2011 PMP projects were larger than average and there were more prepaid special assessments. There was no PMP project in 2008 or 2012. The City has a larger project planned for 2013. See the Capital Improvement Plan on pages 169-236.

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.

of Building Permits Issued



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. The new Fox Ridge addition is generating some new activity.

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.

Revenues

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 late 2008, the State of Minnesota experienced a budget deficit and unallotted the December MVHC payment to the City in the amount of \$26,272. The 2009 and 2010 MVHC payments were also unallotted in the amount of \$55,923 and \$61,774. The 2011 MVHC is estimated at \$61,774 and will also be cut. These cuts are a direct reduction in the City's levy as they are given to the homeowner and reimbursed to the City by the State.

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 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.

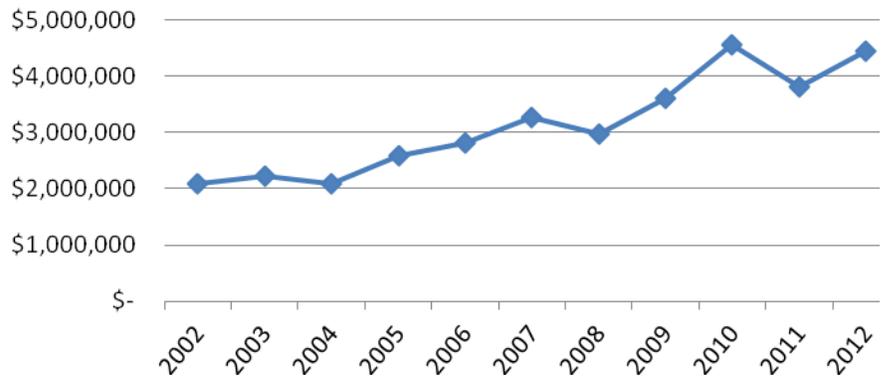
Revenues

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 67 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 132 for more information on these fees.

Utility Service Charges



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 development of Fox Ridge and a drought in 2012 saw increased revenues in this category. The General Fund fees appear to be static, with no significant changes foreseen.

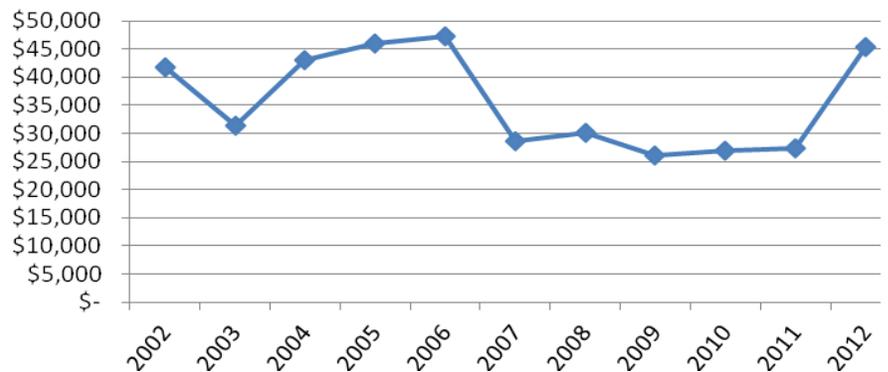
Fines and Forfeitures

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).

Revenues

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.

Fines & Forfeitures



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 levels and then are estimated to remain somewhat static.

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 \$85,000 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 the TCAAP Fund 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 be decreasing slightly over 2012 levels, with a flat trend for 2013. 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

Property Tax

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 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 decrease by \$41.3 million or 3.8% to \$1.03 billion. From this, the Tax Capacity is calculated (for residential properties it equates to 1% of

Property Tax

Taxable Market Value, and varies by property type for all others). The City's Tax Capacity for calculating taxes was projected to decrease by 4.5% to \$11.0 million. This increased the City's tax rate from 25.544% to 27.841%.

Median Valued Home

Due to current economic conditions, the Taxable Market Value of the median valued home within the City is projected to decrease 5.6% from \$272,800 to \$257,400. The overall City Tax burden increase on the median valued home is projected to be approximately 2.0% or \$12.97

A chart depicting the projected basic governmental service annual costs for the median valued home is located on page 66.

Property Tax Levies

The total levy being proposed is \$3,191,230. This represents a \$94,236 or 3.01% increase over the 2012 levy of \$3,096,994.

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 \$240,789 in 2013 as opposed to \$262,344 in 2012, which is 8.2%, due to the full impact of the MVE program as Fiscal Disparities lags one year behind last year's change. More information on this can be found in the Appendix on page 241.

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)

Budget Assumptions

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 2013 are based on the assessment of market values for 2012, which are certified to the County Assessor on January 2, 2012 and relate to sales and data information from 2011. 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

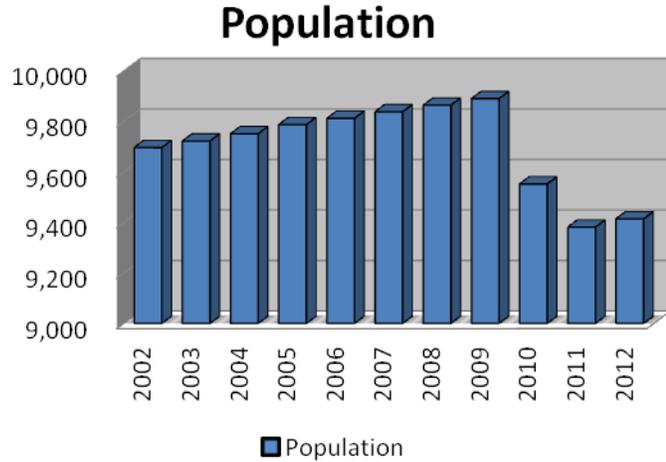
Each year in late November or early December, Statutes require all counties, school districts, and cities with a population over 2,500 to hold a public hearing to discuss the proposed budget and property tax levies. As part of this process, each property is sent by the county a Truth-In-Taxation notice 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 10, 2012.

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.

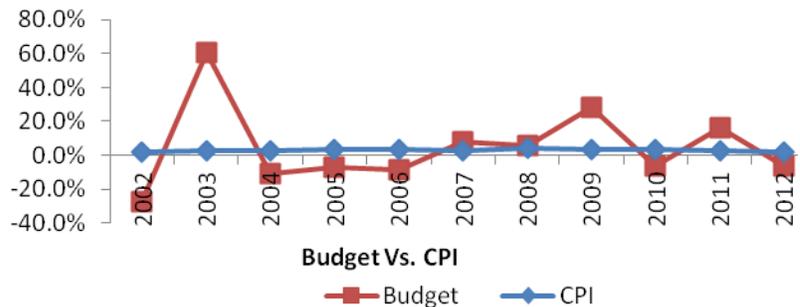
Budget Assumptions

2013 Assumptions

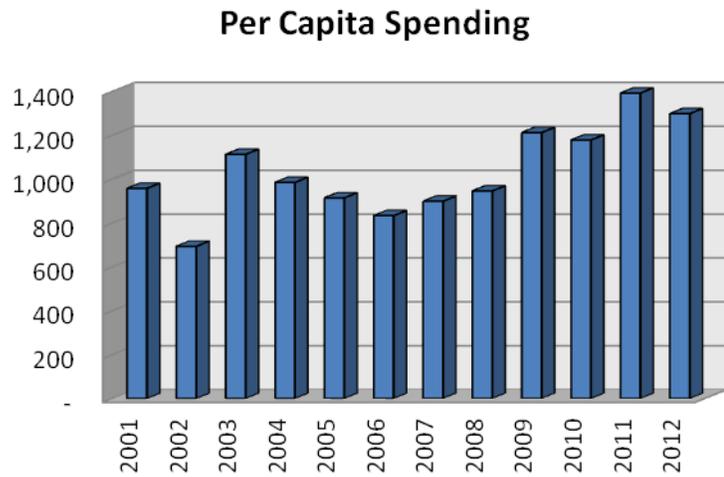
Since 2000 the city has assumed a population growth of about 0.3% a year. The City expects the population growth to continue below 1% in the future until the TCAAP development occurs. The Chart below demonstrates the City’s population growth over the last eleven years. After the 2010 Census the City’s population was shown as only being 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 2013, 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 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.)



Budget Assumptions

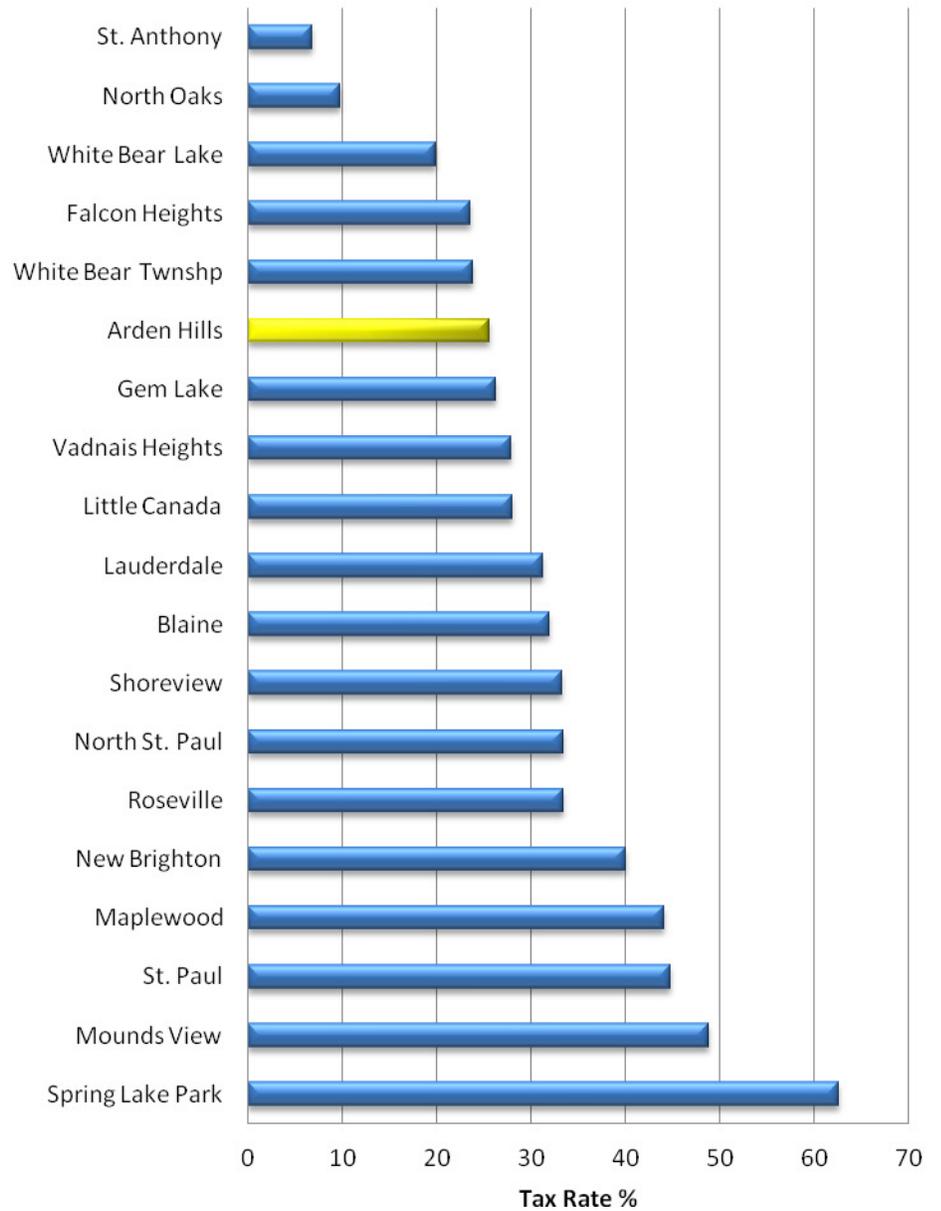


As the City becomes more developed and has less land available for new residential development, the City’s operating expenditures should increase with increases in the CPI with the exception of a “catch-up” in infrastructure improvements.

Current economic conditions have caused the City’s market values to decrease by 5.6%. Previous growth in the City’s market values had caused the City’s tax capacity to increase, and tax capacity is estimated to decrease by 4.5% for taxes payable in 2013. 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 Minneapolis/St. Paul Metropolitan area, in 2008 Arden Hills ranked 53 out of 113 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.

Budget Assumptions

Ramsey County Tax Rate Comparison



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

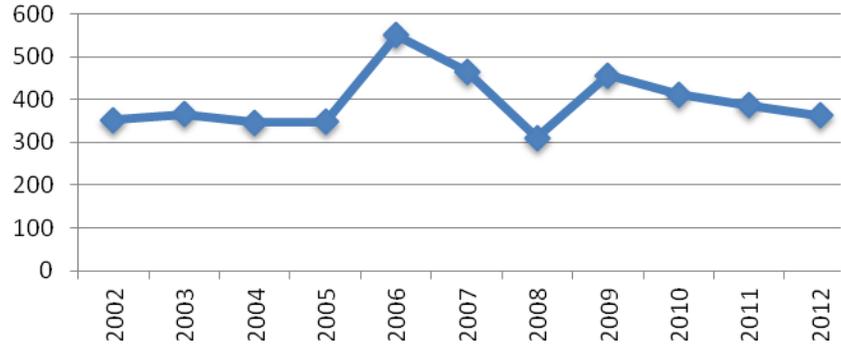
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Levy	2,333,337	2,426,670	2,523,737	2,675,161	2,797,348	2,948,646	3,016,465	3,040,964	3,096,994	3,191,230
Karth Lake Levy	-	13,783	13,783	13,783	-	-	-	-	-	-
G.O. Improvement Bonds	-	-	-	-	-	-	-	-	-	-
Total	2,333,337	2,440,453	2,537,520	2,688,944	2,797,348	2,948,646	3,016,465	3,016,465	3,096,994	3,191,230
Percentage Change	3.00%	4.60%	4.00%	6.00%	4.00%	5.40%	2.3%	0.8%	1.8%	3.0%

The Minnesota property tax system is described in more detail on pages 241 through 245. (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 will be seen in 2013 as Fiscal Disparities catches 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. A small development, Fox Ridge, is currently being developed. For this reason the City has budgeted a small increase in permit revenue for 2013. 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

of Building Permits Issued



The City pools its cash reserves for investment purposes. This is described in more detail in the investment policy on page 165 of this document.

The City's largest expenditure classification is personnel services. Personnel services include salaries and fringe benefits for all employees. For 2013, the salaries have been budgeted at a 2.0% increase for COLA for non-union employees and 0% increase for COLA for union employees as negotiations are still underway (a contingency has been budgeted for this reason).

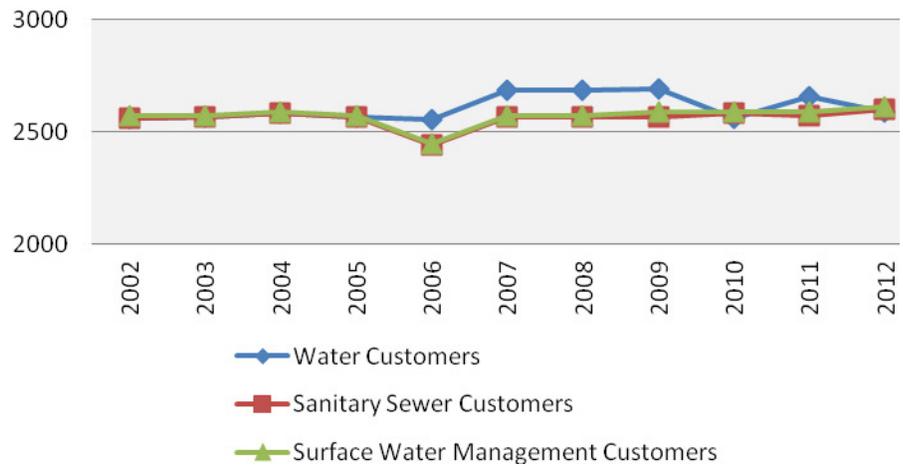
The City received a 5.0% increase in its health insurance premium for 2013 (this was the lowest allowable by law for a small group employer in our plan) and dental insurance premiums increased by 3.5%. Currently, the City pays \$697.42 per month toward health benefits for each employee. The City has 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 and has allowed the City to maintain its 2012 level of funding for employee benefits.

The City's staffing levels are detailed on pages 155-158.

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.

Number of Utility Customers



Budget Summary

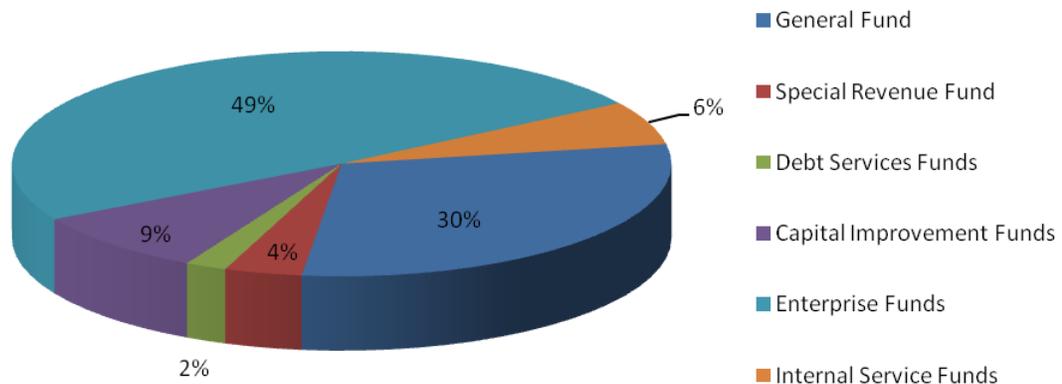
<u>REVENUE BUDGET</u>	Actual FY 2010	Actual FY 2011	Budget FY 2012	Projected FY 2012	Budget FY 2013	% Change 12 vs 13
General Fund	3,710,415	4,207,211	4,044,127	4,314,936	4,130,407	2.13%
Special Revenue Funds	694,732	505,278	867,836	731,100	461,881	-46.78%
Debt Services Funds	281,578	284,325	286,698	286,758	283,520	-1.11%
Capital Improvement Fund	1,748,120	1,494,324	1,152,093	996,290	2,046,765	77.66%
Enterprise Fund	4,112,712	4,720,529	4,436,379	4,685,069	4,626,397	4.28%
Internal Service Funds	48,377	49,996	831,815	599,478	863,430	3.80%
Total Revenues	10,595,935	11,261,662	11,618,948	11,613,631	12,412,400	6.83%

EXPENDITURE BUDGET

General Fund	3,769,188	3,817,447	4,169,081	4,185,352	4,150,861	-0.44%
Special Revenue Fund	380,250	374,974	540,789	440,154	529,869	-2.02%
Debt Services Funds	281,525	284,325	286,698	286,698	283,520	-1.11%
Capital Improvement Funds	2,131,386	1,891,916	1,819,604	887,908	1,261,252	-30.69%
Enterprise Funds	3,665,833	3,644,262	4,864,661	5,839,687	6,866,033	41.14%
Internal Service Funds	7,523	8,896	855,125	730,354	876,921	2.55%
Total Expenditures	10,235,705	10,021,820	12,535,958	12,370,152	13,968,456	11.43%
Fund Balance - January 1	18,442,113	18,802,343	20,042,186	20,042,186	19,285,664	-3.77%
Excess Revenues Over Expenditures	360,230	1,239,843	(917,010)	(756,522)	(1,556,056)	69.69%
Fund Balance - December 31	18,802,343	20,042,186	19,125,176	19,285,664	17,729,609	-7.30%

Budget Summary

2013 Expenditures By Fund Type



Budget Summary

2013 Budget Summary of all Fund Types (With 2012 & 2011 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>2013 Total Budget</u>	<u>2012 Total Budget</u>	<u>2011 Total Budget</u>
Revenues:									
Taxes	3,220,791	435,381	-	-	-	-	3,656,172	3,778,936	3,635,025
Special Assessments	2,769	-	-	400,000	-	-	402,769	400,210	400,000
Licenses & Permits	260,525	-	-	-	-	-	260,525	256,850	252,600
Intergovernmental Revenues	115,867	-	-	1,000,000	20,000	-	1,135,867	135,384	81,846
Charges for Services	417,482	-	-	-	-	855,154	1,272,636	1,249,361	386,601
Park Dedication Fees	-	-	-	-	-	-	-	-	-
Utility Charges	-	-	-	-	4,562,397	-	4,562,397	4,378,477	4,242,854
Interest on Investments	35,000	26,500	-	143,000	44,000	8,000	256,500	253,800	312,400
Fines & Forfeits	40,301	-	-	-	-	-	40,301	45,462	50,411
Miscellaneous	37,673	-	-	33,000	-	-	70,673	71,922	151,650
Total Revenues	4,130,408	461,881	-	1,576,000	4,626,397	863,154	11,657,840	10,570,402	9,513,387
Expenditures:									
General Government	1,106,978	98,756	-	-	-	514,675	1,720,409	1,717,395	1,234,346
Public Safety	1,778,420	-	-	-	-	-	1,778,420	1,707,329	1,647,970
Public Works	318,834	-	-	-	4,016,268	340,450	4,675,552	4,585,167	4,078,847
Park & Recreation	702,275	-	-	-	-	-	702,275	673,915	656,778
Economic Development	-	93,048	-	-	-	-	93,048	69,697	17,300
Miscellaneous	-	-	-	-	-	-	-	-	-
Capital Outlay	-	54,545	-	1,261,252	2,619,000	-	3,934,797	2,447,211	4,415,254
Debt Service	-	-	283,520	-	-	-	283,520	286,698	284,375
Total Expenditures	3,906,507	246,349	283,520	1,261,252	6,635,268	855,125	13,188,021	11,487,412	12,334,870
Revenues Over (Under) Expenditures	223,901	215,532	(283,520)	314,748	(2,008,871)	8,029	(1,530,181)	(917,010)	(2,821,483)
Other Financing Sources (Uses)									
Operating Transfers In	-	-	283,520	470,765	-	-	754,285	734,698	704,975
Operating Transfers Out	240,000	283,520	-	-	230,765	-	754,285	734,698	704,975
Reserves/Contingency	4,354	-	-	-	-	-	4,354	-	20,211
Total Other Financing Sources (Uses)	244,354	283,520	283,520	470,765	230,765	-	1,512,924	1,473,750	1,430,161
Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(20,453)	(67,988)	-	785,513	(2,239,636)	8,029	(1,534,535)	(917,010)	(2,841,694)
Fund Balances (Deficit)									
Beginning of Year	2,688,034	3,087,920	2,117	4,984,325	14,318,821	282,924	25,364,141	24,270,374	23,896,512
End of Year	2,667,581	3,019,932	2,117	5,769,838	12,079,185	290,953	23,829,606	23,353,361	21,054,818
						*	*	*	*
Balance without Enterprise Fund Capital Outlay*				14,698,185	-	-	26,448,606	24,304,444	21,183,458

