



# City of Arden Hills Minnesota

## 2014 Adopted Budget



**1245 West Highway 96  
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[www.ci.arden-hills.mn.us](http://www.ci.arden-hills.mn.us)**



**CITY OF ARDEN HILLS  
MINNESOTA**

**2014 PROPOSED BUDGET**

2014 CITY OFFICIALS

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

Mayor .....	David Grant	2014
Councilperson .....	Fran Holmes	2014
Councilperson .....	Brenda Holden	2016
Councilperson .....	Ed Werner	2014
Councilperson .....	David McClung	2016
City Administrator.....	Patrick Klaers	
City Clerk.....	Amy Dietl	
Director of Finance and Administrative Services .....	Susan Iverson	

# CITY OF ARDEN HILLS, MINNESOTA 2014 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. Another session is planned for March of 2014.

### **Summary Information**

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

### **General Fund**

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

# **Guide to the Document**

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

## **Other Funds**

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

## **Staffing**

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

## **Policies**

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

## **Capital Improvement Plan**

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

## **Long Term Financial Forecasting**

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

## **Appendix**

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

## **Glossary**

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



## Pertinent Information on the City of Arden Hills



### VISION

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

### CORE VALUES

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

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

# A Brief History

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

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

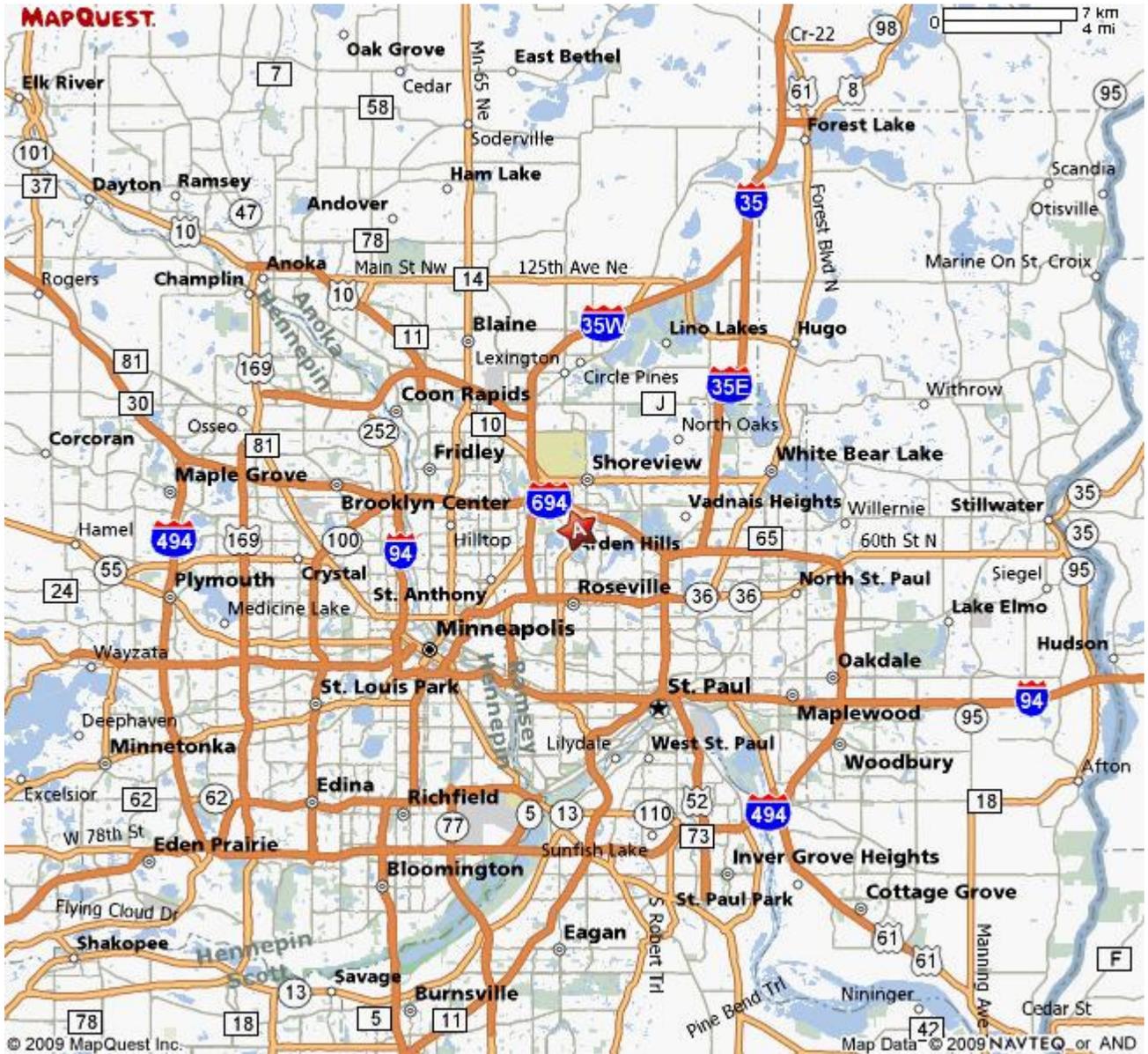
The city was originally part of the Mounds View Township. When the township was organized, it included the present Shoreview, Arden Hills, New Brighton, Mounds View, and parts of North Oaks and St. Anthony. Arden Hills was incorporated on February 14, 1951, in response to New Brighton's request for annexation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

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

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

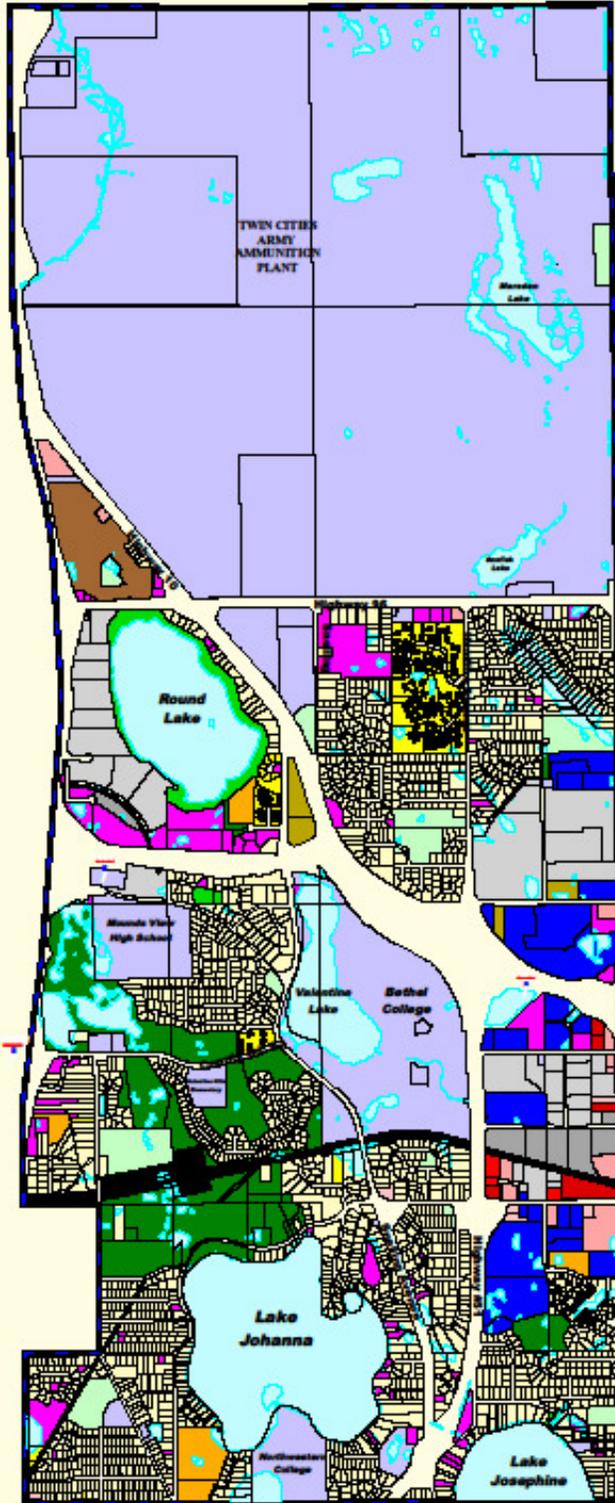
The current city has a population of 9,552 residents. In 1996 the city conducted a Quality of Life study and found that residents are very satisfied with their community. Location, high quality schools and available housing were found to be the most important reasons for living in Arden Hills. Parks,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