Budget Summary

2011 – 2013 Summary of Estimated Financial Sources and Uses

	General Fund			Special Revenue Funds		
	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Budget</u>	2011 <u>Actual</u>	2012 <u>Estimated</u>	2013 <u>Budget</u>
Revenues:						
Taxes	2,913,248	3,093,793	3,220,791	432,232	501,528	435,381
Special Assessments	442	1,771	2,769	-	-	-
Licenses & Permits	429,279	409,081	260,525	-	-	-
Intergovernmental Revenues	126,691	118,802	115,867	77	-	-
Charges for Services	491,548	531,733	417,482	-	-	-
Park Dedication Fees	-	-	-	-	-	-
Utility Charges	-	-	-	-	-	-
Interest on Investments	34,858	63,151	35,000	63,081	34,567	26,500
Fines & Forfeits	29,151	32,368	40,301	-	-	-
Miscellaneous	181,945	63,441	37,673	-	-	-
Total Revenues	4,207,161	4,314,140	4,130,407	495,390	536,095	461,881
Expenditures:						
General Government	989,135	980,840	1,106,978	71,527	83,227	98,756
Public Safety	1,640,801	1,715,234	1,778,420	-	-	-
Public Works	273,165	462,864	318,834	-	-	-
Park & Recreation	661,746	661,459	702,275	-	-	-
Economic Development	-	-	-	6,862	54,049	93,048
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	12,259	16,181	54,545
Debt Service	-	-	-	-	-	-
Total Expenditures	3,564,847	3,820,397	3,906,507	90,649	153,456	246,349
Revenues Over (Under) Expenditures	642,314	493,742	223,900	404,742	382,639	215,532
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	12,600	189,955	-
Operating Transfers Out	252,600	364,955	240,000	284,325	286,698	283,520
Reserves/Contingency	-	-	4,354	-	-	-
Total Other Financing Sources (Uses)	(252,600)	(364,955)	(244,354)	(271,725)	(96,743)	(283,520)
Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	389,714	128,787	(20,454)	133,017	285,896	(67,988)
Fund Balances (Deficit) Beginning of Year	2,169,533	2,559,247	2,688,034	2,669,007	2,802,024	3,087,920
Fund Balances (Deficit) End of Year	2,559,247	2,688,034	2,667,580	2,802,024	3,087,920	3,019,932

Budget Summary

2011 – 2013 Summary of Estimated Financial Sources and Uses

Debt Service Funds			Capital Project Funds			Total Government Funds		
2011	2012	2013	2011	2012	2013	2011	2012	2013
<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>
-	-	-	-	-	-	3,345,480	3,595,321	3,656,172
-	-	-	561,238	245,282	400,000	561,680	247,053	402,769
-	-	-	-	-	-	429,279	409,081	260,525
-	-	-	119,647	-	1,000,000	246,415	118,802	1,115,867
-	-	-	-	-	-	491,548	531,733	417,482
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	61	-	200,411	137,008	143,000	298,350	234,788	204,500
-	-	-	-	-	-	29,151	32,368	40,301
-	-	-	183,315	35,390	33,000	365,260	98,831	70,673
-	61	-	1,064,612	417,680	1,576,000	5,767,163	5,267,976	6,168,289
-	-	-	-	-	-	1,060,662	1,064,067	1,205,734
-	-	-	-	-	-	1,640,801	1,715,234	1,778,420
-	-	-	-	-	-	273,165	462,864	318,834
-	-	-	-	-	-	661,746	661,459	702,275
-	-	-	-	-	-	6,862	54,049	93,048
-	-	-	-	-	-	-	-	-
-	-	-	1,891,916	634,015	1,261,252	1,904,175	650,196	1,315,797
284,325	286,698	283,520	-	-	-	284,325	286,698	283,520
284,325	286,698	283,520	1,891,916	634,015	1,261,252	5,831,737	4,894,566	5,697,628
(284,325)	(286,637)	(283,520)	(827,304)	(216,335)	314,748	(64,574)	373,410	470,661
284,325	286,698	283,520	429,712	578,609	470,765	726,637	1,055,262	754,285
-	-	-	-	253,893	-	536,925	905,546	523,520
-	-	-	-	-	-	-	-	4,354
284,325	286,698	283,520	429,712	324,716	470,765	189,712	149,716	226,411
-	61	-	(397,592)	108,381	785,513	125,138	523,126	697,072
2,056	2,056	2,117	5,273,535	4,875,943	4,984,325	10,114,131	10,239,269	10,762,395
2,056	2,117	2,117	4,875,943	4,984,325	5,769,838	10,239,269	10,762,395	11,459,467

Budget Summary

2011 – 2013 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

	Enterprise Funds			Internal Service Funds		
	2011	2012	2013	2011	2012	2013
	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Operating Revenues						
Utility Charges	4,608,130	4,617,878	4,562,397	-	-	-
Internal Charges	-	-	-	38,476	596,078	855,154
Total Operating Revenues	4,608,130	4,617,878	4,562,397	38,476	596,078	855,154
Operating Expenses						
Personnel Expense	761,932	808,007	849,081	-	103,229	133,897
Other Services & Charges	2,296,572	2,896,638	2,802,962	8,896	479,809	600,654
Supplies	91,774	436,524	6,050	-	137,385	142,370
Depreciation Expense	350,337	310,775	358,175	-	-	-
Total Operating Expenses	3,500,616	4,451,944	4,016,268	8,896	720,423	876,921
Operating Income (Loss)	1,107,514	165,935	546,129	29,580	(124,345)	(21,767)
Nonoperating Revenues (Expenses)						
Taxes	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Investment Income	81,256	47,389	44,000	11,520	3,400	8,000
Intergovernmental	31,143	19,802	20,000	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Outlay	444	1,244,517	2,619,000	-	-	-
Bond Discount	-	-	-	-	-	-
Total Nonoperating Revenue (net)	111,955	(1,177,326)	(2,555,000)	11,520	3,400	8,000
Income Before Operating Transfers						
Transfers	1,219,469	(1,011,392)	(2,008,871)	41,100	(120,945)	(13,767)
Without Capital Outlay*	1,219,913	233,125	610,129	41,100	(120,945)	(13,767)
Operating Transfers						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	143,000	143,000	230,765	-	-	-
Net Operating Transfers	(143,000)	(143,000)	(230,765)	-	-	-
Net Income (Loss)	1,076,469	(1,154,392)	(2,239,636)	41,100	(120,945)	(13,767)
Without Capital Outlay*	1,076,913	90,125	379,364	41,100	(120,945)	(13,767)
NET ASSETS						
BEGINNING OF YEAR	13,151,783	14,228,696	14,318,821	362,769	403,869	282,924
NET ASSETS						
END OF YEAR	14,228,696	14,318,821	14,698,185	403,869	282,924	269,157

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



General Fund Summary

GENERAL FUND SUMMARY

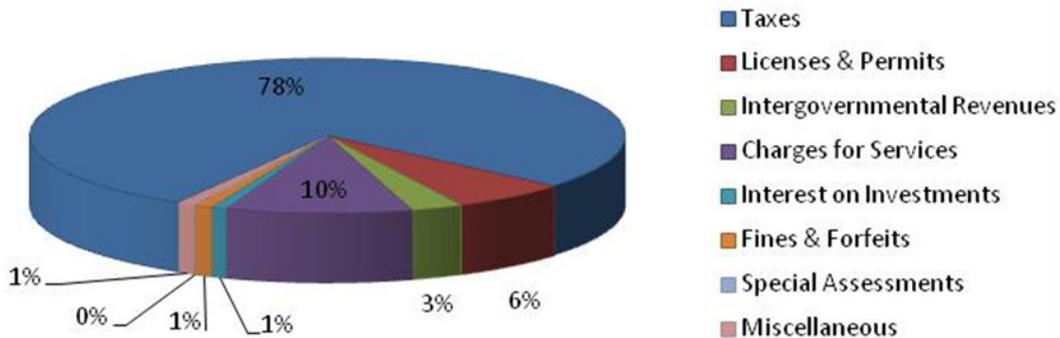
Fund Description:

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:

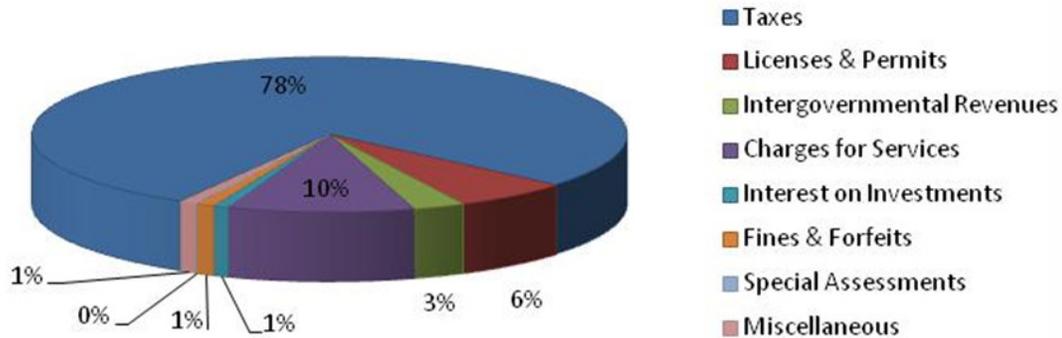
The three largest revenue sources for the City are property taxes, charges for current services, and license fees and permits. Property taxes are the largest revenue source with 78% of the revenue, charges for current services are 10%, license fees and permits are 6%, intergovernmental revenues are 3%, investment revenues are 1%, court fines are 1% and miscellaneous revenues are 1%. The graph below illustrates the projected revenue by type.

2013 Proposed Revenues By Classification



The 2013 General Fund budget of \$4,150,861 is a -.44% decrease over the City’s 2012 budget. Public Safety and General Government expenditures represent the largest expenditure areas with 43% and 26% respectively, while Park & Recreation represents 17%. These areas account for 86% of the budgeted expenditures within the City. The remaining expenditures are represented by Public Works at 8 %, Economic Development at 0.0%, Transfers at 6%, Capital Outlay at 0.0%, and Contingency budgeted at 0%. The graph below illustrates the budgeted expenditures by department.

2013 Proposed Revenues By Classification



	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Taxes	2,867,028	2,913,248	3,126,555	3,126,555	3,093,793	3,220,791	3.01%
Licenses and Permits	255,265	429,279	256,850	256,850	409,081	260,525	1.43%
Other Intergovernmental	118,981	126,691	115,582	115,582	118,802	115,867	0.25%
Charges for Services	388,687	491,548	425,546	425,546	531,733	417,481	-1.90%
Fines & Forfeits	27,013	29,151	45,462	45,462	32,368	40,301	-11.35%
Special Assessments	-	442	210	210	1,771	2,769	1218.61%
Miscellaneous	52,879	216,803	73,922	73,922	126,592	72,673	-1.69%
Transfers	-	-	-	-	-	-	0.00%
Total Revenues	\$ 3,709,854	\$ 4,207,161	\$ 4,044,127	\$ 4,044,127	\$ 4,314,140	\$ 4,130,407	2.13%

	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Expenditures by Department							
Mayor & Council	\$ 67,839	\$ 71,687	\$ 74,511	\$ 74,511	\$ 70,836	\$ 76,371	2.50%
Elections	16,156	17,268	18,068	18,068	17,286	18,000	-0.38%
Administration	391,510	322,094	342,236	342,236	294,784	333,017	-2.69%
Finance & Administrative Services	150,727	131,723	164,749	164,749	174,117	170,058	3.22%
TCAAP	17,372	27,898	60,000	60,000	41,571	50,000	-16.67%
Planning & Zoning	188,552	215,913	249,441	249,441	177,813	249,037	-0.16%
Government Buildings	195,378	202,552	209,321	209,321	204,433	210,495	0.56%
Police & Animal Services	907,144	939,612	978,955	978,955	978,861	1,011,663	3.34%
Dispatch	36,025	42,166	49,219	49,219	49,219	52,067	5.79%
Fire Protection	356,778	379,402	392,869	392,869	392,869	414,541	5.52%
Emergency Management	6,859	9,699	15,533	15,533	9,181	15,464	-0.44%
Protective Inspections	254,240	269,923	270,753	270,753	285,104	284,685	5.15%
Street Maintenance	322,795	273,165	304,556	304,556	462,864	318,834	4.69%
Park Maintenance	366,907	437,568	425,239	425,239	428,229	444,647	4.56%
Recreation	218,889	204,284	223,676	223,676	213,744	232,628	4.00%
Celebrating Arden Hills	19,416	19,894	25,000	25,000	19,487	25,000	0.00%
Reserves/Contingency	-	-	-	-	-	4,354	0.00%
Transfers	252,600	252,600	240,000	364,955	364,955	240,000	-34.24%
Capital Outlay	-	-	-	-	-	-	0.00%
Total Expenditures	\$ 3,769,188	\$ 3,817,447	\$ 4,044,126	\$ 4,169,081	\$ 4,185,352	\$ 4,150,861	-0.44%

Fund Balance - January 1	1,882,260	1,822,925	2,151,335	2,151,335	2,151,335	2,026,381
Excess Revenue Over Expenditure	(59,335)	389,714	1	(124,954)	128,787	(20,454)
Fund Balance - December 31	\$ 1,822,925	\$ 2,151,335	\$ 2,151,336	\$ 2,026,381	\$ 2,280,122	\$ 2,005,927

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.

	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Taxes							
Taxes	2,867,028	2,913,248	3,126,555	3,126,555	3,093,793	3,220,791	3.01%
Licenses and Permits	255,265	429,279	256,850	256,850	409,081	260,525	1.43%
Other Intergovernmental	118,981	126,691	115,582	115,582	118,802	115,867	0.25%
Charges for Services	388,687	491,548	425,546	425,546	531,733	417,481	-1.90%
Fines & Forfeits	27,013	29,151	45,462	45,462	32,368	40,301	-11.35%
Special Assessments	-	442	210	210	1,771	2,769	1218.61%
Miscellaneous	52,879	216,803	73,922	73,922	126,592	72,673	-1.69%
Transfers	-	-	-	-	-	-	0.00%
Total Revenues	\$ 3,709,854	\$ 4,207,161	\$ 4,044,127	\$ 4,044,127	\$ 4,314,140	\$ 4,130,407	2.13%
Expenditures by Category							
Personal Services	\$ 1,358,507	\$ 1,326,431	\$ 1,336,195	\$ 1,336,195	\$ 1,284,378	\$ 1,381,493	3.39%
Materials and Supplies	226,136	206,303	125,850	125,850	202,101	140,150	11.36%
Other Services and Charges	1,931,963	2,033,269	2,342,081	2,342,081	2,333,936	2,384,864	1.83%
Capital Outlay	-	-	-	-	-	-	0.00%
Transfers	252,600	252,600	240,000	364,955	364,955	240,000	-34.24%
Contingency/Reserves	-	-	-	-	-	4,354	0.00%
Total Expenditures	\$ 3,769,207	\$ 3,818,602	\$ 4,044,126	\$ 4,169,081	\$ 4,185,370	\$ 4,150,861	-0.44%
Fund Balance - January 1	1,822,260	1,762,907	2,151,335	2,151,335	2,151,335	2,026,381	
Excess Revenue Over Expenditure	(59,353)	388,558	1	(124,954)	128,770	(20,454)	
Fund Balance - December 31	\$ 1,762,907	\$ 2,151,335	\$ 2,151,336	\$ 2,026,381	\$ 2,280,105	\$ 2,005,927	

What Do You Get for Your Arden Hills Tax Dollar?



A \$257,400 home generates \$677 in annual property taxes:
This comes to \$56.00 per month for 2013.

What could you purchase for \$56.00 a month?

ONE OF THESE...

- One month of cable service
- One hardback book
- One month at a gym
- Three Compact disks
- 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
- Leaf and Brush Collection
- 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 \$257,400 Homestead in 2013

Actual Cost of City Services Pay 2013 Property Tax Support for \$257,400 Homestead				
City Service Category	Actual	Percent of Levy	Amount of Levy	Monthly Cost
General Government Mayor/Council, Administration, Communications, Elections, Auditor, Assessor, Legal, Planning	\$1,106,978	26.7%	\$181	\$15
Public Safety Building Inspection/Code Enforcement, Court, Police Contract, Fire, Ambulance, Human Services, Animal Control	\$1,778,420	42.8%	\$290	\$24
Public Works Engineering, Streets, Street Lighting, City Buildings	\$318,834	7.7%	\$52	\$4
Parks	\$444,647.00	10.7%	\$73	\$6
Recreation	\$257,628.00	6.2%	\$42	\$4
Transfers	\$240,000	5.8%	\$39	\$3
Reserves	\$4,354	0.1%	\$1	\$0
Capital Projects	\$0	0.0%	\$0	\$0
Totals	\$4,150,861	100.0%	\$677	\$56

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.

2013 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.

2013 Budget Issues

The General Fund's main revenue source is property taxes. Property taxes made up 77% of the 2011 budget and 77% of the 2012 budget. For 2013 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 have decreased with the decreasing budgets 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).

Fines & Forfeits have seen a decrease in Highway Patrol fines and Forfeits so they have been reduced further in this budget. The only real increase has been in Adult Program revenues which have been rising the last few years when looking at actual revenues brought in.

Budget Summary

See next two pages.

Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Taxes							
Current Ad Valorem Taxes	\$ 2,646,702	\$ 2,656,624	\$ 3,096,994	\$ 3,096,994	\$ 2,801,080	\$ 3,191,230	3.04%
Payments in Lieu of Taxes	174	174	-	-	-	-	0.00%
Delinquent Ad Valorem Taxes	(25,313)	(7,721)	21,461	21,461	18,418	21,461	0.00%
Mobile Home Tax	7,064	2,207	7,500	7,500	5,737	7,500	0.00%
Fiscal Disparities	240,799	265,220	-	-	252,829	-	0.00%
Aggregate Removal Tax	602	501	600	600	8,396	600	0.00%
Penalties & Interest on Taxes	(2,999)	(3,757)	-	-	7,333	-	0.00%
Forfeited Tax Sales	-	-	-	-	-	-	0.00%
Total Taxes	2,867,028	2,913,248	3,126,555	3,126,555	3,093,793	3,220,791	3.01%
Licenses and Permits							
Liquor, On Sale & Sunday	23,820	24,100	25,000	25,000	14,940	26,250	5.00%
Liquor, Off Sale	950	640	-	-	9,320	-	0.00%
Inspection Fees	-	900	-	-	3,600	-	0.00%
Contractors	4,856	6,750	5,500	5,500	7,350	5,775	5.00%
Rental Regulation Fee	2,520	3,280	2,600	2,600	3,680	2,100	-19.23%
Business Licenses	11,686	10,286	13,000	13,000	10,905	13,650	5.00%
Other Business Lic/Permits	3,465	1,690	4,000	4,000	100	4,200	5.00%
Tabacco License	-	1,000	-	-	300	1,377	0.00%
Plan Review & Bldg Permits	123,746	269,199	133,000	133,000	230,607	133,000	0.00%
Mechanical Permits	25,661	29,649	26,000	26,000	44,182	26,000	0.00%
Plumbing Permits	8,066	23,194	10,000	10,000	10,241	10,000	0.00%
Animal Licenses	1,999	1,640	2,000	2,000	2,159	2,100	5.00%
Sign Permits	800	1,850	850	850	2,100	893	5.06%
Sign Permit Renewal	1,800	1,640	2,000	2,000	1,550	2,100	5.00%
Electrical Permits	27,748	33,769	20,000	20,000	45,388	20,000	0.00%
Utility Permit Fees	5,879	4,375	300	300	5,250	300	0.00%
Fire Suppression Permits	7,176	6,955	6,000	6,000	9,710	6,000	0.00%
Fire Permit Plan Check Fee	-	2,662	3,000	3,000	6,201	3,000	0.00%
Erosion/Grading Permit	3,575	4,600	1,600	1,600	900	1,680	5.00%
Other Nonbusiness Lic/Permits	1,520	1,100	2,000	2,000	600	2,100	5.00%
Total Licenses and Permits	255,265	429,279	256,850	256,850	409,081	260,525	1.43%
Intergovernmental Revenues							
Market Value Homestead Credit	(56)	-	-	-	-	-	0.00%
Mobile Home Homestead Credit	3,522	3,773	-	-	138	-	0.00%
State PERA Aid	5,179	5,179	5,179	5,179	5,179	5,179	0.00%
Local Performance Aid	-	-	-	-	1,337	-	0.00%
Police Aid	41,777	41,722	41,844	41,844	37,120	42,129	0.68%
MSA Maintenance	68,559	76,017	68,559	68,559	75,028	68,559	0.00%
State Grants	-	-	-	-	-	-	0.00%
Other County Grants & Aids	-	-	-	-	-	-	0.00%
Other Intergovernmental	118,981	126,691	115,582	115,582	118,802	115,867	0.25%
Charges for Services							
Zoning and Subdivision Fees	50	-	-	-	50	-	0.00%
Plan Checking Fees	47,403	140,983	42,000	42,000	119,485	-	-100.00%
Sale of Maps and Publications	12	9	-	-	29	-	0.00%
Plat & Other Fees	11,355	10,025	11,000	11,000	6,900	11,550	5.00%
Admin Chgs from other funds	31,647	20,030	24,762	24,762	22,227	17,984	-27.37%
Admin Chgs from other funds	40,890	35,700	54,338	54,338	63,096	54,493	0.29%
Admin Chgs from other funds	77,860	82,497	103,711	103,711	100,737	92,065	-11.23%
Zoning Permit Fees	-	640	850	850	2,010	893	5.06%
Business Subsidiary App Fee	2,000	-	2,000	2,000	-	2,000	0.00%
Water Tower Antenna Rentals	65,759	72,351	75,655	75,655	76,574	76,486	1.10%
Other General Govt Charges	3,385	3,401	3,400	3,400	3,468	3,400	0.00%
Plan Check Fee	-	-	-	-	-	42,000	0.00%
False Alarms	850	150	1,000	1,000	500	1,000	0.00%
Impound Fees	-	-	-	-	-	-	0.00%
State Building Code Surcharges	8,751	13,873	8,000	8,000	17,192	8,000	0.00%
City Building Code Surcharges	-	1,307	1,000	1,000	1,166	1,000	0.00%
City Hall Rental	130	60	-	-	70	-	0.00%
Park Facility Rental Fees	-	-	4,230	4,230	-	4,230	0.00%
Youth Program Field Use	1,636	3,242	3,500	3,500	6,380	3,675	5.00%
Adult Program Field Use	-	-	1,600	1,600	3,360	1,600	0.00%
Summer Playground Fees	12,484	13,537	12,000	12,000	14,071	13,500	12.50%
Summer Trip Fees	(34)	-	-	-	-	-	0.00%
Adult Programs	31,835	35,105	23,000	23,000	34,468	31,000	34.78%
Youth Programs	36,884	43,107	39,000	39,000	46,150	40,000	2.56%
Adult Softball	-	-	-	-	-	-	0.00%
After School Programs	11,855	11,997	11,000	11,000	11,598	10,000	-9.09%
Special Events Programs	3,735	3,181	3,500	3,500	2,153	2,500	-28.57%
Other Charges for Services	200	355	-	-	50	105	0.00%
Total Charges for Services	388,687	491,548	425,546	425,546	531,733	417,481	-1.90%

Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
<u>Fines & Forfeits</u>							
Highway Patrol Fines	733	1,762	4,000	4,000	1,755	2,000	-50.00%
DWI Forfeitures	-	-	1,000	1,000	554	1,000	0.00%
Violations Bureau	21,675	14,952	23,000	23,000	14,428	23,000	0.00%
Tobacco Fines	700	100	-	-	-	300	0.00%
Administrative Fines	-	12,001	12,000	12,000	15,631	12,001	0.01%
Forfeits	3,905	336	5,462	5,462	-	2,000	-63.38%
Total Fines & Forfeits	27,013	29,151	45,462	45,462	32,368	40,301	-11.35%
<u>Special Assessments</u>							
Special Assessments	-	438	210	210	1,771	2,769	1218.61%
Delinquent Sp Assessments	-	-	-	-	-	-	0.00%
Penalties and Int Sp Assessments	-	4	-	-	-	-	0.00%
PrePaid Special Assessments	-	-	-	-	-	-	0.00%
Total Special Assessments	-	442	210	210	1,771	2,769	1218.61%
<u>Miscellaneous</u>							
Interest Income	29,867	34,858	35,000	35,000	63,151	35,000	0.00%
Contributions/Donations	581	-	3,600	3,600	150	3,600	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Contributions/Donations	2,350	750	-	-	814	-	0.00%
Contributions/Donations	6,000	10,025	15,000	15,000	12,423	15,000	0.00%
Contributions/Donations	1,800	-	-	-	1,750	-	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Candidate Filing Fee	12	-	-	-	-	-	0.00%
Developer Reimbursements	-	-	-	-	-	-	0.00%
Conduit Debt Application Fee	-	500	-	-	-	-	0.00%
Conduit Debt Fees	4,778	134,955	9,522	9,522	39,619	9,500	-0.23%
Night Time Construction Waiver	250	-	-	-	-	-	0.00%
Other Miscellaneous Revenue	-	-	-	-	-	-	0.00%
Miscellaneous Reimbursements	468	429	550	550	156	550	0.00%
Miscellaneous Reimbursement	788	1,656	1,250	1,250	2,708	1,250	0.00%
Miscellaneous Reimbursement	-	26,116	3,000	3,000	-	3,000	0.00%
Miscellaneous Reimbursement	-	-	-	-	-	-	0.00%
Private Street Light Reimbursements	-	-	-	-	-	-	0.00%
Miscellaneous Reimbursement	5,985	7,513	6,000	6,000	5,821	4,773	-20.44%
Fire Inspection Reimbursement	-	-	-	-	-	-	0.00%
Total Miscellaneous	52,879	216,803	73,922	73,922	126,592	72,673	-1.69%
Total Operating Revenues	3,709,854	4,207,161	4,044,127	4,044,127	4,314,140	4,130,407	2.13%
<u>Other Financing Sources</u>							
Sales of General Fixed Assets	-	-	-	-	-	-	0.00%
Transfer	-	-	-	-	-	-	0.00%
Total Other Financing Sources	-	-	-	-	-	-	0.00%
Total General Fund Revenue	\$ 3,709,854	\$ 4,207,161	\$ 4,044,127	\$ 4,044,127	\$ 4,314,140	\$ 4,130,407	2.13%

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 Annual 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 development of the TCAAP property.

Issues

1. Reduced tax capacity and levy limits which place pressure on the ability to finance City operations at current levels
2. Public sale of the TCAAP property

Measurable Workload Data

None developed at this time.

Budget Commentary

In the 2013 the Mayor and Council Budget is proposed to increase by 2.5%. In 2012, the Mayor and City Council began using tablets for electronic packets and email, \$2,700 has been budgeted for the annual cost of the service which is a \$1,090 increase over 2012. Training has been increased by \$3,550 as more Council members are now attending training and conferences. Membership dues for the National League of Cities is also included in the budget this year.

Budget Summary

Function: General Government

Department: Mayor & Council

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	31,199	31,230	31,171	31,171	31,182	31,181	0.03%
Materials and Supplies	881	133	-	-	24	-	0.00%
Services and Charges	35,759	40,325	43,340	43,340	39,630	45,190	4.27%
Total Operating Expenses	67,839	71,687	74,511	74,511	70,836	76,371	2.50%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	67,839	71,687	74,511	74,511	70,836	76,371	2.50%
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 Council and Mayor. 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. The City Attorney also serves as City Prosecutor.

City Engineer services have historically been provided by the City of Roseville. In 2012, the City hired an Assistant City Engineer and phased out services from Roseville. General Engineering expenses are included in the Administration budget as they will be charged out from the Engineering Internal Service Fund.

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. Implications due to the decrease in tax capacity and levy limits for the City
2. Long-range comprehensive TCAAP planning
3. Long-range comprehensive public safety planning

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2013 Administration operating budget is decreasing by 2.69% over 2012. This is primarily the result of reductions in legal expenditures for prosecution according to historical data and a reduction in Professional Services.

Budget Summary

Function: General Government

Department: Administration

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Total Personal Services	236,475	205,510	193,271	193,271	197,043	196,546	1.69%
Total Materials and Supplies	2,658	-	-	-	-	-	0.00%
Other Services and Charges	152,377	116,584	148,965	148,965	97,741	136,471	-8.39%
Total Operating Expenses	391,510	322,094	342,236	342,236	294,784	333,017	-2.69%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	391,510	322,094	342,236	342,236	294,784	333,017	-2.69%
Funding Source:	General Fund						

ELECTIONS

Function: General Government
Supervisor: Deputy 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.

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 is decreasing by 0.38% as a result of the City contracting with Ramsey County for taking over the elections and costs related to elections. This will create a more stable budget in future years.

Budget Summary

Function: General Government		Department: Elections					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	11,856	60	68	68	18	-	-100.00%
Materials and Supplies	876	-	-	-	-	-	0.00%
Other Services and Charges	3,424	17,208	18,000	18,000	17,268	18,000	0.00%
Total Operating Expenses	16,156	17,268	18,068	18,068	17,286	18,000	-0.38%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	16,156	17,268	18,068	18,068	17,286	18,000	-0.38%
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, office supplies and postage.

The Deputy City Clerk's responsibilities involve the management and retention of all official records and documents of the City 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, Deputy Clerk, and Office Support Staff.

Objectives

1. Continue working to develop a 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. Develop a financial model to analyze developer Performa.
6. Conduct City elections.
7. Management information technology and train personnel.
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.

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 increases by 3.22% in 2013.

Other Services and Charges are increasing due to a number of factors. Most of these are due to contracted services and technology related. Springbrook (City's financial software) costs have increased with the addition of upgrades and new modules like HR, technology costs from Metro-INet (Roseville) have increased 45%, but Roseville is spreading this over a three year implementation period. There had not been any increases since the group started and have been picking up the remaining costs up to this point. Other factors include technology updates as we have to constantly upgrade our licenses and as we move more toward more efficient technology, these costs will likely increase over time.

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

Activity	Appropriation Detail						% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	
Personal Services	78,614	58,523	73,618	73,618	67,305	75,663	2.78%
Materials and Supplies	23,346	23,627	24,800	24,800	17,483	24,100	-2.82%
Other Services and Charges	48,767	49,573	66,331	66,331	89,328	70,295	5.98%
Total Operating Expenses	150,727	131,723	164,749	164,749	174,117	170,058	3.22%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	150,727	131,723	164,749	164,749	174,117	170,058	3.22%

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. Revenues for this department are primarily developer escrow reimbursements and investment interest.

Objectives

1. Coordination of TCAAP redevelopment activities while continuing to meet the needs of the City of Arden Hills.
2. Continue working with the GSA for a successful sale of the property.
3. Structure TCAAP to be successful (agreements, operating costs, etc.)

Issues

1. Economic conditions.
2. Coordinating with multiple entities/players to complete transaction.

Measurable Workload Data

None developed at this time.

Budget Commentary

Since the City's development partner pulled out of the project in April of 2009, Ramsey County is currently working on a plan to purchase the property at this time and is working with the City. Revenues and expenditures are unknown at this time, but placeholders have been included for consulting costs, but actual estimates are not known at this time. The 2013 budget shows a reduction of 16.67% as the Council decreased the estimate by \$10,000 for Professional Services.

Budget Summary

Function: General Government

Department: TCAAP

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	18	-	-	-	-	-	0.00%
Materials and Supplies	-	1,155	-	-	17	-	0.00%
Other Services and Charges	17,353	26,743	60,000	60,000	41,554	50,000	-16.67%
Total Operating Expenses	17,372	27,898	60,000	60,000	41,571	50,000	-16.67%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	17,372	27,898	60,000	60,000	41,571	50,000	-16.67%
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 before the "Open Bid" process by the GSA.

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The budget for 2013 is a total decrease of 0.16% over the 2012 budget. This decrease is primarily due to a decrease in Professional Services of \$10,000.

Budget Summary

Function: General Government

Department: Planning & Zoning

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	161,425	190,788	161,741	161,741	155,562	170,792	5.60%
Materials and Supplies	1,217	1,703	1,000	1,000	49	1,000	0.00%
Other Services and Charges	25,910	23,422	86,700	86,700	22,202	77,245	-10.91%
Total Operating Expenses	188,552	215,913	249,441	249,441	177,813	249,037	-0.16%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	188,552	215,913	249,441	249,441	177,813	249,037	-0.16%
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 ten years.

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2013 budget is an increase of 0.56% from the previous year's budget. This increase is primarily due to step changes and salary and benefit increases

Budget Summary

Function: General Government

Department: Government Buildings

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	37,390	35,520	29,604	29,604	28,946	30,778	3.97%
Materials and Supplies	4,660	9,493	4,500	4,500	5,531	4,500	0.00%
Other Services and Charges	153,329	157,539	175,217	175,217	169,956	175,217	0.00%
Total Operating Expenses	195,378	202,552	209,321	209,321	204,433	210,495	0.56%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	195,378	202,552	209,321	209,321	204,433	210,495	0.56%
Funding Source: General Fund							

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. In 2013, animal control services are provided by a contract with Animal Control Services, an independent contractor – the 2013 budget reflects a change to the Ramsey County Sheriff's Department.

Objectives

1. Continue contracting for law enforcement service through the Ramsey County Sheriff's Department.
2. Establish contracting animal control services through 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 budget increased 4.37% over 2012, Animal control is now included as it is now provided by the Ramsey County Sheriff's Department as part of the Contracting Communities. The cost of boarding animals estimated to be \$700 to Hillcrest Animal Hospital is also included in this budget. This represents an increase of 3.34% in this budget.

Budget Summary

Function: Public Safety

Department: Police and Animal Services

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Other Services and Charges	907,144	939,612	978,955	978,955	978,861	1,011,663	3.34%
Total Operating Expenses	907,144	939,612	978,955	978,955	978,861	1,011,663	3.34%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	907,144	939,612	978,955	978,955	978,861	1,011,663	3.34%
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 through 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 increased by 5.79%. As there were not increases in the charge to the City for both 2008 and 2009, a three year average is now used to determine the City's average actual costs.

Budget Summary

Function: Public Safety		Department: Dispatch					
		Appropriation Detail					
Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Other Services and Charges	36,025	42,166	49,219	49,219	49,219	52,067	5.79%
Total Operating Expenses	36,025	42,166	49,219	49,219	49,219	52,067	5.79%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	36,025	42,166	49,219	49,219	49,219	52,067	5.79%
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 direct costs associated with Station No. 1, located at 3246 New Brighton Road, and a percentage of operating 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. Fire coverage with the future of the Fire Station in Arden Hills and implementation of the "Duty Crew".

Measurable Workload Data

None developed at this time.

Budget Commentary

Arden Hills portion of the Lake Johanna Fire Department operating budget increased 5.52%. This budget reflects the fourth year of implementation of a full-time duty crew, as well as increases to capital and operating costs.

Budget Summary

Function: Public Safety		Department: Fire Protection					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Other Services and Charges	356,778	379,402	392,869	392,869	392,869	414,541	5.52%
Total Operating Expenses	356,778	379,402	392,869	392,869	392,869	414,541	5.52%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	356,778	379,402	392,869	392,869	392,869	414,541	5.52%
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 2013 budget is a 0.44% decrease from the previous and is mainly due to salary and benefit changes

Budget Summary

Function: Public Safety		Department: Emergency Management					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	5,035	8,170	2,533	2,533	2,475	2,614	3.20%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	1,824	1,529	13,000	13,000	6,706	12,850	-1.15%
Total Operating Expenses	6,859	9,699	15,533	15,533	9,181	15,464	-0.44%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	6,859	9,699	15,533	15,533	9,181	15,464	-0.44%
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 2013 operating budget is an increase of 5.15% from the previous year's budget. This is mainly due to salary and benefit increases, increased application and software support for Permit works and certification licenses for the Building Inspector and Official.

Budget Summary

Function: Public Safety

Department: Protective Inspections

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	208,311	217,421	226,578	226,578	223,446	235,650	4.00%
Materials and Supplies	3,390	2,640	3,650	3,650	85	3,650	0.00%
Other Services and Charges	42,540	49,863	40,525	40,525	61,573	45,385	11.99%
Total Operating Expenses	254,240	269,923	270,753	270,753	285,104	15,464	5.15%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	254,240	269,923	270,753	270,753	285,104	284,685	5.15%
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 2013 operating budget is an increase of 4.69% from the previous year's budget. This increase is primarily due to increases in salaries and benefits, increases in materials and supplies, and repair costs from the Central Garage internal service fund.

Budget Summary

Function: Public Works

Department: Street Maintenance

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	182,908	171,448	190,818	190,818	173,953	196,014	2.72%
Materials and Supplies	85,969	58,445	37,625	37,625	106,186	37,625	0.00%
Other Services and Charges	53,918	43,271	76,113	76,113	182,725	85,195	11.93%
Total Operating Expenses	322,795	273,165	304,556	304,556	462,864	318,834	4.69%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	322,795	273,165	304,556	304,556	462,864	318,834	4.69%
Funding Source: General Fund							

PARKS MAINTENANCE

Function: Parks and Recreation
Supervisor: Parks and Recreation Manager/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 2013 operating budget is an increase of 4.56% from the previous year's budget. This is primarily due to salary step and benefits increases and park maintenance materials that were omitted from the budget in the prior year.

Budget Summary

Function: Parks and Recreation

Department: Park Maintenance

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	258,327	282,386	274,442	274,442	267,099	281,552	2.59%
Materials and Supplies	65,030	71,818	19,000	19,000	33,412	34,000	78.95%
Other Services and Charges	43,550	83,364	131,797	131,797	127,718	129,095	-2.05%
Total Operating Expenses	366,907	437,568	425,239	425,239	428,229	444,647	4.56%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	366,907	437,568	425,239	425,239	428,229	444,647	4.56%
Funding Source: General Fund							

RECREATION PROGRAM

Function: Parks and Recreation
Supervisor: Park and Recreation Manager
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 2013 operating budget is an increase of 4.00% from the previous year's budget. This increase is primarily due to salary step and benefit increases. Program costs have risen slightly as program participation has been up which is offset by revenues collected.

Budget Summary

Function: Parks and Recreation		Department: Recreation					
		Appropriation Detail					
Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	146,948	125,375	152,351	152,351	137,349	160,703	5.48%
Materials and Supplies	19,756	18,512	16,275	16,275	20,702	16,275	0.00%
Other Services and Charges	52,184	60,397	55,050	55,050	55,693	55,650	1.09%
Total Operating Expenses	218,889	204,284	223,676	223,676	213,744	232,628	4.00%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	218,889	204,284	223,676	223,676	213,744	232,628	4.00%
Funding Source: General Fund							

CELEBRATING ARDEN HILLS

Function: Parks and Recreation
Supervisor: Parks and Recreation Manager
Fund#: 101
Activity#: 45400

Activity Scope

This department provides all the activities and costs associated with the City-wide celebration, "Celebrating Arden Hills".

Objectives

1. To provide a City-wide celebration for all residents of Arden Hills.

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 budgeted cost is \$25,000 and offset by revenue of \$15,000 in donations.

Budget Summary

Function: General Government		Department: Celebrating Arden Hills					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Personal Services	-	-	-	-	-	-	0.00%
Materials and Supplies	18,354	18,776	19,000	19,000	18,611	19,000	0.00%
Other Services and Charges	1,062	1,118	6,000	6,000	876	6,000	0.00%
Total Operating Expenses	19,416	19,894	25,000	25,000	19,487	25,000	0.00%
Department Total	19,416	19,894	25,000	25,000	19,487	25,000	0.00%
Funding Source: General Fund							

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

The 2013 budget has no change from 2012. A transfer of conduit debt fees received in 2011 was made in 2012 to fund EDA activities.

Budget Summary

Function: General Government		Department: Transfers					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Operating Transfers							
Transfer to Storm Water Mgmt	-	-	-	-	-	-	0.00%
Transfer to Park Fund	-	-	-	-	-	-	0.00%
Transfer to EDA General Fund	12,600	12,600	-	124,955	124,955	-	0.00%
Transfer to Equipment Fund	-	-	-	-	-	-	0.00%
Transfer to Public Safety Capital	40,000	40,000	40,000	40,000	40,000	40,000	0.00%
Transfer to PIR	-	-	-	-	-	-	0.00%
Transfer to Debt Service	200,000	200,000	200,000	200,000	200,000	200,000	0.00%
Department Total	252,600	252,600	240,000	364,955	364,955	240,000	0.00%
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. A contingency has been set up for union negotiations as our contract expires on December 31, 2012. No other reserves/contingency has been budgeted for 2013.

Budget Summary

Function: General Government		Department: Reserves/Contingency					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Reserves							
Contingency	-	-	-	-	-	4,354	0.00%
Department Total	-	-	-	-	-	4,354	0.00%
General Fund							



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Special Revenue Funds Summary

SPECIAL REVENUE FUNDS SUMMARY

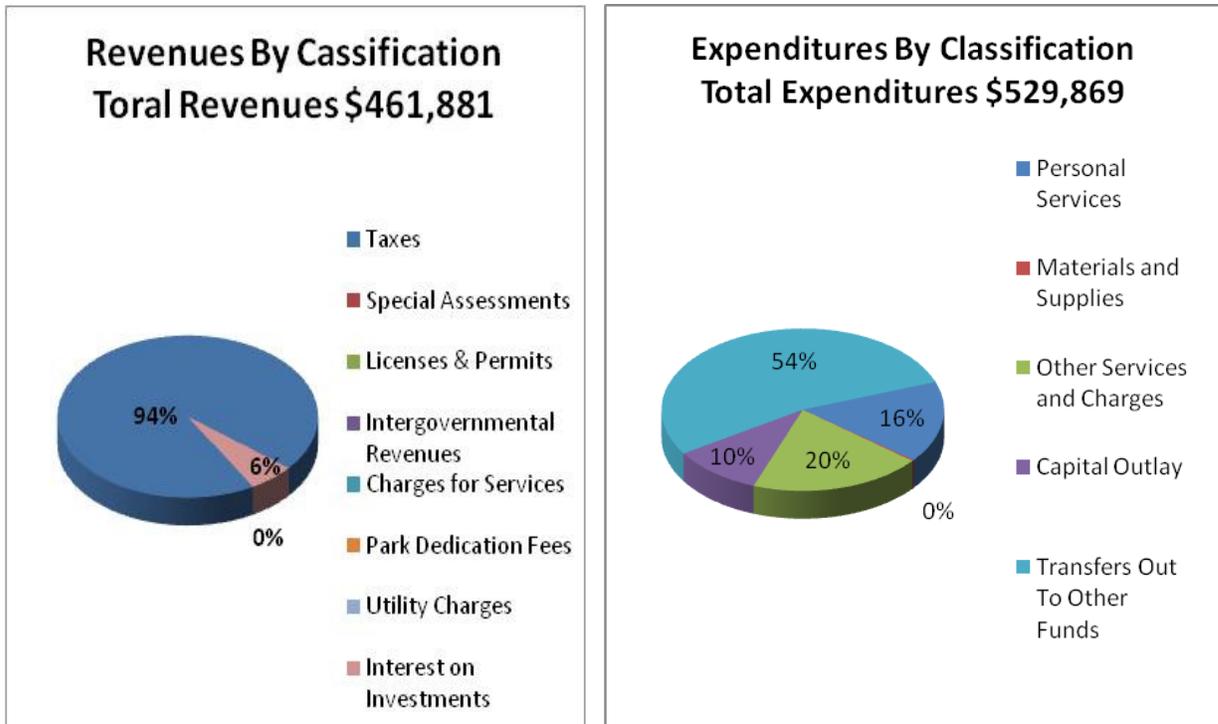
Description

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. Due to changes in GASB standards, the Community Service Fund has been folded into the Public Safety Capital Fund as its revenue source (Charitable Gambling Proceeds) can only be used for Public Safety Capital as restricted by State Statute.

Budget Summary



	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Operating Revenue							
Cable Fund	91,079	98,056	91,131	91,131	76,362	91,131	0.00%
EDA General Fund	35,250	29,281	35,250	35,250	57,125	35,250	0.00%
EDA Revolving Fund	3,392	4,290	2,500	2,500	1,275	2,500	0.00%
EDA TIF Dist #2 Round Lake	511,739	317,703	508,500	508,500	360,048	290,000	-42.97%
EDA TIF Dist #3 Cottage Villas	40,672	43,348	40,500	40,500	46,336	43,000	6.17%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Operating Revenues	682,132	492,678	677,881	677,881	541,145	461,881	-31.86%
Other Financing Sources							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	12,600	12,600	65,000	189,955	189,955	-	-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	12,600	12,600	65,000	189,955	189,955	-	-100.00%
Total Revenues	\$ 694,732	\$ 505,278	\$ 742,881	\$ 867,836	\$ 731,100	\$ 461,881	-46.78%
Operating Expenses							
Cable Fund	92,663	71,527	84,394	84,394	83,227	98,756	17.02%
EDA General Fund	544	3,506	64,397	64,397	50,199	86,048	33.62%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	1,094	1,716	1,300	1,300	1,393	2,300	76.92%
EDA TIF Dist #3 Cottage Villas	1,673	1,640	4,000	4,000	1,484	4,400	10.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	973	300	0.00%
Operating Expenses	95,975	78,389	154,091	154,091	137,275	191,804	24.47%
Capital Outlay							
Cable Fund	2,750	12,259	35,000	35,000	11,131	24,545	-29.87%
EDA General Fund	-	-	65,000	65,000	5,050	30,000	-53.85%
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%
Total Capital Outlay	2,750	12,259	100,000	100,000	16,181	54,545	-45.46%
Other Finance Uses							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	-	-	-	-	-	-	0.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	281,525	284,325	286,698	286,698	286,698	283,520	-1.11%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Other Financing Uses	281,525	284,325	286,698	286,698	286,698	283,520	-1.11%
Total Expenditures	\$ 380,250	\$ 374,974	\$ 540,789	\$ 540,789	\$ 440,154	\$ 529,869	-2.02%
Fund Balances - January 1							
Fund Balances - January 1	1,509,383	1,823,865	1,958,228	1,958,228	1,958,228	2,249,174	
Excess Revenue Over Expenditure	314,482	130,304	202,092	327,047	290,946	(67,988)	
Fund Balances - December 31	\$ 1,823,865	\$ 1,958,228	\$ 2,160,320	\$ 2,285,275	\$ 2,249,174	\$ 2,181,186	

CABLE FUND

Function: General Government
Supervisor: Community Development Director
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-are equipment for Council meetings and televising.