County Rd. D

**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 Pink]	NC: Neighborhood Commercial
[Pink]	CC: Community Commercial
[Red]	RC: Regional Commercial
[Dark Red]	HC: Highway Convenience
[Blue]	OFC: Office
[Light Blue]	LI: Light Industrial
[Grey]	HI: Heavy Industrial
[Purple]	IN: Institutional
[Light Green]	SRD: Outdoor Sport/Recreation
[Green]	OSN: Natural Open Space
[Dark Green]	OSP: Passive Open Space
[Black]	RR: Rail Road
[Yellow-Green]	UTL: Utility
[Magenta]	VAC: Vacant
[Cyan]	Water Features
[White]	Right-of-Way

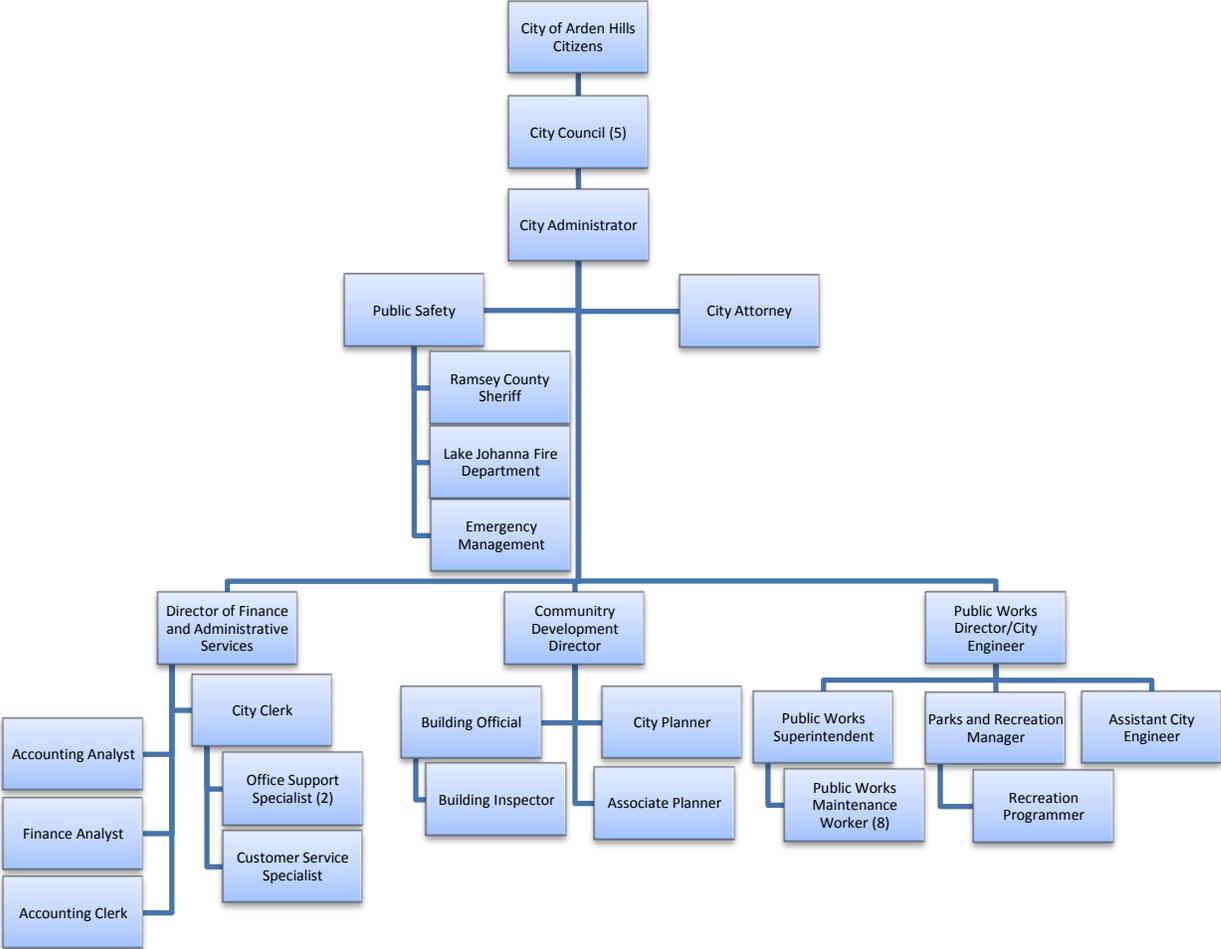
*Disclaimer:*  
The Comprehensive Plan Designations represented on this map correspond to the City of Arden Hills Policy for Land Use Management. Questions concerning the Land Use Map should be directed to the City of Arden Hills. Land Use Designations are subject to change, please refer to the Comprehensive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

Source:  
Benson County  
City of Arden Hills

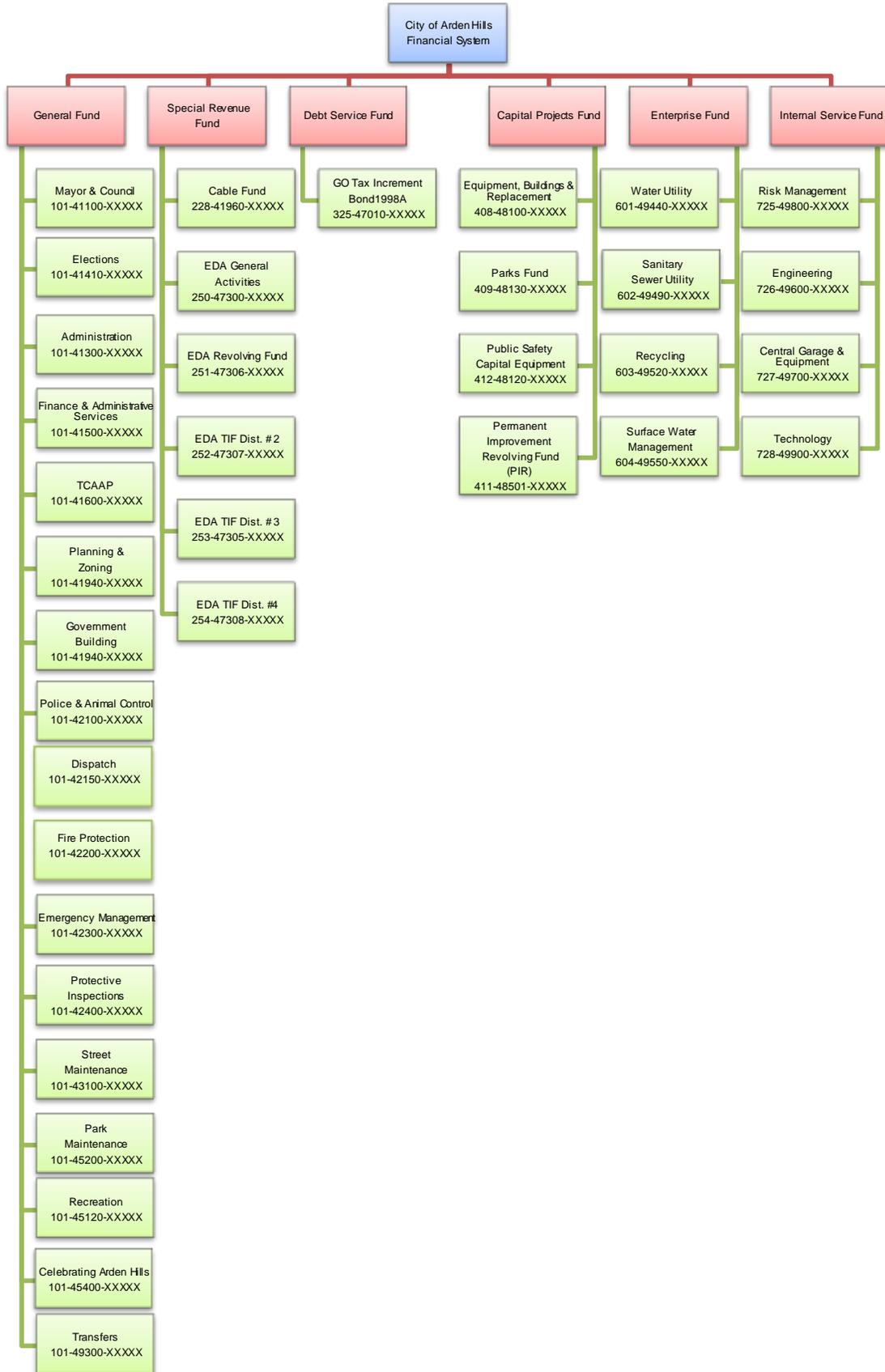
2000 0 2000 Feet

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 2014. The adopted 2014 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 9, 2013, the City Council adopted the preliminary property tax levy. The proposed 2014 budget and final property tax levy were adopted at the December 9, 2013 City Council Meeting. The final property tax levy was submitted to Ramsey County on December 23, 2013.