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2013 budget has increased overall by 3.27%. Personal services have increased as a result of salary and step increases and the addition of part of the Deputy Clerk's salary as they are now working on the website. Rentals increased as a result of the new copy machine lease with LaserFiche access. Administrative Charges to other funds have increased as a result of the salary allocation changes for Finance and Administrative Services.

Budget Summary

Function: General Government		Department: Cable Fund					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Taxes	85,131	90,123	85,131	85,131	70,468	85,131	0.00%
Miscellaneous	5,948	7,933	6,000	6,000	5,894	6,000	0.00%
Total Revenues	\$ 91,079	\$ 98,056	\$ 91,131	\$ 91,131	\$ 76,362	\$ 91,131	0.00%
Expenditures							
Total Personal Services	33,308	32,796	32,642	32,642	32,919	42,465	30.09%
Total Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	59,355	38,730	51,752	51,752	50,308	56,291	8.77%
Capital Outlay	2,750	12,259	35,000	35,000	11,131	24,545	-29.87%
Total Expenditures	\$ 95,413	\$ 83,786	\$ 119,394	\$ 119,394	\$ 94,358	\$ 123,301	3.27%
Fund Balance - January 1	281,614	277,280	291,469	291,469	291,469	263,206	
Excess Revenue Over Expenditure	(4,334)	14,270	(28,263)	(28,263)	(17,996)	(32,170)	
Fund Balance - December 31	\$ 277,280	\$ 291,469	\$ 263,206	\$ 263,206	\$ 273,473	\$ 231,036	



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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. Finalize a TIF Policy that includes a chart for ranking application and update the Business Subsidy Policy.
2. Research the City revolving loan program, restrictions, guidelines, and possible future uses.
3. Consider the use of TIF District 2 funds for Round Lake Road and sanitary sewer improvements.
4. Consider the use of TIF District 3 funds for low to moderate housing needs.
5. Review operating budget and identify a sustainable funding source.

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 for the Conduit Debt revenue received in 2011 from the Presbyterian Homes project. The tax increment excess has risen substantially over the past three years, but a tax petition has caused this to decrease recently and the total effect is not known. This funding source will go away after 2015.

In 2008, the salary and benefit costs for this activity were transferred to the General Fund in the Planning Department. At that time, there was a negative fund balance and a transfer from the General Fund was set up to correct the negative

balance and fund Gateway signs. As previously stated, transfers had been routine from 2008 through 2011.

With the 2012 budget, the salary and benefit costs had been transferred back to the fund as before. An administrative charge has also been added as this 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 an increase of 4.3% over 2012 primarily due to the fund covering its fair share of the Auditing, Software and Technology costs.

Budget Summary

Function: Economic Development		Department: EDA General Fund					
		Appropriation Detail					
Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
<u>Revenues</u>							
Taxes	35,250	29,281	35,250	35,250	48,058	35,250	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	-	-	-	-	9,067	-	0.00%
Other Financing Sources	12,600	12,600	65,000	189,955	189,955	-	-100.00%
Total Revenues	\$ 47,850	\$ 41,881	\$ 100,250	\$ 225,205	\$ 247,080	\$ 35,250	-84.35%
<u>Expenditures</u>							
Total Personal Services	-	-	41,638	41,638	41,561	43,379	4.18%
Total Materials and Supplies	-	306	3,000	3,000	-	1,200	-60.00%
Other Service Charges	544	3,200	19,759	19,759	8,638	41,469	109.88%
Capital Outlay	-	-	65,000	65,000	5,050	30,000	-53.85%
Total Expenditures	\$ 544	\$ 3,506	\$ 129,397	\$ 129,397	\$ 55,249	\$ 116,048	-10.32%
Fund Balance - January 1	20,297	67,603	109,642	109,642	109,642	301,473	
Excess Revenue Over Expenditure	47,306	38,376	(29,147)	95,808	191,831	(80,798)	
Fund Balance - December 31	\$ 67,603	\$ 109,642	\$ 80,495	\$ 205,450	\$ 301,473	\$ 220,675	

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 meeting 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 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Total Miscellaneous	3,392	4,290	2,500	2,500	1,275	2,500	0.00%
Total Revenues	\$ 3,392	\$ 4,290	\$ 2,500	\$ 2,500	\$ 1,275	\$ 2,500	0.00%
Fund Balance - January 1	146,499	149,891	154,374	154,374	154,374	155,649	
Excess Revenue Over Expenditure	3,392	4,290	2,500	2,500	1,275	2,500	
Fund Balance - December 31	\$ 149,891	\$ 154,374	\$ 156,874	\$ 156,874	\$ 155,649	\$ 158,149	



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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 created to track repayment of the bond principal and interest. 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.

Objectives

N/A

Issues

N/A

Measurable Workload Data

None developed at this time.

Budget Commentary

There are no significant changes in this fund in 2013. Annual transfers are made to Debt Service Fund No. 325 for principal and interest payments on the G.O. Tax Increment Refunding Bonds, 2004A.

Budget Summary

Function: Economic Development

Department: EDA TIF District #2 Round Lake Office Park

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenue							
Taxes	493,112	273,765	493,500	493,500	340,032	275,000	-44.28%
Miscellaneous	18,627	43,938	15,000	15,000	20,016	15,000	0.00%
Total Revenue	\$ 511,739	\$ 317,703	\$ 508,500	\$ 508,500	\$ 360,048	\$ 290,000	-42.97%
Expenditures							
Other Services and Charges	1,094	1,716	1,300	1,300	1,393	2,300	76.92%
Operating Trans To Debt Services	281,525	284,325	286,698	286,698	286,698	283,520	-1.11%
Total Expenditures	\$ 282,619	\$ 286,041	\$ 287,998	\$ 287,998	\$ 288,090	\$ 285,820	-0.76%
Fund Balance - January 1	972,727	1,201,846	1,233,508	1,233,508	1,233,508	1,305,466	
Excess Revenue Over Expenditure	229,119	31,661	220,502	220,502	71,958	4,180	
Fund Balance - December 31	\$ 1,201,846	\$ 1,233,508	\$ 1,454,010	\$ 1,454,010	\$ 1,305,466	\$ 1,309,646	

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 calls for the developer to be reimbursed for certain public development activities initially estimated at \$834,286. Repayment to the developer will only be from tax increment actually received from the district. Payments will be 90% of the tax increment received not-to-exceed a total annual payment of \$57,557. The City is not obligated to make payments after February 1, 2010.

Objectives

N/A

Issues

N/A

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 2013.

Budget Summary

Function: Economic Development

Department: EDA TIF District #3 Cottage Villas

Activity	Appropriation Detail							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
<u>Revenues</u>								
Taxes	38,363	39,063	38,500	38,500	42,970	40,000		3.90%
Intergovernmental	64	77	-	-	-	-		0.00%
Miscellaneous	2,245	4,208	2,000	2,000	3,366	3,000		50.00%
Total Revenues	\$ 40,672	\$ 43,348	\$ 40,500	\$ 40,500	\$ 46,336	\$ 43,000		6.17%
<u>Expenditures</u>								
Other Services and Charges	1,673	1,640	4,000	4,000	1,484	4,400		10.00%
Total Expenditures	\$ 1,673	\$ 1,640	\$ 4,000	\$ 4,000	\$ 1,484	\$ 4,400		10.00%
Fund Balance - January 1	88,246	127,245	169,235	169,235	169,235	214,087		
Excess Revenue Over Expenditure	38,999	41,707	36,500	36,500	44,852	38,600		
Fund Balance - December 31	\$ 127,245	\$ 169,235	\$ 205,735	\$ 205,735	\$ 214,087	\$ 252,687		

EDA TIF DISTRICT #4 – PRESBYTERIAN HOMES

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

Activity Scope

Objectives

N/A

Issues

N/A

Measurable Workload Data

None developed at this time.

Budget Commentary

No increment has been received as this district has not generated any income at yet. The only budget in this fund is for administrative charges.

Budget Summary

Function: Economic Development		Department: EDA TIF District #4 Pres Homes					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Taxes	-	-	-	-	-	-	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	-	-	-	-	-	-	0.00%
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Expenditures							
Other Services and Charges	-	-	-	-	973	300	0.00%
Total Operating Expenses	-	-	-	-	973	300	0.00%
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 973	\$ 300	
Fund Balance - January 1	-	-	-	-	-	(973)	
Excess Revenue Over Expenditure	-	-	-	-	(973)	(300)	
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -	\$ (973)	\$ (1,273)	



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 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Interest Income	53	-	-	-	61	-	-
Transfer	281,525	284,325	286,698	286,698	286,698	283,520	-1.11%
Total Revenues	\$ 281,578	\$ 284,325	\$ 286,698	\$ 286,698	\$ 286,758	\$ 283,520	-1.11%
Expenditures							
Bond Principal	235,000	245,000	255,000	255,000	255,000	260,000	1.96%
Bond Interest	46,075	38,875	31,248	31,248	31,248	23,070	-26.17%
Fiscal Agents' Fees	450	450	450	450	450	450	0.00%
Total Expenditures	\$ 281,525	\$ 284,325	\$ 286,698	\$ 286,698	\$ 286,698	\$ 283,520	-1.11%
Fund Balance - January 1	2,114	2,167	2,167	2,168	2,168	2,229	
Excess Revenue Over Expenditures	53	-	1	1	61	-	
Fund Balance - December 31	\$ 2,167	\$ 2,167	\$ 2,168	\$ 2,168	\$ 2,229	\$ 2,229	

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 Moody's Investor Services. The City maintains an "AA+" rating from Standard & Poor's and Fitch and an "Aa" rating from Moody's Investment Services 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:

Legal Debt Limit (3% of Estimated Market Value)	\$31,004,751
Less: Outstanding Debt Subject to Limit	\$ <u>0</u>
Legal Debt margin as of January 1, 2013	\$31,004,751

Service Levels:

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>
Bond Rating	AA+	AA+	AA+	AA+
Dec. 31 Debt Outstanding (\$'s in thousands)	\$1,310	\$1,165	\$910	\$650
Net Debt Per Capita	\$137	\$121	\$95	\$68

Bonds Payable:

General Obligation Tax Increment Bonds

<u>Issue</u>	<u>Net Interest Rate</u>	<u>Due Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized And Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/2012</u>	<u>Principal due in 2013</u>	<u>Interest due in 2013</u>
2004A	3.2171%	2-1/8-1	11/4/2004	2/1/2015	\$ 2,395,000	\$ 1,485,000	\$ 910,000	\$ 260,000	\$ 23,070

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 14th Street project and the Round Lake Road intersection improvements project. The seventeen year bonds mature 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

1. Make debt payments as scheduled in a timely manner.

Issues

1. Watch market conditions for opportunities to refund or fund balances to pay off the bonds as soon as possible to save interest expense.

Measurable Workload Data

N/A

Budget Commentary

Tax increment revenue is the main revenue source. A transfer is made from the EDA TIF district No. 2 (Round Lake) each time a payment is due. Annual debt payments, interest, and fiscal agent fees are the only expenditures budgeted in 2013.

Budget Summary

Function: Debt Service

Department: GO Tax Increment Bonds of 1998A

Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Interest Income	53	-	-	-	61	-	-
Transfer	281,525	284,325	286,698	286,698	286,698	283,520	-1.11%
Total Revenues	\$ 281,578	\$ 284,325	\$ 286,698	\$ 286,698	\$ 286,758	\$ 283,520	-1.11%
Expenditures							
Bond Principal	235,000	245,000	255,000	255,000	255,000	260,000	1.96%
Bond Interest	46,075	38,875	31,248	31,248	31,248	23,070	-26.17%
Fiscal Agents' Fees	450	450	450	450	450	450	0.00%
Total Expenditures	\$ 281,525	\$ 284,325	\$ 286,698	\$ 286,698	\$ 286,698	\$ 283,520	-1.11%
Fund Balance - January 1	2,114	2,167	2,167	2,168	2,168	2,229	
Excess Revenue Over Expenditures	53	-	1	1	61	-	
Fund Balance - December 31	\$ 2,167	\$ 2,167	\$ 2,168	\$ 2,168	\$ 2,229	\$ 2,229	



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 2013 include:

- Gateway Signs
- Springbrook Software Update
- City Website
- Plotter
- Technology and Office Equipment
- Forestry Implementation Plan
- Park Amenities
- Trail Rehabilitation
- Valentine Park Pathway
- Lake Johanna Fire Dept Equipment
- Sewer Lining/Rehabilitation
- Regulatory Street Sign Replacement Program
- Highway 96/Highway 10 Grade Separation
- 2013 Crack Fill and Seal Coat
- Ridgewood Asbury -2013 PMP
- Storm Pond Maintenance
- Innovation Way/Co Rd F Pond Dredging
- Storm Water Inlet/Outlet Repairs
- Booster Station Monitor Upgrade
- Hand Held GPS
- Valve Replacement Program
- Communications Equipment

Some of these project costs for 2013 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 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Operating Revenue							
Equipment, Bldg & Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Public Safety Capital	45,170	47,190	45,200	45,200	42,247	41,000	-9.29%
Park Fund	779,363	252,895	-	-	-	-	0.00%
Capital Improvement Fund (PIR)	539,386	764,526	535,000	535,000	375,433	1,535,000	186.92%
Total Operating Revenues	1,363,920	1,064,612	580,200	580,200	417,680	1,576,000	171.63%
Other Financing Sources							
Equipment, Bldg & Replacement	184,200	229,712	183,000	183,000	189,716	270,765	47.96%
Public Safety Capital	-	-	-	-	-	-	0.00%
Park Fund	-	-	-	188,893	188,893	-	-100.00%
Capital Improvement Fund (PIR)	200,000	200,000	200,000	200,000	200,000	200,000	0.00%
Total Other Financing Sources	384,200	429,712	383,000	571,893	578,609	470,765	-17.68%
Total Revenues	\$ 1,748,120	\$ 1,494,324	\$ 963,200	\$ 1,152,093	\$ 996,290	\$ 2,046,765	77.66%
Expenditures							
Equipment, Bldg & Replacement	\$ 200,003	\$ 672,233	\$ 388,000	\$ 388,000	\$ 65,595	\$ 204,000	-47.42%
Public Safety Capital	18,927	91,579	192,211	192,211	169,894	181,252	-5.70%
Park Fund	1,141,300	64,923	5,000	5,000	73,299	-	-100.00%
Capital Improvement Fund (PIR)	771,156	1,063,181	980,500	980,500	325,227	876,000	-10.66%
Total Expenditures	2,131,386	1,891,916	1,565,711	1,565,711	634,015	1,261,252	-19.45%
Other Finance Uses							
Equipment, Bldg & Replacement	-	-	-	-	-	-	0.00%
Public Safety Capital	-	-	-	-	-	-	0.00%
Capital Improvement Fund (PIR)	-	-	65,000	253,893	253,893	-	-100.00%
Total Other Financing Uses	-	-	65,000	253,893	253,893	-	-100.00%
Total Expenditures	\$ 2,131,386	\$ 1,891,916	\$ 1,630,711	\$ 1,819,604	\$ 887,908	\$ 1,261,252	-30.69%
Fund Balance - January 1	7,231,805	6,848,539	6,450,946	6,450,946	6,450,946	6,813,220	
Excess Revenue Over Expenditure	(383,266)	(397,592)	(602,511)	(413,618)	362,274	785,513	
Fund Balance - December 31	\$ 6,848,539	\$ 6,450,946	\$ 5,848,435	\$ 6,037,328	\$ 6,813,220	\$ 7,598,733	

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 2013 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: Pavement Mgmt Programs					
Activity	Appropriation Detail			Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012				
Revenues							
Special Assessments	388,768	561,238	400,000	400,000	245,282	400,000	0.00%
Miscellaneous	150,618	203,288	135,000	135,000	130,151	135,000	0.00%
Transfer	200,000	200,000	200,000	200,000	200,000	200,000	0.00%
Department Total	\$ 739,386	\$ 964,526	\$ 735,000	\$ 735,000	\$ 575,433	\$ 1,735,000	136.05%
Expenditures							
Total Materials and Supplies	949	1,360	-	-	41,131	-	0.00%
Other Services and Charges	193,107	177,822	-	-	150,194	-	0.00%
Capital Outlay	577,100	883,999	980,500	980,500	133,902	876,000	-10.66%
Department Total	\$ 771,156	\$ 1,063,181	\$ 1,045,500	\$ 1,234,393	\$ 579,120	\$ 876,000	-29.03%
Fund Balance - January 1	6,638,275	6,606,505	6,507,850	6,507,850	6,507,850	6,504,163	
Excess Revenue Over Expenditure	(31,770)	(98,655)	(310,500)	(499,393)	(3,687)	859,000	
Fund Balance - December 31	\$ 6,606,505	\$ 6,507,850	\$ 6,197,350	\$ 6,008,457	\$ 6,504,163	\$ 7,363,163	



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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 (28.0%) of Lake Johanna Fire Department equipment according to a formula which has been updated for 2011, 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

Anticipated 2013 purchases for the fire department include the following: truck replacement, replacement of waterway on Ladder truck 3, tire replacement, replacement of thermal imaging camera computer equipment and various station improvements. The total capital budgeted for 2013 is \$691,800. The Arden Hills portion of this is \$181,252.

Budget Summary

Function: Public Safety

Department: Public Safety Capital Equipment

Activity	Appropriation Detail							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
<u>Revenue</u>								
Total Miscellaneous	45,170	47,190	45,200	45,200	42,247	41,000		-9.29%
Transfer	-	-	-	-	-	-		0.00%
Total Revenues	\$ 45,170	\$ 47,190	\$ 45,200	\$ 45,200	\$ 42,247	\$ 41,000		-9.29%
<u>Expenditures</u>								
Capital Outlay	18,927	91,579	192,211	192,211	169,894	181,252		-5.70%
Department Total	\$ 18,927	\$ 91,579	\$ 192,211	\$ 192,211	\$ 169,894	\$ 181,252		-5.70%
Fund Balance - January 1	504,062	530,306	557,136	485,917	485,917	358,270		
Excess Revenue Over Expenditure	26,244	(44,389)	(147,011)	(147,011)	(127,647)	(140,252)		
Fund Balance - December 31	\$ 530,306	\$ 485,917	\$ 410,125	\$ 338,906	\$ 358,270	\$ 218,018		

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. Valentine Park Improvements
3. Mounds View High School Trail Connection
4. 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 2013.

Budget Summary

Function: Parks and Recreation

Department: Park Fund

Activity	Appropriation Detail							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
Revenues								
Intergovernmental	759,899	119,647	-	-	-	-	-	0.00%
Miscellaneous	19,464	133,248	-	-	-	-	-	0.00%
Total Revenues	\$ 779,363	\$ 252,895	\$ -	\$ 188,893	\$ 188,893	\$ -	\$ -	-100.00%
Expenditures								
Other Services and Charges	215,279	32,686	-	-	26,324	-	-	0.00%
Capital Outlay	901,077	32,170	5,000	5,000	46,974	-	-	-100.00%
Total Expenditures	\$ 1,141,300	\$ 64,923	\$ 5,000	\$ 5,000	\$ 73,299	\$ -	\$ -	-100.00%
Fund Balance - January 1	(42,382)	(404,319)	(188,893)	(188,893)	(188,893)	(5,000)	(5,000)	
Excess Revenue Over Expenditure	(361,937)	187,973	(5,000)	183,893	115,594	-	-	
Fund Balance - December 31	\$ (404,319)	\$ (188,893)	\$ (193,893)	\$ (5,000)	\$ (73,299)	\$ (5,000)	\$ (5,000)	

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 2013 expenses are to replace the Jetter and Vactor Truck with dual purpose machine, replacement of the 2001 F450 One Ton Dump Truck, replacement a trailer , the 2000 Backhoe, and a hand held GPA unit. Transfers from the utility funds have increased as we have completed a new analysis of the equipment and adjusted the contribution accordingly for 2013.

Budget Summary

Function: General Government

Department: Equipment Building and Replacement

Activity	Appropriation Detail							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
Revenues								
Transfers	184,200	229,712	183,000	183,000	189,716	270,765		47.96%
Department Total	\$ 184,200	\$ 229,712	\$ 183,000	\$ 183,000	\$ 189,716	\$ 270,765		47.96%
Expenditures								
Capital Outlay	200,003	672,233	388,000	388,000	65,595	204,000		-47.42%
Department Total	\$ 200,003	\$ 672,233	\$ 388,000	\$ 388,000	\$ 65,595	\$ 204,000		-47.42%
Fund Balance - January 1	104,396	88,593	(353,928)	(353,928) [▼]	(353,928)	(229,807)		
Excess Revenue Over Expenditure	(15,803)	(442,521)	(205,000)	(205,000)	124,121	66,765		
Fund Balance - December 31	\$ 88,593	\$ (353,928)	\$ (558,928)	\$ (558,928)	\$ (229,807)	\$ (163,042)		



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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

Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Taxes	-	-	-	-	-	-	
Licenses and Permits	5,479	4,666	4,000	4,000	2,074	4,000	0.00%
Intergovernmental	20,114	31,143	19,802	19,802	19,802	20,000	1.00%
Special Assessment	5,369	1,070	2,500	2,500	204,902	2,500	0.00%
Miscellaneous	75,300	99,443	68,100	68,100	64,222	64,000	-6.02%
Charges for Services	4,006,450	4,394,674	4,341,977	4,341,977	4,368,563	4,535,897	4.47%
Total Revenues	4,112,712	4,660,410	4,436,379	4,436,379	4,685,069	4,626,397	4.28%
Expenditures							
Personal Services	692,218	761,932	807,828	807,828	808,007	849,081	5.11%
Materials and Supplies	109,452	91,774	6,050	6,050	436,524	6,050	0.00%
Other Services and Charges	2,635,395	2,646,909	3,126,283	3,126,283	3,207,413	3,161,137	1.11%
Capital Outlay	85,766	444	781,500	781,500	1,244,517	2,619,000	235.12%
Transfers	143,000	143,000	143,000	143,000	143,000	230,765	61.37%
Total Expenditures	3,665,833	3,644,262	4,864,661	4,864,661	5,839,687	6,866,033	41.14%
Fund Balance - January 1	1,936,196	2,468,841	2,758,765	2,758,765	2,758,765	1,604,147	
Excess Revenue Over Expenditures	446,880	1,016,148	(428,282)	(428,282)	(1,154,618)	(2,239,636)	
Fund Balance - December 31	\$ 2,383,076	\$ 2,758,321	\$ 2,330,483	\$ 2,330,483	\$ 1,604,147	\$ (635,489)	
Balance Without Capital Outlay	\$ 2,468,841	\$ 2,758,765	\$ 3,111,983	\$ 3,111,983	\$ 2,848,664	\$ 1,983,511	

(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 City conducted a rate study in 2008, with implementation in 2009. Due to new mandates, the City converted to a tiered rate system and phased out the Senior Citizen Discount by the year 2011. Actual rate increases under the new system were effective January 1, 2009. The study was updated in 2012 and some modifications were made including changing the meter fees and charging from 1 gallon used on. The 2013 rate increase is 7% and the overall revenue increase budgeted in the fund for 2013 is 6.97% over 2012.

The 2013 operating budget is an increase of 1.18% from the previous year's budget and 42.59% overall increase with capital outlay. Capital Outlay costs include 2013 PMP – Ridgewood Asbury neighborhoods, Co Rd E improvement between Hwy 51 and Lexington Ave, Booster Station Roof replacement, and a Hand Held GPA unit. 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						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Licenses and Permits	3,137	2,892	2,000	2,000	60	2,000	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Special Assessment	2,098	326	2,000	2,000	44,364	2,000	0.00%
Miscellaneous	30,623	42,100	25,000	25,000	29,367	30,000	20.00%
Charges for Services	1,818,290	1,946,667	2,036,205	2,036,205	2,222,886	2,175,213	6.83%
Total Revenues	1,854,148	1,991,985	2,065,205	2,065,205	2,296,677	2,209,213	6.97%
Expenditures							
Total Personal Services	234,522	262,964	271,924	271,924	266,995	283,446	4.24%
Total Materials and Supplies	77,029	53,448	800	800	23,970	800	0.00%
Other Services and Charges	1,392,764	1,271,404	1,637,257	1,637,257	1,647,908	1,648,312	0.68%
Capital Outlay	258	444	302,000	302,000	546,078	1,214,500	302.15%
Transfers	43,000	43,000	43,000	43,000	43,000	68,396	59.06%
Total Expenditures	1,747,573	1,631,260	2,254,981	2,254,981	2,527,951	3,215,454	42.59%
Fund Balance - January 1	923,393	1,030,225	1,501,847	1,501,847	1,501,847	1,270,573	
Excess Revenue Over Expenditures	106,574	360,724	(189,776)	(189,776)	(231,274)	(1,006,241)	
Fund Balance - December 31	\$ 1,029,967	\$ 1,501,403	\$ 1,312,071	\$ 1,312,071	\$ 1,270,573	\$ 264,332	
Balance Without Capital Outlay	\$ 1,030,225	\$ 1,501,847	\$ 1,614,071	\$ 1,614,071	\$ 1,816,652	\$ 1,478,832	

(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 City conducted a rate study in 2008, with implementation in 2009. Due to new mandates, the City converted to a tiered rate system and also phased out the Senior Citizen Discount by the year 2011. Actual rate increases under the new system were effective January 1, 2009. The study was updated in 2012 and showed no changes were needed for cash flow purposes. The 2013 rate increase is 2%, the overall revenue budgeted for 2013 is an increase of 1.96% over 2012.

The 2013 operating budget is an increase of 2.52% from the previous year's budget and an overall decrease of 57.09% with Capital Outlay. Capital Outlay costs include sewer lining/rehabilitation, Co Rd E improvement between Hwy 51 and Lexington Ave, and the 2012 PMP – Ridgewood Asbury neighborhood. 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						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Licenses and Permits	2,342	1,774	2,000	2,000	2,014	2,000	0.00%
Special Assessments	2,789	340	400	400	53,555	400	0.00%
Miscellaneous	9,276	15,982	5,000	5,000	3,853	5,000	0.00%
Charges for Services	1,569,362	1,850,250	1,655,147	1,655,147	1,720,808	1,687,750	1.97%
Total Revenues	1,583,770	1,998,477	1,662,547	1,662,547	1,805,737	1,695,150	1.96%
Expenditures							
Total Personal Services	285,820	296,774	319,098	319,098	325,438	338,279	6.01%
Total Materials and Supplies	24,498	28,968	3,500	3,500	408,420	3,500	0.00%
Other Services and Charges	971,861	1,096,307	1,156,429	1,156,429	1,283,928	1,174,509	1.56%
Capital Outlay	85,250	-	27,000	27,000	505,427	850,000	3048.15%
Transfers	62,000	62,000	62,000	62,000	62,000	96,870	56.24%
Total Expenditures	1,429,429	1,484,050	1,568,027	1,568,027	2,585,212	2,463,158	57.09%
Fund Balance - January 1	456,415	696,006	484,430	484,430	484,430	(295,045)	
Excess Revenue Over Expenditures	154,340	514,427	94,520	94,520	(779,475)	(768,008)	
Fund Balance - December 31	610,755	484,430	578,950	578,950	(295,045)	(1,063,053)	
Balance Without Capital Outlay	696,006	484,430	605,950	605,950	210,382	(213,053)	

(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 2013 is decreasing 2.05%. This is a result of decreased revenue sharing that is expected from the recycling contractor (100.0%) based on 2012 results and current economic conditions. Revenues are expected to closely match expenses.

The 2013 operating budget is an increase of 2.82% from the previous year's budget. The changes in budget are primarily due to salary, step, and benefit changes.

Budget Summary

Function: General Government

Department: Recycling

Activity	Appropriation Detail							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
Revenues								
Intergovernmental	20,114	20,846	19,802	19,802	19,802	20,000		1.00%
Special Assessments	195	353	-	-	101,220	-		0.00%
Miscellaneous	21,541	18,537	30,100	30,100	18,230	21,000		-30.23%
Charges for Services	100,413	65,963	100,670	100,670	6	106,480		5.77%
Total Revenues	\$ 142,264	\$ 104,982	\$ 150,572	\$ 150,572	\$ 139,258	\$ 147,480		-2.05%
Expenditures								
Total Personal Services	14,142	17,980	16,649	16,649	21,153	17,533		5.31%
Other Services and Charges	114,993	119,439	125,905	125,905	106,234	129,037		2.49%
Total Expenditures	\$ 129,137	\$ 137,622	\$ 142,554	\$ 142,554	\$ 127,613	\$ 146,570		2.82%
Fund Balance - January 1	34,224	47,351	78,940	78,940	78,940	90,584		
Excess Revenue Over Expenditures	13,127	(32,640)	8,018	8,018	11,644	910		
Fund Balance - December 31	\$ 47,351	78,940	\$ 86,958	\$ 86,958	\$ 90,584	\$ 91,494		

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 City conducted a rate study in 2008, with implementation in 2009. Due to new mandates, the City converted to a tiered rate system and also phased out the Senior Citizen Discount by the year 2011. Actual rate increases under this system were effective January 1, 2009. The study was updated in 2012 and some modifications were made to the existing system based on current cash flows. The rate increase for 2013 is 15%. The overall revenue increase for the fund is 2.96% over 2012.

The 2013 operating budget is an increase of 3.0% from the previous year's budget and an increase of 15.77% overall with Capital Outlay. Salary step increases and benefits are a contributing factor to the increase. The remainder of the increase is primarily due to technology and software applications. Capital Outlay costs include storm pond maintenance, County Road E improvements between Highway 51 and Lexington Avenue, Highway 96 (Old Highway 8 to US Highway 10), Snelling Avenue PMP, Innovation Way/Co Rd F Pond dredging, and the 2013 PMP – Ridgewood Asbury

neighborhoods. 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						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Taxes	-	-	-	-	-	-	0.00%
Intergovernmental	-	10,297	-	-	-	-	0.00%
Special Assessments	287	51	100	100	5,763	100	0.00%
Miscellaneous	13,859	22,824	8,000	8,000	12,771	8,000	0.00%
Charges for Services	518,385	531,794	549,955	549,955	424,863	566,454	3.00%
Total Revenues	\$ 532,531	\$ 564,967	\$ 558,055	\$ 558,055	\$ 443,397	\$ 574,554	2.96%
Expenditures							
Total Personal Services	157,734	184,215	200,157	200,157	194,422	209,823	4.83%
Total Materials and Supplies	7,924	9,357	1,750	1,750	4,134	1,750	0.00%
Other Services and Charges	155,777	159,758	206,692	206,692	169,343	209,279	1.25%
Capital Outlay	258	-	452,500	452,500	193,012	554,500	22.54%
Transfers	38,000.00	38,000.00	38,000	38,000	38,000	65,499	72.37%
Total Expenditures	\$ 359,693	\$ 391,330	\$ 899,099	\$ 899,099	\$ 598,910	\$ 1,040,851	15.77%
Fund Balance - January 1	34,224	207,320	693,548	693,548	693,548	538,034	
Excess Revenue Over Expenditures	172,838	173,636	(341,044)	(341,044)	(155,514)	(466,297)	
Fund Balance - December 31	\$ 207,062	\$ 693,548	\$ 352,504	\$ 352,504	\$ 538,034	\$ 71,737	
Balance Without Capital Outlay	\$ 207,320	\$ 693,548	\$ 805,004	\$ 805,004	\$ 731,046	\$ 626,237	

(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



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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							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
Revenue								
Charges for Services	-	-	808,539	808,539	560,138	840,154		34.04%
Micellaneous	48,377	49,996	23,276	23,276	39,340	23,276		0.00%
Operating Revenues	\$ 48,377	\$ 49,996	\$ 831,815	\$ 831,815	\$ 599,478	\$ 863,430		34.04%
Expenditures								
Personal Services	7,849	-	123,616	123,616	103,229	133,897		41.09%
Materials and Supplies	-	-	142,370	142,370	136,639	142,370		0.00%
Other Services and Charges	7,523	8,896	589,139	589,139	479,809	600,654		25.86%
Total Expenditures	\$ 15,372	\$ 8,896	\$ 855,125	\$ 855,125	\$ 719,677	\$ 876,921		66.95%
Fund Balance - January 1	279,853	312,858	353,958	353,958	353,958	233,759		
Excess Revenue Over Expenditure	33,005	41,100	(23,310)	(23,310)	(120,199)	(13,491)		
Fund Balance - December 31	312,858	353,958	330,648	330,648	233,759	220,268		

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. Dividend 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 2013. 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					
Activity	Appropriation Detail						
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13
Revenues							
Charges for Services	-	-	373,841	373,841	256,705	369,940	-1.04%
Miscellaneous	48,377	49,996	23,276	23,276	39,302	23,276	0.00%
Total Revenues	\$ 48,377	\$ 49,996	\$ 397,117	\$ 397,117	\$ 296,007	\$ 393,216	-0.98%
Expenditures							
Personal Services	7,849	-	5,207	5,207	4,957	6,157	18.24%
Other Services and Charges	7,523	8,896	415,220	415,220	363,853	400,550	-3.53%
Total Expenditures	\$ 7,523	\$ 8,896	\$ 420,427	\$ 420,427	\$ 369,556	\$ 406,707	-3.26%
Fund Balance - January 1	279,853	320,707	361,807	361,807	361,807	338,497	
Excess Revenue Over Expenditure	40,854	41,100	(23,310)	(23,310)	(73,549)	(13,491)	
Fund Balance - December 31	320,707	361,807	338,497	338,497	288,258	325,006	

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.

Budget Summary

Public Works		Department: Engineering						
		Appropriation Detail						
Activity	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013	% Change 12 vs 13	
Revenues								
Charges for Services	-	-	117,467	117,467	65,975	124,647	6.11%	
Miscellaneous	-	-	-	-	38	-	0.00%	
Operating Revenues	\$ -	\$ -	\$ 117,467	\$ 117,467	\$ 66,013	\$ 124,647	6.11%	
Expenditures								
Personal Services	-	-	103,161	103,161	83,832	110,023	6.65%	
Materials and Supplies	-	-	250	250	204	250	0.00%	
Other Services and Charges	-	-	14,056	14,056	7,127	14,374	2.26%	
Total Expenditures	\$ -	\$ -	\$ 117,467	\$ 117,467	\$ 91,163	\$ 124,647	6.11%	
Fund Balance - January 1	-	-	-	-	-	(25,150)		
Excess Revenue Over Expenditure	-	-	-	-	(25,150)	-		
Fund Balance - December 31	-	-	-	-	(25,150)	(25,150)		

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 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
Revenues								
Charges for Services	-	-	222,983	222,983	175,882	224,770		0.80%
Miscellaneous	-	-	-	-	-	-		0.00%
Operating Revenues	\$ -	\$ -	\$ 222,983	\$ 222,983	\$ 175,882	\$ 224,770		0.80%
Expenditures								
Personal Services	-	-	15,248	15,248	14,440	17,717		16.19%
Materials and Supplies	-	-	142,120	142,120	133,951	142,120		0.00%
Other Services and Charges	-	-	65,615	65,615	43,680	64,933		-1.04%
Total Expenditures	\$ -	\$ -	\$ 222,983	\$ 222,983	\$ 192,071	\$ 224,770		0.80%
Fund Balance - January 1	-	-	-	-	-	(16,189)		
Excess Revenue Over Expenditure	-	-	-	-	(16,189)	-		
Fund Balance - December 31	-	-	-	-	(16,189)	(16,189)		

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

Activity	Appropriation Detail							% Change 12 vs 13
	Actual FY 2010	Actual FY 2011	Budget FY 2012	Amended FY2012	Projected FY 2012	Adopted FY 2013		
<u>Revenue</u>								
Charges for Services	-	-	94,248	94,248	61,576	120,797		28.17%
Miscellaneous	-	-	-	-	-	-		0.00%
Operating Revenues	\$ -	\$ -	\$ 94,248	\$ 94,248	\$ 61,576	\$ 120,797		28.17%
<u>Expenditures</u>								
Personal Services	-	-	-	-	-	-		-
Materials and Supplies	-	-	-	-	2,484	-		-
Other Services and Charges	-	-	94,248	94,248	65,149	120,797		0
Total Expenditures	\$ -	\$ -	\$ 94,248	\$ 94,248	\$ 67,633	\$ 120,797		28.17%
Fund Balance - January 1	-	-	-	-	-	6,057.22		
Excess Revenue Over Expenditure	-	-	-	-	(6,057.22)	-		
Fund Balance - December 31	-	-	-	-	6,057.22	6,057.22		



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Staffing

The following chart shows the staffing comparison by department for the City of Arden Hills in full-time equivalents. (Note: interns and seasonal employees are not included in this chart)

	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Adopted</u>	2012 <u>Projected</u>	2013 <u>Adopted</u>
Administration					
Administrator	1.00	1.00	1.00	1.00	1.00
Assistant City Administrator	-	-	-	-	-
Assistant to the City Adminstator	-	-	-	-	-
Deputy Clerk	1.00	1.00	1.00	1.00	1.00
FTE's	2.00	2.00	2.00	2.00	2.00
Finance & Administrative Services					
Finance 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
Finance/HR Assistant	-	-	-	-	-
Accounting Clerk	1.00	1.00	1.00	1.00	1.00
Utility Billing Clerk	-	-	-	-	-
Office Support Specialist	2.00	2.00	2.00	2.00	2.00
Customer Service Representative	1.00	1.00	1.00	1.00	1.00
FTE's	6.00	7.00	7.00	7.00	7.00
Community Development					
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
Planner	1.00	1.00	1.00	1.00	1.00
Assistant Planner	-	-	-	-	-
FTE's	4.00	4.00	4.00	4.00	4.00
Public Works					
Public Works Director	1.00	1.00	1.00	1.00	1.00
Assistant City Engineer	-	-	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	1.00	1.00	1.00
Recreation Supervisor	-	-	-	-	-
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	12.00	12.00	13.00	13.00	13.00
Total FTE's	24.00	25.00	26.00	26.00	26.00

The following page shows the 2013 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 Compensation

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, 2012, 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 new employees and a 0.0% COLA for union employees and a 2.0% COLA for non-union employees. The City pays \$697.42 toward health insurance premiums and dental.

Health	5.0%
Dental	3.5%
Life	0.0%
Disability	0.0%

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



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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 maybe 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 2013.

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 2013 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 173 through 209

Capital Equipment is listed on pages 210 through 236

City of Arden Hills, Minnesota

Capital Improvement Plan

2013 thru 2017

PROJECTS BY CATEGORY

Category	Project#	Priority	2013	2014	2015	2016	2017	Total
Economic Devl Improvement								
Gateway Signs	16-EDA-001	n/a	30,000	50,000	25,000	10,000	0	115,000
Economic Devl Improvement Total			30,000	50,000	25,000	10,000	0	115,000
Equipment: Office								
Springbrook Software Upgrades	12-Tec-001	n/a	13,000					13,000
Technology and Office Equipment	12-Tec-002	n/a	15,000	13,000	13,000	13,000	13,000	67,000
Communications Equipment	12-Tec-003	n/a	15,000	15,000	15,000	15,000	15,000	75,000
City Website	12-Tec-004	n/a	9,545	9,545				19,090
Plotter	13-Tec-001	n/a	10,000					10,000
Equipment: Office Total			62,545	37,545	28,000	28,000	28,000	184,090
Equipment: Public Works								
Brush Chipper	12-Eqp-001	n/a		26,500				26,500
Replace J Type Tamper	12-Eqp-005	n/a				5,000		5,000
Replace 1996 Roller	12-Eqp-006	n/a		10,000				10,000
Replace 1993 Toro Turf Aerator	13-Eqp-001	n/a				10,000		10,000
Replace 2002 Groundsmaster with Snow Blower	13-Eqp-003	n/a		35,500				35,500
Replace 1997 Street Sweeper	13-Eqp-004	4			188,000			188,000
Hand Held GPS Unit	13-W-XXX	3	9,500					9,500
Upgrade Camera System for Sewer Televising	14-Eqp-XXX	n/a		37,000				37,000
Replace 2000 Backhoe	15-Eqp-003	n/a	100,000					100,000
Replace 2004 (Unit 112) Hotbox	16-Eqp_XXX	n/a				18,000		18,000
Large Area Mower	16-Eqp-001	n/a			70,000			70,000
Purchase Mini-Excavator	16-Eqp-002	n/a				45,000		45,000
1996 Trailer Replacement (Skidsteer/Roller)	16-Eqp-003	n/a				10,000		10,000
Replace Air Compressor	16-Eqp-004	n/a				25,000		25,000
Replace 2001 Workman (Unit 411)	16-Eqp-XX	n/a				24,000		24,000
Replace two 2011 Toro Z Mowers	17-Eqp_XXX	3					24,000	24,000
Equipment: Public Works Total			109,500	109,000	258,000	137,000	24,000	637,500
Park Capital Equipment								
Playground Structure Replacement	11-Park-003	n/a				70,000	70,000	140,000
Park Capital Equipment Total						70,000	70,000	140,000

Category	Project#	Priority	2013	2014	2015	2016	2017	Total
Park Capital Improvements								
Mounds View HS Trail Connection	11-Park-001	n/a		40,000	160,000			200,000
Forestry Implementation Plan	11-Park-004	n/a	10,000	10,000	10,000	5,000	5,000	40,000
Park Amenities	11-Park-005	n/a	3,000	3,000	3,000	3,000	3,000	15,000
Trail Rehabilitation	12-Park-002	n/a	50,000	50,000	50,000	50,000	50,000	250,000
Perry #3 Fencing	14-Park-009	n/a		20,500				20,500
Park Capital Improvements Total			63,000	123,500	223,000	58,000	58,000	525,500
Public Safety								
Lake Johanna Fire Dept Equipment	09-Pub-001	n/a	181,252	136,895	17,960	41,016	218,770	595,893
Public Safety Total			181,252	136,895	17,960	41,016	218,770	595,893
Sanitary Sewer Maintenance								
Rehabilitate Lift Stations #4 and #9	13-Sew-XXX	n/a	125,000					125,000
Reconstruct Lift Station 11	14-Sew-XXX	3		250,000				250,000
Sanitary Sewer Maintenance Total			125,000	250,000				375,000
Storm Water Maintenance								
Storm Water Inlet/Outlet Repairs	13-Storm-XXX	3	25,000	25,000	25,000	25,000	25,000	125,000
Storm Water Maintenance Total			25,000	25,000	25,000	25,000	25,000	125,000
Streets: Cracksealing & Sealcoat								
2013 Crack Fill and Seal Coat	13-StrS-002	n/a	140,000					140,000
2014 Crackseal and Sealcoat	14-StrS-063	n/a		145,000				145,000
2015 Crack Fill and Seal Coat	15-StrS-001	n/a			145,000			145,000
2016 Crackseal and Sealcoat	16-StrS-066	n/a				150,000		150,000
2017 Crackseal and Sealcot	17-Str-001	3					150,000	150,000
Streets: Cracksealing & Sealcoat Total			140,000	145,000	145,000	150,000	150,000	730,000
Streets: Reconstruction								
Highway 96/US 10 Grade Separation	13-Str-001	n/a	490,000					490,000
Ridgewood Asbury --2013 PMP	13-Str-064	n/a	1,500,000	200,000				1,700,000
Glenview Neighborhood --2015 PMP	15-Str-039	n/a		600,000	1,800,000	400,000		2,800,000
Co Rd E Impr between Hwy 51 & Lexington Ave	15-Str-060	n/a		28,500	836,000	85,500	30,000	980,000
West Round Lake Road PMP (Moved to 2017 or beyond)	16-Str-042	n/a		200,000		1,240,000	300,000	1,740,000
Streets: Reconstruction Total			1,990,000	1,028,500	2,636,000	1,725,500	330,000	7,710,000
Streets: Misc								
Regulatory Street Sign Replacement Program	11-Str-001	n/a	5,000	5,000	15,000	10,000		35,000
Lexington Avenue Improvement (I-694 to CR F)	14-Str-001	n/a		100,000				100,000
I-694/TH 10 Landscaping	14-Str-062	n/a		5,000				5,000

Category	Project#	Priority	2013	2014	2015	2016	2017	Total
Co. Rd. E Bridge over TH 51	15-Str-061	n/a			150,000			150,000
Streets:Misc Total			5,000	110,000	165,000	10,000		290,000
Utility Maintenance								
Sewer Lining/Rehabilitation	09-Sew-002	n/a	500,000	125,000	175,000	175,000	175,000	1,150,000
Storm Pond Maintenance	09-Storm-001	n/a	50,000	50,000	50,000	50,000	50,000	250,000
Innovation Way/Co Rd F pond Dredging	12-Storm-001	n/a	12,500					12,500
Water Towers Repair and Repainting	12-W-001	3	900,000		550,000			1,450,000
Valve Replacement Program	13-W-XX1	n/a	30,000	30,000	30,000	30,000	30,000	150,000
Booster Station Monitoring Upgrade	13-W-XX2	n/a	35,000					35,000
Hydrant Replacement Program	15-W-XXX	n/a			40,000		40,000	80,000
Utility Maintenance Total			1,527,500	205,000	845,000	255,000	295,000	3,127,500
Vehicles								
Replace Jetter and Vactor Truck with Combo Machine	11-EqpV-004	n/a		300,000				300,000
Replace 1997 Dump Truck w/Plow/Wing Plow/Sander	12-EqpV-002	n/a		140,000				140,000
Replace 2001 F450 One Ton Dump/Plow/Sander	13-EqpV-002	n/a	56,000					56,000
Replace Trailer	13-EqpV-010	n/a	10,000					10,000
Replace 2002 F450 One-Ton w/Dump/Plow/Sander	14-EqpV-001	n/a		60,000				60,000
Replace Turf Sweeper	14-EqpV-005	n/a				18,000		18,000
Replace Pick up Truck #201	14-EqpV-010	n/a				35,000		35,000
Replace 2001 Used Dump Truck with Used Dump Truck	15-EqpV-000	n/a			40,000			40,000
Replace One-Ton Truck	16-EqpV-005	n/a				42,000		42,000
Replace 2005 4-Door Diesel Pickup	17-EqpV-XXX	n/a					46,000	46,000
Vehicles Total			66,000	500,000	40,000	95,000	46,000	747,000
GRAND TOTAL			4,324,797	2,720,440	4,407,960	2,604,516	1,244,770	15,302,483

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 16-EDA-001
Project Name Gateway Signs

Description **Total Project Cost: \$120,000**

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.

A cost of \$25,000 per sign, including installation, lighting, and landscaping is assumed. Eight potential locations are identified. Six signs are included in the CIP.

The City Council will determine priority locations for signs to be installed in 2013. Signs to be located at County Road D/Lake Johanna Boulevard and Highway 96/Lexington Avenue will likely need significant landscaping. The City Council will review and approve landscaping plans.

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	2013	2014	2015	2016	2017	Total
5,000	Construction/Maintenance	30,000	50,000	25,000	10,000	0	115,000
Total	Total	30,000	50,000	25,000	10,000	0	115,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
5,000	EDA Revenues	30,000	50,000	25,000	10,000	0	115,000
Total	Total	30,000	50,000	25,000	10,000	0	115,000

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.

Budget Items	2013	2014	2015	2016	2017	Total
Annual Maintenance Charge	1,500	2,500	3,000	3,000	3,000	13,000
Total	1,500	2,500	3,000	3,000	3,000	13,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 11-Park-001
Project Name Mounds View HS Trail Connection

Description **Total Project Cost: \$200,000**

A petition was submitted for a sidewalk on the south side of Lake Valentine Road from the 35W bridge to a sidewalk in front of Mounds View High School. This section is 1,250 feet (0.24 miles). There is an existing guard rail for approximately half of this section, 625 feet, that will need to be relocated in order to construct a 6-foot concrete sidewalk.

Stormwater will also need to be considered and addressed at any portions of the sidewalk where drainage patterns would change due to an elevated sidewalk.

Project costs were revised to include cost of retaining walls, which will be needed in some sections. May 2011 TJM

Note: Moved Project to 2015 to match the County's plan to bring a trail to CR E2; Ramsey County and School Dist were talked to in 2012 and there was no budget to accomplish trail at this time. 5/21/12 TJM

Justification

This is a busy road and is utilized daily by students from Mounds View High School. A petition was brought to the City Council asking for consideration of a trail in this area. The added library at the New Brighton Family Service Center may increase the need for this connection.

The City approached Ramsey County Parks and Recreation and the School District to inquire about a possible financial partnership. Ramsey County informed the City that they had no funding scheduled for that section. However, when the Mounds View (extension of Elmer L. Andersen Memorial Trail) is completed, scheduled for 2014-2015, they may be able to work with the City and District. The District has no funding available at this time and would be willing to revisit it in 2014-2015. The County prefers a bituminous path since this will be part of the ELA trail.

Staff has moved this project back to 2014.

Expenditures	2013	2014	2015	2016	2017	Total
Planning/Design		40,000				40,000
Construction/Maintenance			160,000			160,000
Total		40,000	160,000			200,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)			40,000			40,000
State Aid Funds			160,000			160,000
Total			200,000			200,000

Budget Impact/Other

Plowing and maintaining this sidewalk would cost approximately \$2 per foot to maintain which equals \$2,500.

Budget Items	2013	2014	2015	2016	2017	Total	Future
Maintenance of Parks and Trail			2,500	2,500	2,500	7,500	5,000
Total			2,500	2,500	2,500	7,500	Total

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

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

Description **Total Project Cost: \$140,000**
 Play Structures are placed on a 20 year replacement pattern.

Justification
 Perry Park is up for replacement in 2016. This structure was last replaced in 1996. Hazelnut Park is up for replacement in 2017. This structure was last replaced in 1997.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance				70,000	70,000	140,000
Total				70,000	70,000	140,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)				70,000	70,000	140,000
Total				70,000	70,000	140,000

Budget Impact/Other
 Replacement Part Costs

Prior	Budget Items	2013	2014	2015	2016	2017	Total
-200	Maintenance of Parks and Trail	-200	-200	-200	-200	-200	-1,000
Total	Total	-200	-200	-200	-200	-200	-1,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 11-Park-004
Project Name Forestry Implementation Plan

Description **Total Project Cost: \$75,000**
 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. At that rate, the City could be completely infested in approximately 8-10 years. Staff has included funding for extra removals and replacements that may be needed for Emerald Ash Borer.

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

Prior	Expenditures	2013	2014	2015	2016	2017	Total
35,000	Construction/Maintenance	10,000	10,000	10,000	5,000	5,000	40,000
Total	Total	10,000	10,000	10,000	5,000	5,000	40,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
35,000	Capital Improvement Funds (PI	10,000	10,000	10,000	5,000	5,000	40,000
Total	Total	10,000	10,000	10,000	5,000	5,000	40,000

Budget Impact/Other
 Removal and Replacement will be a large impact.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 11-Park-005
Project Name Park Amenities

Description **Total Project Cost: \$23,000**
 Amenities such as picnic tables, benches, bike racks, pavilion equipment needs.

Justification
 Picnic tables, bike racks, pavilion building needs and general park amenities. Picnic tables are always in need of replacement and as the pavilion buildings age, replacement needs will come up.
 The PTRC has a goal to look at what amenities are needed for our parks. Bike Racks are being considered for 2013.

Prior	Expenditures	2013	2014	2015	2016	2017	Total
8,000	Construction/Maintenance	3,000	3,000	3,000	3,000	3,000	15,000
Total	Total	3,000	3,000	3,000	3,000	3,000	15,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
8,000	Capital Improvement Funds (PI	3,000	3,000	3,000	3,000	3,000	15,000
Total	Total	3,000	3,000	3,000	3,000	3,000	15,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 12-Park-002
Project Name Trail Rehabilitation

Description **Total Project Cost: \$300,000**
 The Public Works Department brought trail maintenance guidelines for Council review. Staff recommends crack sealing and slurry sealing 1/3 of the City trails each year. The staff reviewed trail ratings and did site visits to determine which trails to prioritize.

Justification
 The City has added multiple trails in the last few years. The City is establishing Trail Maintenance Guidelines and rehabilitates trails when needed. If trails are properly maintained, they will have an extended life.

Prior	Expenditures	2013	2014	2015	2016	2017	Total
50,000	Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
Total	Total	50,000	50,000	50,000	50,000	50,000	250,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
50,000	Capital Improvement Funds (PI	50,000	50,000	50,000	50,000	50,000	250,000
Total	Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Parks Department
Contact
Type Improvement
Useful Life
Category Park Capital Improvements
Priority n/a

Project # 14-Park-009
Project Name Perry #3 Fencing

Description **Total Project Cost: \$20,500**
 Perry #3 sideline fencing and Outfield fencing. This field is used for adult softball and youth baseball daily. The outfield fence would be 10 feet high and the sideline fencing would be 6 foot fencing to match the existing limited sideline fencing.
 10 foot outfield fence - \$13,000
 6 foot sideline fence - 7,500

Justification
 Perry #3 is the last field without full sideline fencing and outfield fencing. The field is short for an adult field (270) and adding the 10 foot fence would extend the field and would take the ground rule double/home run judgement calls out of the umpire's hands, increase safety by keeping balls from being hit to the temporary fence in left, and also keep balls that are overthrown from third in play versus going into the parking lot. The adult softball league has increased in teams and having fencing on the fields plays a factor in recruiting and keeping teams in the league.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance		20,500				20,500
Total		20,500				20,500

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)		20,500				20,500
Total		20,500				20,500

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Public Safety
Contact City Administrator
Type Equipment
Useful Life
Category Public Safety
Priority n/a

Project # 09-Pub-001
Project Name Lake Johanna Fire Dept Equipment

Description **Total Project Cost: \$595,893**
 Lake Johanna Fire Board provides a detailed capital budget which includes the costs to each City.

Justification
 These expenditures are for:
 Truck replacement, Ladders, tire replacement, badges, response jumpsuits, compters, SCBA, technical rescue equipment, cold water rescue equipment, and fire extinguisher training system.
 More detailed explanations can be found in the Lake Johanna Capital Budget.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings	181,252	136,895	17,960	41,016	218,770	595,893
Total	181,252	136,895	17,960	41,016	218,770	595,893

Funding Sources	2013	2014	2015	2016	2017	Total
Public Safety Capital Fund	181,252	136,895	17,960	41,016	218,770	595,893
Total	181,252	136,895	17,960	41,016	218,770	595,893

Budget Impact/Other
 There are no impacts to the operating budget of the City as it contracts for Fire Services from Lake Johanna Fire Department. Any savings as a result of this project would be reflected in the fire services contract in reduced building maintenance costs.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Sanitary Sewer Department
Contact Public Works Director
Type Maintenance
Useful Life 30
Category Utility Maintenance
Priority n/a

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

Description **Total Project Cost: \$4,075,000**
 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.

Prior	Expenditures	2013	2014	2015	2016	2017	Total	Future
300,000	Construction/Maintenance	500,000	125,000	175,000	175,000	175,000	1,150,000	2,625,000
Total	Total	500,000	125,000	175,000	175,000	175,000	1,150,000	Total

Prior	Funding Sources	2013	2014	2015	2016	2017	Total	Future
300,000	Sanitary Sewer Utility Fund	500,000	125,000	175,000	175,000	175,000	1,150,000	2,450,000
Total	Total	500,000	125,000	175,000	175,000	175,000	1,150,000	Total

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	2013	2014	2015	2016	2017	Total
-15,000	Surcharge	-5,000	-5,000	-5,000	-5,000		-20,000
Total	Total	-5,000	-5,000	-5,000	-5,000		-20,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Sanitary Sewer Department
Contact Public Works Director
Type Unassigned
Useful Life 20
Category Sanitary Sewer Maintenance
Priority n/a

Project # 13-Sew-XXX
Project Name Rehabilitate Lift Stations #4 and #9

Description **Total Project Cost: \$125,000**
 Lift stations #4 and #9 are two remaining that need to have new pumps and control panels installed. This will complete the updating and standardization of the City's 14 lift stations

Justification

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance	125,000					125,000
Total	125,000					125,000

Funding Sources	2013	2014	2015	2016	2017	Total
Sanitary Sewer Utility Fund	125,000					125,000
Total	125,000					125,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 14-Sew-XXX
Project Name Reconstruct Lift Station 11

Description **Total Project Cost: \$250,000**
 Lift Station 11 located on the north side of Hwy 96 adjacent to the manufactured home park was planned to be reconstructed in 2011. However, due to the MnDOT project to grade separate the intersection of US 10/Hwy 96 the reconstruction was delayed.

Justification
 The lift station is over 40 years old and is the last of the old style lift stations in the City system. The reconstruction will bring the lift station up to the City standard for pumps and controls.
 Proir to reconstruction an anlysis of the cost to totally eliminate the lift station by extending gravity sewer will be performed.

Expenditures	2013	2014	2015	2016	2017	Total
Planning/Design		20,000				20,000
Construction/Maintenance		230,000				230,000
Total		250,000				250,000

Funding Sources	2013	2014	2015	2016	2017	Total
Sanitary Sewer Utility Fund		250,000				250,000
Total		250,000				250,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Operational Maintenance
Useful Life 8-10
Category Streets:Misc
Priority n/a

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

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.

Prior	Expenditures	2013	2014	2015	2016	2017	Total
15,000	Equip/Vehicles/Furnishings	5,000	5,000	15,000	10,000		35,000
Total	Total	5,000	5,000	15,000	10,000		35,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
15,000	Capital Improvement Funds (PI)	5,000	5,000	15,000	10,000		35,000
Total	Total	5,000	5,000	15,000	10,000		35,000

Budget Impact/Other

Increased costs for more frequent replacement to meet new retroreflectivity standards

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Improvement
Useful Life 30
Category Streets: Reconstruction
Priority n/a

Project # 13-Str-001
Project Name Highway 96/US 10 Grade Separation

Description **Total Project Cost: \$490,000**

Ramsey County reconstruction project for Highway 96 (Interstate 35-W to match point west of North Snelling) including a grade separation at the intersection with TH10 is scheduled for construction in 2013. City costs may include trails, landscaping, any City utility work, add-ons, and possibly some right-of-way.

Lakeshore Place will be impacted during this project and will be reconstructed in conjunction with the other improvements. Estimated Residential Equivalent Units: 5

City will ask for a casing pipe to be installed under Hwy 96 near Lift Station #11 to help facilitate the elimination of LS #11 in the future.

Justification

This project is included in the Ramsey County road construction projects for 2011-2012.

Lakeshore Place 2005 PCI= 19, 2011 PCI= 17

(Estimates of the City cost according to Ramsey County cost participation policy were from County personnel)

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance	490,000					490,000
Total	490,000					490,000

Funding Sources	2013	2014	2015	2016	2017	Total
Sanitary Sewer Utility Fund	50,000					50,000
State Aid Funds	365,000					365,000
Surface Water Mgmt Utility Fu	75,000					75,000
Total	490,000					490,000

Budget Impact/Other

The City will be responsible for snow and ice removal from the trails. Any landscaping features will require annual maintenance.

Budget Items	2013	2014	2015	2016	2017	Total
Annual Maintenance Charge		1,000	1,000	1,000	1,000	4,000
Total		1,000	1,000	1,000	1,000	4,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Improvement
Useful Life 30
Category Streets: Reconstruction
Priority n/a

Project # 13-Str-064
Project Name Ridgewood Asbury --2013 PMP

Description	Total Project Cost: \$1,753,000
Asbury Ave from City Limits to Edgewater Ridgewood Rd from City Limits to dead end Edgewater from Asbury to Ridgewood Rd Glenhill from Asbury to Snelling Estimated Residential Equivalent Units: 37	

Justification
Asbury Ave, City limits to Glenhill, 2005 PCI = 75, 2008 PCI = 76, 2011 PCI = 74 Asbury Ave, Glenhill to Edgewater, 2008 PCI = 82, 2011 PCI = 70 Ridgewood Rd, City limits to Glenhill, 2005 PCI = 47, 2008 PCI = 58, 2011 PCI = 66 Ridgewood Rd, Glenhill to dead end, 2008 PCI = 67, 2011 PCI = 36 Edgewater, Asbury to Ridgewood, 2005 PCI = 59, 2008 PCI = 38, 2011 PCI = 34 Glenhill, Asbury to Snelling (TH 51) 2005 PCI = 68, 2008 PCI = 66, 2011 PCI = 51 There is a minimal existing storm sewer system. The project must meet Rice Creek Watershed District requirements. The proposed storm sewer system will take into account runoff from the City of Roseville (to be cost-shared). The project will also improve water quality to Lake Johanna. Improvements will be made to the sanitary sewer system as needed to correct any I&I deficiencies.

Prior	Expenditures	2013	2014	2015	2016	2017	Total
53,000	Planning/Design	120,000					120,000
	Construction/Maintenance	1,380,000	200,000				1,580,000
Total		1,500,000	200,000				1,700,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
53,000	Capital Improvement Funds (PI	668,000	200,000				868,000
	Sanitary Sewer Utility Fund	175,000					175,000
Total	Surface Water Mgmt Utility Fu	417,000					417,000
	Water Utility Funds	240,000					240,000
		1,500,000	200,000				1,700,000

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.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Unassigned
Useful Life 5 to 10 yrs
Category Streets: Cracksealing & Sealco
Priority n/a

Project # 13-StrS-002
Project Name 2013 Crack Fill and Seal Coat

Description	Total Project Cost: \$140,000
<p>Generally the areas planned for crack filling/Seal Coating are: 2009 PMP Janet Ct Fairview Ave between Gramsie Rd and Lake Valentine Rd Cummings Park Dr Karth Lake Cir Amble Dr/Karth Lake Dr/Pleasant Dr Area Eide Cir McClung Dr/Colleen/James Ave Royal Hills/Arden View Dr/Arden Vista Ct</p>	

Justification
<p>Seal coats waterproof the surface to keep the pavement from becoming brittle, cracking, and prevent water from seeping through the pavement and causing problems to the base material. Seal coats also provide low-severity crack sealing, and restore surface friction. It is a maintenance practice to extend the life of pavement. Seal coating can be performed at any time in the life of a pavement and lasts an average of five to ten years.</p>

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance	140,000					140,000
Total	140,000					140,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI	140,000					140,000
Total	140,000					140,000

Budget Impact/Other
<p>Seal coats help waterproof the pavement to prevent water from seeping through to the base material. It is a maintenance practice to extend the life of pavement. This reduces the number of potholes that develop, thereby reducing patching costs.</p>

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Improvement
Useful Life 20
Category Streets:Misc
Priority n/a

Project # 14-Str-001
Project Name Lexington Avenue Improvement (I-694 to CR F)

Description **Total Project Cost: \$100,000**
 Ramsey County is planning an improvement on Lexington Avenue from I-694 to Co Rd F after the MnDOT I-694 project is complete. The total project cost is estimated to be over \$2.0 million. The City will likely have a minor cost participation for this project. \$100,000 has been put into the CIP as a placeholder until a firm amount is determined.

Justification

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance		100,000				100,000
Total		100,000				100,000

Funding Sources	2013	2014	2015	2016	2017	Total
State Aid Funds		100,000				100,000
Total		100,000				100,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Unassigned
Useful Life
Category Streets:Misc
Priority n/a

Project # 14-Str-062
Project Name I-694/TH 10 Landscaping

Description **Total Project Cost: \$5,000**
Mn/DOT has a landscaping project programmed for the I-694/TH 51 interchange area in 2014-2015. It is anticipated that Mn/DOT will spend approximately \$200,000 on landscaping along the project corridor. The City expects to be consulted on the species of trees and the locations.

Justification
The City wants a place saver in the CIP so that if Mn/DOT's budget is not sufficient to adequately plant along the project corridor the City may consider adding to the project budget to get more vegetation along the residential properties adjacent to the interchange project.

Expenditures	2013	2014	2015	2016	2017	Total
Other		5,000				5,000
Total		5,000				5,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)		5,000				5,000
Total		5,000				5,000

Budget Impact/Other
The City should have no ongoing maintenance involved in the landscaping placed by Mn/DOT or City funding.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Operational Maintenance
Useful Life 5 to 10 yrs
Category Streets: Cracksealing & Sealco
Priority n/a

Project # 14-StrS-063
Project Name 2014 Crackseal and Sealcoat

Description **Total Project Cost: \$145,000**
 Generally the area of the City to be crack filled/Seal coated this year is all streets south of County Road E and east of TH 51 (Snelling Ave). However, this will be reviewed as the year approaches relative to the condition of other City streets.

Justification
 Seal coats waterproof the surface to keep the pavement from becoming brittle, cracking, and prevent water from seeping through the pavement and causing problems to the base material. Seal coats also provide low-severity crack sealing, and restore surface friction. It is a maintenance practice to extend the life of pavement. Seal coating can be performed at any time in the life of a pavement and lasts an average of three to six years.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance		145,000				145,000
Total		145,000				145,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)		145,000				145,000
Total		145,000				145,000

Budget Impact/Other
 Seal coats help waterproof the pavement to prevent water from seeping through to the base material. It is a maintenance practice to extend the life of pavement. This reduces the number of potholes that develop, thereby reducing patching costs.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Improvement
Useful Life 30
Category Streets: Reconstruction
Priority n/a

Project # 15-Str-039
Project Name Glenview Neighborhood --2015 PMP

Description	Total Project Cost: \$2,800,000
Rolling Hills Rd from Venus to Gramsie Venus Ave from Rolling Hills to Dellview Fairview from Venus to Gramsie Glenview Ave from Fairview to Lake Valentine Rd Gramsie Rd from Rolling Hills to Dellview Dellview Ave from Crystal to Gramsie Dellview Ave from Venus to Gramsie Gelnview Court from Glenview Ave to cul de sac Crystal Ave from Fairview to Lake Valentine Rd Note: Street construction cost lowered by \$800,000 to reflect Council direction at 10/15/12 WS to have cost reflect a reclaiming of the streets rather than reconstruction and the addition of curb and gutter. Also, the Valentine Park Improvement of 2012 build a rain garden that will meet some of the RCWD requirements for the project. TJM	

Justification
Rolling Hills Rd 2005 PCI = 23, 2008 PCI = 23, 2011 PCI = 22 Venus Ave 2005 PCI = 34, 2008 PCI = 32, 2011 PCI = 31 Fairview 2005 PCI = 49, 2008 PCI = 40, 2011 PCI = 35 Glenview Ave 2005 PCI = 49, 2008 PCI = 44, 2011 PCI = 25 Gramsie Rd 2005 PCI = 38, 2008 PCI = 38, 2011 PCI = 37 Dellview Ave, Crystal to Gramsie 2005 PCI = 22, 2008 PCI = 21, 2011 PCI = 20 Dellview Ave. Venus to Gramsie 2005 PCI = 36, 2008 PCI = 35, 2011 PCI = 31 Glenview Court 2005 PCI = 66, 2008 PCI = 61, 2011 PCI = 56 Crystal Ave 2005 PCI = 46, 2008 PCI = 40, 2011 PCI = 38 There is a minimal existing storm sewer system. The project must meet Rice Creek Watershed District requirements. The project will also reduce volume to Valentine Park. Improvements will be made to the sanitary sewer system as needed to correct any I&I deficiencies. There is a significant history of watermain breaks in the neighborhood, therefore it is anticipated that all watermain needs to be replaced.

Expenditures	2013	2014	2015	2016	2017	Total
Planning/Design		600,000				600,000
Construction/Maintenance			1,800,000	400,000		2,200,000
Total		600,000	1,800,000	400,000		2,800,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)		425,000	882,500	342,500		1,650,000
Sanitary Sewer Utility Fund		10,000	40,000			50,000
Surface Water Mgmt Utility Fu		75,000	397,500	27,500		500,000
Water Utility Funds		90,000	480,000	30,000		600,000
Total		600,000	1,800,000	400,000		2,800,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 thru 2017

Department Street Department
Contact Engineer
Type Improvement
Useful Life
Category Streets: Reconstruction
Priority n/a

Project # 15-Str-060
Project Name Co Rd E Impr between Hwy 51 & Lexington Ave

Description **Total Project Cost: \$2,000,000**
 Prepare a specific plan and improvement for traffic, landscaping, lighting and pedestrian improvements along both sides of County Road E from the eastern ramp terminals of Highway 51 to and including the Lexington Avenue intersection. The implementation planning process begun in 2012 will identify specific improvements.
 Note: Based on Council discuss/direction at 10/15.12 WS reduced cost to \$2.0 million and split to two \$1.0 million projects (2015 and 2018) to reflect slower phased approach. Showed \$50,000 in 2012 from PIR to reflect BMI Contract. TJM

Justification
 Implement the Guiding Plan for the B2 District.

Prior	Expenditures	2013	2014	2015	2016	2017	Total	Future
50,000	Planning/Design		28,500			30,000	58,500	970,000
	Construction/Maintenance			836,000	85,500		921,500	
Total	Total		28,500	836,000	85,500	30,000	980,000	Total

Prior	Funding Sources	2013	2014	2015	2016	2017	Total	Future
50,000	Capital Improvement Funds (PI)		10,240	161,300	85,500	30,000	287,040	970,000
	Sanitary Sewer Utility Fund		3,960	16,000			19,960	
	State Aid Funds			500,000			500,000	
	Surface Water Mgmt Utility Fu		9,000	143,000			152,000	
	Water Utility Funds		5,300	15,700			21,000	
Total	Total		28,500	836,000	85,500	30,000	980,000	Total

Budget Impact/Other
 The landscaping and other features will require annual maintenance. Removing snow and ice from the sidewalks could be the responsibility of the adjoining property owners. Maintenance costs begin the year following construction.

Prior	Budget Items	2013	2014	2015	2016	2017	Total	Future
0	Annual Maintenance Charge	0	0		10,000	10,000	20,000	10,000
Total	Total	0	0		10,000	10,000	20,000	Total

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Improvement
Useful Life 30
Category Streets:Misc
Priority n/a

Project # 15-Str-061
Project Name Co. Rd. E Bridge over TH 51

Description **Total Project Cost: \$150,000**
Mn/DOT has programmed the replacement of the County Road E bridge over TH 51 in 2015. The project can be advance constructed if an intern funding source can be identified.

Justification
Ramsey County and the City are working with Mn/DOT Brdge Section regarding what the new bridge should include. Also, Ramsey County is taking the lead in an STP Funding application for a portion of the construction cost.
With or without STP funds the City will likely have some financial responsibility for a portion of the project cost.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance			150,000			150,000
Total			150,000			150,000

Funding Sources	2013	2014	2015	2016	2017	Total
State Aid Funds		150,000				150,000
Total		150,000				150,000

Budget Impact/Other
When the bridge is reconstructed with pedestrian facilities the City will be responsible for maintenance of the these facilities.

Budget Items	2013	2014	2015	2016	2017	Total
Annual Maintenance Charge			200	200		400
Total			200	200		400

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Engineer
Type Unassigned
Useful Life 5 to 10 yrs
Category Streets: Cracksealing & Sealco
Priority n/a

Project # 15-StrS-001
Project Name 2015 Crack Fill and Seal Coat

Description **Total Project Cost: \$145,000**
 Generally the areas planned for crack filling/seal coating this year are:
 2011 PMP
 Keithson Dr
 Chatham/McCracken Area
 Lake Valentine Rd
 However, these recommendations will be reviewed as the year approaches relative to the condition of all City streets

Justification
 Seal coats waterproof the surface to keep the pavement from becoming brittle, cracking, and prevent water from seeping through the pavement and causing problems to the base material. Seal coats also provide low-severity crack sealing, and restore surface friction. It is a maintenance practice to extend the life of pavement. Seal coating can be performed at any time in the life of a pavement and lasts an average of five to ten years.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance			145,000			145,000
Total			145,000			145,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)			145,000			145,000
Total			145,000			145,000

Budget Impact/Other
 Seal coats help waterproof the pavement to prevent water from seeping through to the base material. It is a maintenance practice to extend the life of pavement. This reduces the number of potholes that develop, thereby reducing patching costs.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Improvement
Useful Life 20-25
Category Streets: Reconstruction
Priority n/a

Project # 16-Str-042
Project Name West Round Lake Road PMP (Moved to 2017 or beyond)

Description **Total Project Cost: \$1,740,000**
 From 1029' south of CSAH 96 to 13th St NE
 This segment of Round Lake Rd is in poor condition. Excess TIF proceeds can be spent on the reconstruction of the road and utilities. Also, PW believes it may be possible to eliminate Lift Station #11 by laying gravity sanitary sewer along this alignment to the interceptor near the south end.

Justification
 No history of watermain problems but may need some upsizing
 By extending sanitary sewer from LS #11, along Hwy 96 and south on Round Lake Rd may be able to eliminate LS #11
 Storm sewer project must meet Rice Creek Watershed requirements.
 Development of vacant property.
 Current road 2005 PCI = 46, 2008 PCI = 42
 2005 AADT: 1400
 Estimated increase in traffic from Traverse: 5500 trips per day

Expenditures	2013	2014	2015	2016	2017	Total
Planning/Design		200,000				200,000
Construction/Maintenance				1,240,000	300,000	1,540,000
Total		200,000		1,240,000	300,000	1,740,000

Funding Sources	2013	2014	2015	2016	2017	Total
Sanitary Sewer Utility Fund		25,000		225,000		250,000
Surface Water Mgmt Utility Fu		25,000		365,000		390,000
TIF District		140,000		560,000	300,000	1,000,000
Water Utility Funds		10,000		90,000		100,000
Total		200,000		1,240,000	300,000	1,740,000

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.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Operational Maintenance
Useful Life 5 to 10 yrs
Category Streets: Cracksealing & Sealco
Priority n/a

Project # 16-StrS-066
Project Name 2016 Crackseal and Sealcoat

Description **Total Project Cost: \$150,000**
 Streets planned for crack filling/seal coating this year are generally streets in the southwest corner of the City together with the Red Fox Grey Fox Area. However, these recommendations will be reviewed as the year approaches relative to the condition of all City streets.

Justification
 Seal coats waterproof the surface to keep the pavement from becoming brittle, cracking, and prevent water from seeping through the pavement and causing problems to the base material. Seal coats also provide low-severity crack sealing, and restore surface friction. It is a maintenance practice to extend the life of pavement. Seal coating can be performed at any time in the life of a pavement and lasts an average of three to six years.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance				150,000		150,000
Total				150,000		150,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)				150,000		150,000
Total				150,000		150,000

Budget Impact/Other
 Seal coats help waterproof the pavement to prevent water from seeping through to the base material. It is a maintenance practice to extend the life of pavement. This reduces the number of potholes that develop, thereby reducing patching costs.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Street Department
Contact Public Works Director
Type Operational Maintenance
Useful Life
Category Streets: Cracksealing & Sealco
Priority 3 Important

Project # 17-Str-001
Project Name 2017 Crackseal and Sealcot

Description **Total Project Cost: \$150,000**
 Streets to be determined

Justification
 Seal coats waterproof the surface to keep the pavement from becoming brittle, cracking, and prevent water from seeping through the pavement and causing problems to the base material. Seal coats also provide low-severity crack sealing, and restore surface friction. It is a maintenance practice to extend the life of pavement. Seal coating can be performed at any time in the life of a pavement and lasts an average of three to six years.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance					150,000	150,000
Total					150,000	150,000

Funding Sources	2013	2014	2015	2016	2017	Total
Capital Improvement Funds (PI)					150,000	150,000
Total					150,000	150,000

Budget Impact/Other
 Seal coats help waterproof the pavement to prevent water from seeping through to the base material. It is a maintenance practice to extend the life of pavement. This reduces the number of potholes that develop, thereby reducing patching costs.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Surface Water Management D
Contact Public Works Director
Type Maintenance
Useful Life 20-25
Category Utility Maintenance
Priority n/a

Project # 09-Storm-001
Project Name Storm Pond Maintenance

Description **Total Project Cost: \$350,000**
 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.

Justification
 Storm pond cleaning and rehabilitation projects to meet surface water quality requirements.

Prior	Expenditures	2013	2014	2015	2016	2017	Total	Future
50,000	Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000	50,000
Total	Total	50,000	50,000	50,000	50,000	50,000	250,000	Total

Prior	Funding Sources	2013	2014	2015	2016	2017	Total	Future
50,000	Surface Water Mgmt Utility Fu	50,000	50,000	50,000	50,000	50,000	250,000	50,000
Total	Total	50,000	50,000	50,000	50,000	50,000	250,000	Total

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

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Surface Water Management D
Contact Public Works Director
Type Maintenance
Useful Life
Category Utility Maintenance
Priority n/a

Project # 12-Storm-001
Project Name Innovation Way/Co Rd F pond Dredging

Description **Total Project Cost: \$12,500**
 Boston Scientific and Xcel Energy are working with Rice creek Watershed to clean sediment out of the pond located at the intersection of Innovation Way and Co Rd F. Some of the drainage to the pond comes from Innovation Way which use to be Fernwood Ave; a public street. As such the City is being asked to participate one third in the cost of the dredging.
 Note: Because of a problem at Xcel Energy this project could not be accomplished in 2012, funding moved to 2013. 5/21/12 TJM

Justification
 Fernwood Ave use to be a public street before it was turned back to Guidant Corp (now Boston Scientific) in 2003. Attorney Filla has reviewed the 2003 agreement and determined the City has some responsibility for the pond cleaning.
 After this pond cleaning, the city should have no more responsibility for sediment in this pond.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance	12,500					12,500
Total	12,500					12,500

Funding Sources	2013	2014	2015	2016	2017	Total
Surface Water Mgmt Utility Fu	12,500					12,500
Total	12,500					12,500

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Surface Water Management D
Contact Public Works Director
Type Maintenance
Useful Life 15-17
Category Storm Water Maintenance
Priority 3 Important

Project # 13-Storm-XXX
Project Name Storm Water Inlet/Outlet Repairs

Description **Total Project Cost: \$125,000**
 One of the requirements of the City's MS4 permit is to annually inspect 20% of the inlets/outlets in our stormwater system. The City actually inspect 100% of them in the final year (2011) of our first MS4 permit. Many are in disrepair and need to be fixed.

Justification
 To maintain our storm drainage system annually the City should undertake the repair of inlets/outlets and other erosion issues that are found throughout the system.

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	2013	2014	2015	2016	2017	Total
Surface Water Mgmt Utility Fu	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 12-Tec-001
Project Name Springbrook Software Upgrades

Description **Total Project Cost: \$28,000**
 The Finance Suite was upgraded in 2010 to the .Net version of the software. The City purchased Springbrook software in 2001-2002. In 2011-2012 we were implementing the Human Resource module and the Central Services modules. As future enhancements are available we will be implementing this as well as upgrading the software, future modules include Project Management, licensing, business analytics, and dashboards.

Justification
 The current software was purchased in 2001-2002. Updating the software as updates become available continue to help us streamline our processes and tighten internal controls.
 Funding will come from the Equipment Building and Replacement Fund but operating transfers will be made from each of the enterprise funds (Water, Sewer & Surface Water) to account for their cost of the software. This is consistent with the support and maintenance fee charges in the operating budget.

Prior	Expenditures	2013	2014	2015	2016	2017	Total
15,000	Technology	13,000					13,000
Total	Total	13,000					13,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
15,000	Equipment/Building Replacem	13,000					13,000
Total	Total	13,000					13,000

Budget Impact/Other
 While there is no hard concrete cost savings, it will provide greater reporting capabilities, reduce staff time spent on running reports as this software will allow for department access to monitor activity. Future costs and efficiency can be achieved by eventually consolidating all City services to one software system, thus eliminating paper flow and double entry.
 Annual maintenance fees for the new modules will be added as we add modules.

Prior	Budget Items	2013	2014	2015	2016	2017	Total
2,136	Annual Maintenance Charge	2,200	2,265	2,332	2,400		9,197
Total	Total	2,200	2,265	2,332	2,400		9,197

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 12-Tec-002
Project Name Technology and Office Equipment

Description **Total Project Cost: \$80,000**
 Equipment replacement of copiers, computers, and other various equipment and software

Justification
 Maintenance on all office equipment, computers, and machines plus software upgrades

Prior	Expenditures	2013	2014	2015	2016	2017	Total
13,000	Equip/Vehicles/Furnishings	15,000	13,000	13,000	13,000	13,000	67,000
Total	Total	15,000	13,000	13,000	13,000	13,000	67,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
13,000	Equipment/Building Replacem	15,000	13,000	13,000	13,000	13,000	67,000
Total	Total	15,000	13,000	13,000	13,000	13,000	67,000

Budget Impact/Other
 None

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 12-Tec-003
Project Name Communications Equipment

Description **Total Project Cost:** \$75,000
 Replace and upgrade audio visual and communications equipment as necessary.

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

Expenditures	2013	2014	2015	2016	2017	Total
Technology	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Funding Sources	2013	2014	2015	2016	2017	Total
Special Revenue Cable Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Budget Impact/Other
 Annual equipment maintenance of \$3,000 is currently included in the Cable Fund budget.

Budget Items	2013	2014	2015	2016	2017	Total
Annual Maintenance Charge	0	0	0	0	0	0
Total	0	0	0	0	0	0

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Technology
Contact Community Devl Dir
Type Technology
Useful Life 5 to 10 yrs
Category Equipment: Office
Priority n/a

Project # 12-Tec-004
Project Name City Website

Description **Total Project Cost:** \$28,635
 Redesign City website. The City has entered into a contract with CivicPlus to design, support, and host the City website. Contract payments are divided equally over three years (2012-2014).

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

Prior	Expenditures	2013	2014	2015	2016	2017	Total
9,545	Technology	9,545	9,545				19,090
Total	Total	9,545	9,545				19,090

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
9,545	Special Revenue Cable Fund	9,545	9,545				19,090
Total	Total	9,545	9,545				19,090

Budget Impact/Other
 Beginning in 2015, hosting and maintenance of the City website is anticipated. The projected 2015 cost, assuming that the City contracts with CivicPlus for hosting and maintenance, is \$4,614 with a 5% annual increase.

Budget Items	2013	2014	2015	2016	2017	Total
Annual Maintenance Charge			4,614	4,845	5,087	14,546
Total			4,614	4,845	5,087	14,546

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

Project # 13-Tec-001
Project Name Plotter

Description **Total Project Cost: \$10,000**
 Plotter is a large scale printer used in engineering and architecture. Some cities use plotters to print large posters or colored signs. Plotters can print to standard size paper or large sheets for building plots and maps.

Justification
 Currently the City is unable to print large wall maps and other documents in house. Printing of large maps is sent out to Roseville. Signs for Celebrating Arden Hills and Park and Recreation programs are out sourced to Allegra printing. A plotter would allow the City to save money by bringing these jobs in house.

Expenditures	2013	2014	2015	2016	2017	Total
Technology	10,000					10,000
Total	10,000					10,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem	10,000					10,000
Total	10,000					10,000

Budget Impact/Other
 Reduce the cost of obtaining oversized maps from Roseville and Signs for Celebrating Arden Hills.

Budget Items	2013	2014	2015	2016	2017	Total
Surcharge	-1,000	-1,000	-1,000	-1,000	-1,000	-5,000
Total	-1,000	-1,000	-1,000	-1,000	-1,000	-5,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

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

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

Description **Total Project Cost: \$1,457,000**

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.

Justification

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

Prior	Expenditures	2013	2014	2015	2016	2017	Total
7,000	Construction/Maintenance	900,000		550,000			1,450,000
Total	Total	900,000		550,000			1,450,000

Prior	Funding Sources	2013	2014	2015	2016	2017	Total
7,000	Water Utility Funds	900,000		550,000			1,450,000
Total	Total	900,000		550,000			1,450,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Water Department
Contact Public Works Director
Type Unassigned
Useful Life 30
Category Utility Maintenance
Priority n/a

Project # 13-W-XX1
Project Name Valve Replacement Program

Description **Total Project Cost: \$750,000**
 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 deterioriated 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/repalcement on an annual basis. It is estimated that over the next 20 years as many as 175 existing valves will need to be repiared/replaced in our system. It is also estimated that the cost per valve will average \$4000 per valve over the 20 years.

Justification

Expenditures	2013	2014	2015	2016	2017	Total	Future
Construction/Maintenance	30,000	30,000	30,000	30,000	30,000	150,000	600,000
Total	30,000	30,000	30,000	30,000	30,000	150,000	Total

Funding Sources	2013	2014	2015	2016	2017	Total	Future
Water Utility Funds	30,000	30,000	30,000	30,000	30,000	150,000	600,000
Total	30,000	30,000	30,000	30,000	30,000	150,000	Total

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Water Department
Contact Public Works Director
Type Unassigned
Useful Life 20
Category Utility Maintenance
Priority n/a

Project # 13-W-XX2
Project Name **Booster Station Monitoring Upgrade**

Description **Total Project Cost: \$35,000**
 In the past year the City has changed all of the lift station monitoring from Electro Watchman to the Omni Site due to better web based information and lower annual cost. The only tghing still monitored by Electro Watchman is the Booster Station and the two water towers. These can also be swithed to the Omni Site and be monitored through the same web based system as our lift stations.

Justification

Expenditures	2013	2014	2015	2016	2017	Total
Construction/Maintenance	35,000					35,000
Total	35,000					35,000

Funding Sources	2013	2014	2015	2016	2017	Total
Water Utility Funds	35,000					35,000
Total	35,000					35,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Water Department
Contact Public Works Director
Type Unassigned
Useful Life 30
Category Utility Maintenance
Priority n/a

Project # 15-W-XXX
Project Name Hydrant Replacement Program

Description **Total Project Cost: \$400,000**
 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 repalced. 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 repalced hydrant is estimated to cost \$10,000. Over the next 20 years it is assumed that 10 times there will be a need to repalce 4 hydrants.

Justification

Expenditures	2013	2014	2015	2016	2017	Total	Future
Construction/Maintenance			40,000		40,000	80,000	320,000
Total			40,000		40,000	80,000	Total

Funding Sources	2013	2014	2015	2016	2017	Total	Future
Water Utility Funds			40,000		40,000	80,000	320,000
Total			40,000		40,000	80,000	Total

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 20
Category Vehicles
Priority n/a

Project # 11-EqpV-004
Project Name Replace Jetter and Vactor Truck with Combo Machine

Description	Total Project Cost: \$300,000
<p>Replace Vehicle #304 - 1987 Ford F800 VIN # 1FDXT84A9HVA58089 Mileage 17,309 (has not worked for three years). Hours 202 - 2007, 463 - 2008, 509 - 2009, 678 - 2010</p> <p>Used for cleaning and cutting roots in our sanitary sewer mains, flushing catchbasins, and manholes.</p> <p>Replace Vehicle # 303 Vactor - 1998 Sterling 2FGHRJAA5XAA46353 Mileage: 20,800 Hours: 759.6 (Hr meter added a few yrs ago)</p> <p>Truck is used for grit chamber/storm sewer, catch basin and lift station wet well maintenance.</p> <p>Note: Moved expenditure to 2013 because of lead time in ordering of approximately 6 months. Likely won't be ordered until 3rd quarter of 2012 and delivery and invoicing won't occur until 2013. 5/21/12 TJM</p> <p>Note: Moved to 2014 due to budget considerations, will review in 2014 and may move further out. TJM 10/31/12</p>	

Justification
<p>The Jetter is 25 years old and has significant rust and deterioration on the chassis and compartment body.</p> <p>Repair costs for parts and labor: 2006 - \$3,951.64 2007 - \$511.06 2008 - \$536.47 2009 - \$4,895.03 2010 - \$887.07</p> <p>The Vactor is 13 years old and has had significant rust and deterioration of the inside components. The computer had to be completely replaced in 2010.</p> <p>Repair costs for parts and labor: 2006-\$11,642.14 2007-\$432.11 2008 - \$337.11 2009 - \$561.42 2010 - \$15,569 2011 - \$357.00 To Date</p> <p>A combination jet/vac unit will allow for one full time staff and one seasonal to go out and do jetting and vac operations. Without that capability, it would be a minimum of 3 full time staff to operate both vehicles. The City will see a significant labor and fuel savings and efficiency and speed of service will increase. The size of the vehicle was a concern but after research, it was found that the version our City would purchase does comfortably fit in the warm storage area.</p>

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		330,000				330,000
Estimated Trade-In Value		-30,000				-30,000
Total		300,000				300,000

Capital Improvement Plan

2013 *thru* 2017

Department Equipment

City of Arden Hills, Minnesota

Contact Public Works Director

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem		300,000				300,000
Total		300,000				300,000

Budget Impact/Other

Reduced equipment, vehicle repair costs, labor cost, fuel costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair	-1,000	-1,000	-2,000	-2,000	-2,000	-8,000
Total	-1,000	-1,000	-2,000	-2,000	-2,000	-8,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15-17
Category Equipment: Public Works
Priority n/a

Project # 12-Eqp-001
Project Name Brush Chipper

Description **Total Project Cost: \$26,500**
 Replace equipment # 426 - 1996 Vermeer Chipper
 VIN # iVRK1513-10000799
 Hours 466.4
 #85426

Justification
 Equipment will be 15 years old.
 Repair costs for parts and labor:
 2006 - 150.00
 2007 - 142.61
 2008 - \$476.63
 2009 - \$0
 2010 - \$0
 2011
 2012

This piece of equipment will be 18 years old. However this piece of equipment is not used often and is in good condition. Condition will be monitored and replacement will be adjusted as deemed appropriate.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		30,000				30,000
Estimated Trade-In Value		-3,500				-3,500
Total		26,500				26,500

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem		26,500				26,500
Total		26,500				26,500

Budget Impact/Other
 Reduce repair costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair			-200	-200		-400
Total			-200	-200		-400

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15
Category Equipment: Public Works
Priority n/a

Project # 12-Eqp-005
Project Name Replace J Type Tamper

Description **Total Project Cost:** \$5,000
 Replace the 1997 J Type Asphalt Tamper #109

Justification
 Equipment will be 16 years old.
 Due to constant pounding, this equipment is prone to many minor repairs.
 Repair Costs:
 2006 - \$0
 2007 - \$0
 2008 - \$282.23
 2009 - \$30
 2010 - \$0 to date

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				5,000		5,000
Total				5,000		5,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				5,000		5,000
Total				5,000		5,000

Budget Impact/Other
 Reduced repair costs.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15-17
Category Equipment: Public Works
Priority n/a

Project # 12-Eqp-006
Project Name Replace 1996 Roller

Description **Total Project Cost: \$10,000**
 Replace Equipment #106 - 1996 Wacker Roller
 VIN # 673603994
 Hours: 468.2
 Note: Moved Roller replacement from 2013 to 2014 as the equipment is operating fine. Will continue to monitor on a year to year basis. 5/21/12
 TJM

Justification
 Equipment will be 17 years old.
 Repair costs for parts and labor:
 2006 - \$107.69
 2007 - \$75.00
 2008 - \$0
 2009 - \$182.69
 2010 - \$0
 2011
 2012
 Place holder for ongoing review. Will be pushed further out if equipment condition is deemed reliable.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		10,000				10,000
Total		10,000				10,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem		10,000				10,000
Total		10,000				10,000

Budget Impact/Other
 Reduced equipment repair costs.

Budget Items	2013	2014	2015	2016	2017	Total	Future
Equipment and Vehicle repair			-150	-150	-150	-450	-300
Total			-150	-150	-150	-450	Total

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10-12
Category Vehicles
Priority n/a

Project # 12-EqpV-002
Project Name Replace 1997 Dump Truck w/Plow/Wing Plow/Sander

Description	Total Project Cost: \$140,000
Vehicle #101 - 1997 Ford F-8513 dump truck with plow/wing/sander. VIN # Ifd4580e9vva34855 Mileage 28,829 Hours 2,901 #85101 Note: Moved this item from 2013 to 2014 due to the limited use during the 2011/2012 snow season it should be able to go one more year. 5/21/12 TJM	

Justification
Vehicle will be 14 years old. Repair costs for parts and labor: 2006 - \$150.21 2007 - \$1,260.33 2008 - \$6,808.66 2009 - \$6,883.76 2010 - \$21,647 2011 - \$140.00 to date This one of our two large dump trucks are used primarily for plowing and de-icing streets will be sixteen years old. While the mileage on this vehicle is relatively low due to the corrosiveness of salt, the frame and bodies are beginning to deteriorate. The repair costs for this vehicle have begun to rise significantly the last three years. With only two dump trucks in the snow plow fleet it is imperative that they be dependable during snow events.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		160,000				160,000
Estimated Trade-In Value		-20,000				-20,000
Total		140,000				140,000
Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem		140,000				140,000
Total		140,000				140,000

Budget Impact/Other
Reduce repair and maintenance costs and improve reliability of our primary snow removal equipment

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair			-1,500	-1,500	-2,000	-5,000
Total			-1,500	-1,500	-2,000	-5,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 20-25
Category Equipment: Public Works
Priority n/a

Project # 13-Eqp-001
Project Name Replace 1993 Toro Turf Aerator

Description **Total Project Cost: \$10,000**
 Replace Toro Turf Aerator
 Equipment # 419
 SN 686452

Justification
 This equipment will be 23 years old.
 No repair costs notes
 2006-2008
 Equipment will be monitored and adjusted as needed.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				10,000		10,000
Total				10,000		10,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				10,000		10,000
Total				10,000		10,000

Budget Impact/Other
 Reduced repair costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair				-500		-500
Total				-500		-500

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10-12
Category Equipment: Public Works
Priority n/a

Project # 13-Eqp-003
Project Name Replace 2002 Groundsmaster with Snow Blower

Description **Total Project Cost:** \$35,500
 Replace equipment # 409 - 2002 Toro Groundsmaster - with blower.
 VIN # 220000338
 Hours 2257
 Used in summer for mowing and winter for rinks and trails.
 #85409
 Note: Moved replacement from 2013 to 2014 since this equipment is used primarily for snow removal at skating rinks as such had very little use in the 2011/2012 season. 5/21/12 TJM

Justification
 Equipment will be ten years old.
 Repair costs for parts and labor:
 2006 - \$1,119.75
 2007 - \$5,409.19
 2008 - \$849.70
 2009 - \$225.10
 2010 - \$712.55
 2011
 2012
 Our midsized groundmaster type mowers have been adjusted from a 10 year replacement to a 10-12 year replacement. With the addition of the large area mower in 2009 and "zero turn" mowers in 2011, we will monitor use and repairs, as well as what type of machine will be best for the replacement.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		39,000				39,000
Estimated Trade-In Value		-3,500				-3,500
Total		35,500				35,500

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem		35,500				35,500
Total		35,500				35,500

Budget Impact/Other
 Reduced repair and maintenance costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair			-1,500	-1,500	-1,500	-4,500
Total			-1,500	-1,500	-1,500	-4,500

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15
Category Equipment: Public Works
Priority 4 Less Important

Project # 13-Eqp-004
Project Name Replace 1997 Street Sweeper

Description **Total Project Cost: \$188,000**
 Equipment #105 - 1997 Elgin Street Sweeper.
 VIN # 585165
 Hours 1,931.7
 Mileage 9,610.6
 #85105

Justification
 Equipment will be 18 years old.
 Repair costs for parts and labor:
 2006 - \$634.96
 2007 - \$764.53
 2008 - \$657.95
 2009 - \$7,627.62
 2010 - \$352.70

 Equipment is relatively good condition and recieves limited ues which allows replacement to be pushed out to 2015

 This vehicle will be monitored for hours and repairs and adjusted as needed. Previous sweeper increased maintenance costs substantially after Year 15.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings			200,000			200,000
Estimated Trade-In Value			-12,000			-12,000
Total			188,000			188,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem			188,000			188,000
Total			188,000			188,000

Budget Impact/Other
 Reduce repair and maintenance costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair			-300	-300		-600
Total			-300	-300		-600

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10-12
Category Vehicles
Priority n/a

Project # 13-EqpV-002
Project Name Replace 2001 F450 One Ton Dump/Plow/Sander

Description **Total Project Cost:** \$56,000
 Vehicle #301 - 2001 Ford F450 1 ton dump truck with plow and sander
 VIN #1FDXF47F61EC92462
 Mileage 48,072
 #85301

Justification
 Vehicle will be twelve years old.
 Repair costs for parts and labor:
 2006 - \$812.38
 2007 - \$1,544.89
 2008 - \$1,591.24
 2009 - \$1,539.67
 2010 - \$1,371.00
 Vehicle has been adjusted from a 10 year replacement to a 12 year replacement. Currently set as a placeholder. Staff will continue to monitor vehicle condition and maintenance costs.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings	65,000					65,000
Estimated Trade-In Value	-9,000					-9,000
Total	56,000					56,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem	56,000					56,000
Total	56,000					56,000

Budget Impact/Other
 Reduce repair and maintenance expenses

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair	-1,000	-1,000	-1,000	-1,000		-4,000
Total	-1,000	-1,000	-1,000	-1,000		-4,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15-17
Category Vehicles
Priority n/a

Project # 13-EqpV-010
Project Name Replace Trailer

Description **Total Project Cost: \$10,000**
 1996 Redihaul Trailer #108
 VIN 47SS122T2V1013037

Justification
 Trailer will be 17 years old. It is beginning to deteriorate. The replacement will be a multi-use trailer able to be used to haul the skid-steer.
 Annual Maintenance Costs
 2006 - \$365.37
 2007 - \$120
 2008 - \$0
 2009 - \$161.38 to date

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings	10,000					10,000
Total	10,000					10,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem	10,000					10,000
Total	10,000					10,000

Budget Impact/Other
 Reduced maintenance costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair	-500	-500	-500	-500		-2,000
Total	-500	-500	-500	-500		-2,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10-12
Category Vehicles
Priority n/a

Project # 14-EqpV-001
Project Name Replace 2002 F450 One-Ton w/Dump/Plow/Sander

Description **Total Project Cost: \$60,000**
 Replace Unit #302 - 2002 Ford F-450
 VIN # 1FDXF47F92EC89315
 Mileage 45,526
 #85302

Justification
 Mileage is 32,951
 Vehicle will be twelve years old.
 Parts and Labor repair costs:
 2006 - \$2,221.02
 2007 - 1,691.52
 2008 - \$2,653.47
 2009 - \$796.58
 2010 - \$2,228.00
 2011 - None to date
 2012
 2013
 Vehicle has been adjusted from a 10 year replacement to a 12 year replacement. Currently set as a placeholder. Staff will continue to monitor vehicle condition and maintenance costs.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		70,000				70,000
Estimated Trade-In Value		-10,000				-10,000
Total		60,000				60,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem		60,000				60,000
Total		60,000				60,000

Budget Impact/Other
 Replacing vehicle will reduce repair costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair			-1,000	-1,000		-2,000
Total			-1,000	-1,000		-2,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 20
Category Vehicles
Priority n/a

Project # 14-EqpV-005
Project Name Replace Turf Sweeper

Description **Total Project Cost: \$18,000**
 Replace 1989 Olathe Turf Sweeper #412
 VIN 48HL-481275LDO

Justification
 Equipment will be 25 years old
 No hour meter installed on equipment
 Annual Repair Costs
 2006 - \$57.50
 2007 - \$550.27
 2008 - \$0
 2009 - \$0
 2010 - \$0
 2011 - None to date
 This equipment will be monitored and adjusted in the schedule as needed based on repair costs and condition.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				18,000		18,000
Total				18,000		18,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				18,000		18,000
Total				18,000		18,000

Budget Impact/Other
 Reduced maintenance costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair				-500		-500
Total				-500		-500

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 8-10
Category Vehicles
Priority n/a

Project # 14-EqpV-010
Project Name Replace Pick up Truck #201

Description **Total Project Cost: \$35,000**
 Replace Pick up truck #201, 2004 F-250
 Vin #1FTNF21L24EB72967
 Mileage

Justification
 Truck will be 10 years old
 55,472 (2009)
 Annual Repair Costs:
 2006 - \$89.75
 2007 - \$132.61
 2008 - \$1,775.15
 2009 - \$425.59
 2010 - \$80.26
 2011 - None to date
 Will be monitored and adjusted based on mileage and repairs. THIS THE BUILDING INSPECTION VEHICLE

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				35,000		35,000
Total				35,000		35,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				35,000		35,000
Total				35,000		35,000

Budget Impact/Other
 Reduced maintenance costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair				-200		-200
Total				-200		-200

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15
Category Equipment: Public Works
Priority n/a

Project # 14-Eqp-XXX
Project Name Upgrade Camera System for Sewer Televising

Description **Total Project Cost: \$37,000**
 By upgrading the camera and control system on the existing 2003 trailer and same generator the useful life of this piece of equipment will be greatly extended. The whole trailer was tentative programmed to be replaced in 2018 at a cost of twice as much as redoing the camera and control system.

Justification
 BY upgrading the camera and control system the resolution of the camera improves and the vedios will be saved electronicly rather than the current system where the vidio is written to a disc, brought to the office and saved to an external hard drive.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings		37,000				37,000
Total		37,000				37,000

Funding Sources	2013	2014	2015	2016	2017	Total
Sanitary Sewer Utility Fund		37,000				37,000
Total		37,000				37,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15
Category Equipment: Public Works
Priority n/a

Project # 15-Eqp-003
Project Name Replace 2000 Backhoe

Description **Total Project Cost: \$100,000**
 Equipment # 204 - 2000 Case 590 Backhoe.
 VIN # 2260285353
 Hours 2,487.1
 #85204

Justification
 Equipment will be 15 years old.
 Repair costs for parts and labor:
 2006 - 244.37
 2007 - 415.45
 2008 - \$2,933.45
 2009 - \$250.24
 2010 - \$2,417.00
 2011 - None to date

Included in the purchase of the new backhoe would be two additon attachable tools; a Rapid-Ram for breaking up frost and a Plate Compactor for compacting treches. Currently, the City has no equipment for breaking up frost so a contractor is hired for this work at a cost of \$3-4,000 per time.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings	115,000					115,000
Estimated Trade-In Value	-15,000					-15,000
Total	100,000					100,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem	100,000					100,000
Total	100,000					100,000

Budget Impact/Other
 Reduce maintenance and repair costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair		-1,000	-1,500	-1,000		-3,500
Total		-1,000	-1,500	-1,000		-3,500

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 5
Category Vehicles
Priority n/a

Project # 15-EqpV-000
Project Name Replace 2001 Used Dump Truck with Used Dump Truck

Description **Total Project Cost: \$40,000**
 In 2011 a used dump truck with plow and de-icing equipment was added to the fleet by purchasing one of Ramsey County's 10 year old vehicles. In 2015 the 2001 used dump truck will be replaced the same way with a 2005 vehicle purchased from Ramsey County.

Justification
 The 2001 dump truck will be 14 years old. A 10 year old used dump truck can be purchased from the Ramsey County fleet.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings			40,000			40,000
Total			40,000			40,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem			40,000			40,000
Total			40,000			40,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10
Category Equipment: Public Works
Priority n/a

Project # 16-Eqp_XXX
Project Name Replace 2004 (Unit 112) Hotbox

Description **Total Project Cost: \$18,000**
 Replace unit 112 the 20004 Hotbox use for bituminous patching

Justification

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				20,000		20,000
Estimated Trade-In Value				-2,000		-2,000
Total				18,000		18,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				18,000		18,000
Total				18,000		18,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10-12
Category Equipment: Public Works
Priority n/a

Project # 16-Eqp-001
Project Name Large Area Mower

Description **Total Project Cost: \$70,000**
 Replacement of the 1999 Jacobson (model R-5111) 11 foot mower.
 Ser # 6912902371
 Hours 2093
 Note: Moved this from 2016 to 2015 due to amount of use and age of the equipment since it is the only large area mower in the fleet. 5/21/12 TJM

Justification
 The Jacobson large area mower will be 17 years old in 2016. We have been spending a significant amount on repairs annually

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings			75,000			75,000
Estimated Trade-In Value			-5,000			-5,000
Total			70,000			70,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem			70,000			70,000
Total			70,000			70,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 15-17
Category Equipment: Public Works
Priority n/a

Project # 16-Eqp-002
Project Name Purchase Mini-Excavator

Description **Total Project Cost: \$45,000**
 This would be an addition to the fleet of the City. Mini-excavator is a small backhoe that can be moved over grass yards without causing damage.

Justification
 The addition of a mini-excavator to the City fleet would allow the Public Works crew do accomplish small storm water pond maintenance projects in house; such as repair erosion, remove built up sediment at inlets, reestablish riprap erosion protection at inlets and cleaning of ditches or swales. This piece of equipment could also be used to break up frost for watermain break repairs.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				45,000		45,000
Total				45,000		45,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				45,000		45,000
Total				45,000		45,000

Budget Impact/Other
 Would reduce the need to use contractors for small storm water pond maintenance projects.

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 20
Category Equipment: Public Works
Priority n/a

Project # 16-Eqp-003
Project Name 1996 Trailer Replacement (Skidsteer/Roller)

Description **Total Project Cost: \$10,000**
 Replace equipment # 108 - 1996 Redihaul Trailer 12'.
 VIN #4755122T2V1013037
 #85108

Justification
 Equipment will be 20 years old.
 Repair costs for parts and labor:
 2006 - \$365.37
 2007 - \$120.96
 2008 - none to date

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				10,000		10,000
Total				10,000		10,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				10,000		10,000
Total				10,000		10,000

Budget Impact/Other
 Reduce repair costs.

Budget Items	2013	2014	2015	2016	2017	Total
Equipment and Vehicle repair				-200		-200
Total				-200		-200

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 20
Category Equipment: Public Works
Priority n/a

Project # 16-Eqp-004
Project Name Replace Air Compressor

Description **Total Project Cost: \$25,000**
 Replace a 1998 air compressor

Justification
 The current air compressor will be 18 years old in 2016. The air compressor is used for maintaining irrigation systems, jack hammering, installing street sign post, and blowing out cracks prior to crack filling material being applied.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				30,000		30,000
Estimated Trade-In Value				-5,000		-5,000
Total				25,000		25,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				25,000		25,000
Total				25,000		25,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 10-12
Category Vehicles
Priority n/a

Project # 16-EqpV-005
Project Name Replace One-Ton Truck

Description **Total Project Cost: \$42,000**
 Replace unit #401 2005 one-ton 4-door diesel truck
 Vin # 1FTWW31PX6EA41754
 Milage 52123
 This truck is equipped with a tailgate lift and winch

Justification
 This truck will be 11 years old in 2016

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				48,000		48,000
Estimated Trade-In Value				-6,000		-6,000
Total				42,000		42,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				42,000		42,000
Total				42,000		42,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 13-15
Category Equipment: Public Works
Priority n/a

Project # 16-Eqp-XX
Project Name Replace 2001 Workman (Unit 411)

Description **Total Project Cost: \$24,000**
 Replace the 2001 Toro Workman (unit 411)

Justification

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings				26,000		26,000
Technology				-2,000		-2,000
Total				24,000		24,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				24,000		24,000
Total				24,000		24,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life 5
Category Equipment: Public Works
Priority 3 Important

Project # 17-Eqp_XXX
Project Name Replace two 2011 Toro Z Mowers

Description **Total Project Cost: \$24,000**
 Replace two 2011 Toro Z Mowers

Justification
 The Toro Z mowers together with the large area mower are the workhorses of the grass cutting fleet. It is important that they be in very dependable condition.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings					32,000	32,000
Estimated Trade-In Value					-8,000	-8,000
Total					24,000	24,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem					24,000	24,000
Total					24,000	24,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Equipment
Contact Public Works Director
Type Equipment
Useful Life
Category Vehicles
Priority n/a

Project # 17-EqpV-XXX
Project Name Replace 2005 4-Door Diesel Pickup

Description **Total Project Cost: \$46,000**
 Replace unit 401 a 2005 4-door diesel pickup truck

Justification
 The truck will be 12 years old

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings					50,000	50,000
Estimated Trade-In Value					-4,000	-4,000
Total					46,000	46,000

Funding Sources	2013	2014	2015	2016	2017	Total
Equipment/Building Replacem				46,000		46,000
Total				46,000		46,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2013 *thru* 2017

Department Water Department
Contact Public Works Director
Type Operational Maintenance
Useful Life 5 to 10 yrs
Category Equipment: Public Works
Priority 3 Important

Project # 13-W-XXX
Project Name Hand Held GPS Unit

Description **Total Project Cost: \$9,500**
 The City needs a hand held GPS unit to field locate water valves, curb stops and other amenities for inclusion in the City's GIS mapping system. Thus far we have been able to borrow a unit from Ramsey County but then we need them to download the data collected.

Justification
 As the City continues to build a system of utility records in the form of a GIS map a hand held GPS unit is necessary to continue to locate items in the field for addition to the GIS mapping system.

Expenditures	2013	2014	2015	2016	2017	Total
Equip/Vehicles/Furnishings	9,500					9,500
Total	9,500					9,500

Funding Sources	2013	2014	2015	2016	2017	Total
Water Utility Funds	9,500					9,500
Total	9,500					9,500

Budget Impact/Other

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 2008 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

Revenue Inflation Rate 3.00% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00%
 Expenses Inflation Rate 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00%

	2011 Actual	2012 Budget	2013 Budget	2014	2015	2016	2017 Projected	2018
REVENUE								
1 GENERAL PROPERTY TAX AND FISCAL DISPARITIES	2,648,028	2,864,211	2,980,002	3,421,794	3,613,440	3,800,415	4,011,939	4,219,077
2 Adjust for fiscal disp	265,220	262,344	240,789	240,789	240,789	240,789	240,789	240,789
3 LICENSE AND PERMIT	429,279	256,850	260,525	268,341	276,391	284,683	293,223	302,020
4 INTERGOVERNMENTAL	126,691	115,582	115,867	115,867	115,867	115,867	115,867	115,867
5 CHARGES FOR SERVICES	491,548	425,546	417,482	430,006	442,907	456,194	469,880	483,976
6 FINES/FOREFEITS	29,151	45,462	40,301	41,510	42,755	44,038	45,359	46,720
7 INTEREST EARNINGS	34,858	35,000	35,000	36,050	37,132	38,245	39,393	40,575
8 MISC. (See note 1 below)	182,386	39,132	40,442	41,655	42,905	44,192	45,518	46,883
9 SALE OF ASSETS	0	0	0	0	0	0	0	0
10 TOTAL REVENUE	4,207,161	4,044,127	4,130,408	4,596,013	4,812,185	5,024,423	5,261,968	5,495,307
11								
EXPENDITURES								
12 GENERAL GOVERNMENT	989,134	1,118,326	1,106,978	1,162,327	1,220,443	1,281,465	1,345,539	1,412,816
13 PUBLIC SAFETY	1,640,802	1,707,329	1,778,420	1,867,341	1,960,708	2,058,743	2,161,681	2,269,765
14 PUBLIC WORKS	273,165	304,556	318,834	319,784	334,776	335,773	351,514	352,562
15 CULTURE AND RECREATION	661,746	673,915	702,275	737,389	774,258	812,971	853,620	896,301
17 ECONOMIC DEVELOPMENT	0	0	0	0	0	0	0	0
18 MISCELLANEOUS	0	0	4,354	4,572	4,800	5,040	5,292	5,557
19 CAPITAL OUTLAY	0	0	0	0	0	0	0	0
20 GENERAL GOVERNMENT	0	0	0	0	0	0	0	0
21 PUBLIC SAFETY	0	0	0	0	0	0	0	0
22 PUBLIC WORKS	0	0	0	0	0	0	0	0
23 CULTURE AND RECREATION	0	0	0	0	0	0	0	0
24 TRANSFER OUT	0	0	0	0	0	0	0	0
25 CAPITAL EQUIPMENT	40,000	40,000	40,000	42,000	44,100	46,305	48,620	51,051
26 1998 GO BONDS	0	0	0	0	0	0	0	0
EDA	12,600	124,955	0	0	0	0	0	0
27 TCAAP	0	0	0	0	0	0	0	0
28 STREET RECONSTRUCTION	200,000	200,000	200,000	210,000	220,500	231,525	243,101	255,256
29	0	0	0	0	0	0	0	0
30 TOTAL EXPENDITURES	3,817,447	4,169,081	4,150,861	4,343,412	4,559,585	4,771,823	5,009,367	5,243,307
31								
32 REVENUE OVER (UNDER) EXPENSES	389,714	(124,954)	(20,453)	252,600	252,600	252,600	252,600	252,600
33								
34 BEGINNING FUND BALANCE	1,850,765	1,861,783	1,736,829	1,989,429	2,242,029	2,494,629	2,747,229	2,999,829
35								
36 Transfer In								
37 Transfers Out	378,696	270,266	252,600	252,600	252,600	252,600	252,600	252,600
38 ENDING FUND BALANCE	1,861,783	1,736,829	1,989,429	2,242,029	2,494,629	2,747,229	2,999,829	3,252,429
39								
40								
41								
42								
43 GENERAL FUND OPERATING TAX LEVY	3,016,465	3,096,994	3,191,230	3,662,583	3,854,229	4,041,204	4,252,728	4,459,866
44 ANNUAL INCREASE		2.7%	3.0%	14.8%	5.2%	4.9%	5.2%	4.9%



Notes:

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 ½ 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 15th 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 10th.

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 & 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	61
EDA Operating Fund	Page	106
Tax Increment Bonds	Page	118
Permanent Improvement Revolving Fund	Page	122
Parks Fund	Page	127

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

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

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

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 two 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
UVTA	Utility Valuation Transition Aid
WAC	Water Availability Charge