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 2014 and beyond. The following segments will serve to highlight the focal points of these plans for the 2014 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 2014 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 2013 were continuing to working with Ramsey County through a Joint Development Authority (JDA) to manage the redevelopment of the old Twin Cities Army Ammunition Plan (TCAAP), further enhance and work on the implementation of a new City website, and continuing to refine the new water meter reading system. This brought on its own challenges as the City buys its water from a neighboring City (Roseville) and the central meters to monitor consumption between the two cities were not working correctly, as yet this is still a project being worked on. Estimates have had to be used to create bills.

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. In 2011 City found itself needing to step back and redefine what priorities were and what direction needed to be taken. The City hired a facilitator at that time who met individually with each Council member and the upper management staff. This document was/is intended to be a Guiding Plan and outlines work goals and projects for the next few years which is still being used through 2014. 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 21 to 30 in the Strategic Planning section of this document.

Since multi-year goals were developed, no new goal setting was done in 2013. It was discussed that there are limited amounts of City resources (staff time and money) available to accomplish all of the 18 goals that were identified. It was noted that “we cannot do it all at once”. The plan helps everyone understand the City Council priorities and activities and projects that staff should be spending time on. Everyone realized that all of the goals are important and will get worked on, but some will need to be worked on later depending on workloads. The plan helps identify the “pecking order” for work projects and one can almost look at this document as a resource allocation plan for staff time. Due to some of the challenges faced in 2012 and 2013, some of these goals were redefined and changed in meetings with the City Council. It should also be noted that TCAAP was not listed in the original Guiding Plan as a priority project which it has now become. The Council will meeting in March of 2014 to discuss any changes to the document or its priorities. For progress on these goals, please refer to the document found on pages 21 to 30.

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 has now acquired the property from the Army.

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. 430 acres is available for redevelopment and requires major clean-up which the County is currently doing to residential standards, the City is completing a study and master plan of the area. There were over 110 substandard buildings, miles of existing roads, railroad tracks, and utility lines that needed to be removed. Many of the buildings required hazardous materials abatement prior to demolition. This is expected to be completed in 2014.

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

The 2013 legislature did not enact levy limits for 2014. 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). The 2014 budget has a better estimate as a result.

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, which has resulted in a better estimate for the 2014 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 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 numerous Public Works projects, both planned and emergency, including I&I reduction projects.
- Continued work with Ramsey County for the redevelopment of TCAAP and initiated a study on the project for environmental, land use, and infrastructure needs.

### ***Budget Initiatives***

The 2014 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 2014 budget was established for the City:

Funds	Revenue		Expenditures	
	2013	2014	2013	2014
General	\$4,130,407	\$4,225,668	\$4,150,861	\$4,411,070
Special Revenue	461,881	591,300	529,869	732,201
Debt Service	283,520	284,772	283,520	284,772
Capital Project	2,046,765	2,764,434	1,261,252	3,134,567
Enterprise	4,626,397	4,794,044	6,866,033	5,618,650
Internal Service	863,430	906,042	876,921	919,085
<b>Total</b>	<b>\$12,412,400</b>	<b>\$13,566,260</b>	<b>\$13,968,456</b>	<b>\$15,100,345</b>

### ***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 2014, the City's property tax levy will be \$3,257,456, an increase of 2.08% from 2013. Historically, the City does not use reserves to balance the City's budget; however, the TCAAP project is included in the General Fund and while no reserves were used to balance the general operations of this fund, there are reserves being used to cover TCAAP expenditures as there was an interfund transfer made in 2013 for these expenditures. The following table provides a historical view of the City's property tax levies:

Year	Tax Levy	% Change
2004	2,333,337	-
2005	2,440,453	4.59%
2006	2,537,520	3.98%
2007	2,688,944	5.97%
2008	2,797,348	4.03%
2009	2,948,646	5.41%
2010	3,016,465	2.30%
2011	3,040,964	0.81%
2012	3,096,994	1.84%
2013	3,191,230	3.04%
2014	3,257,456	2.08%

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 2014 at \$10,741,749, which is a 1.7% increase. The City's property tax levy is divided by the tax capacity to determine the City's tax rate, which is applied to each property's tax capacity to determine that property's City property tax amount before any credits are applied. For 2014, the City's tax rate is expected to increase from 27.931% to 28.248%.

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 2014 budget includes a 1.5% cost-of-living (COLA) increase for union employees and a 2.0% COLA increase for non-union City staff. The City's Public Works employees are union employees.

The City's health insurance premium did not increase for 2014, and our health insurance carrier did give the City a dividend check in 2013 as a result of our claims history for 2012. Dental insurance premiums increased 3.7% over 2013. The City contribution changed and is at \$699.61 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 2014 the employee contributions rate will remain the same as 2013 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 2014 for each of the fund types and their activities.

## *General Fund*

### Expenditures

The overall General Fund budget is decreasing 1.84% over the 2013 budget. The General Fund expenditure budget consists of the following departments:

	2013 Budget	2014 Budget	% Change
Mayor & Council	\$ 76,371	\$ 82,419	7.92%
Elections	18,000	18,910	5.06%
Administration	333,017	296,009	-11.11%
Finance & Administrative Services	170,058	167,250	-1.65%
TCAAP	362,932	322,321	-11.19%
Planning & Zoning	249,037	240,595	-3.39%
Government Buildings	210,495	210,798	0.14%
Police & Animal Services	1,011,663	1,039,029	2.71%
Dispatch	52,067	60,352	15.91%
Fire Protection	414,541	431,006	3.97%
Emergency Management	15,464	15,496	0.21%
Protective Inspections	284,685	279,999	-1.65%
Street Maintenance	318,834	469,593	47.28%
Park Maintenance	444,647	492,112	10.67%
Recreation	232,628	235,181	1.10%
Celebrating Arden Hills	25,000	-	-100.00%
Reserves/Contingency	4,354	-	-100.00%
Transfers	270,000	50,000	-81.48%
Capital Outlay	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 4,493,793</b>	<b>\$ 4,411,070</b>	<b>-1.84%</b>

The largest percentage of change in the budget are decreases to Transfers of 81.48%, Reserves/Contingency of 100.00%, and Celebrating Arden Hills of 100.00%. 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 2013, and fixing a structural issue with street maintenance now being budgeted in the capital funds and no transfer from the General Fund. There was no contingency budgeted for 2014 and the Celebrating Arden Hills festival was cancelled. Street Maintenance increased as a result of increased costs of materials and maintenance. All other departments had minimal changes due to inflation and contract increases.

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 2.71% over 2013. Contracted fire service costs reflect a 3.97% increase over 2013 to fund a duty crew program which will be implemented over a seven year period and is currently in the fifth year. 911 dispatch services

increased by 15.91% as the new consolidated dispatch center is in the fifth 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:

	2013 <u>Budget</u>	2014 <u>Budget</u>	% <u>Change</u>
Taxes	3,220,791	3,287,556	2.07%
Licenses and Permits	260,525	259,873	-0.25%
Intergovernmental	164,447	138,100	-16.02%
Charges for Service	417,481	417,568	-2.24%
Fines & forfeits	40,301	31,900	-20.85%
Special Assessments	2,769	1,822	-34.20%
Miscellaneous	72,673	88,850	22.26%
Transfers	500,000	-	-100.00%
<b>Total Revenues</b>	<u>\$ 4,130,407</u>	<u>4,225,669</u>	<u>-9.89%</u>

The largest percentage of decrease is found in Transfers of 100.00%, Special Assessments of 34.20%, and Fines and forfeits of 20.85%. Transfers are down as there is not budgeted transfer into the General Fund in 2013, in 2012 a transfer was done to fund TCAAP expenditures. Special Assessments increase or decrease based on the size and scope of capital projects as many times assessments are prepaid. Fines and forfeits are down as a number of State and County road projects were being done in the City which causes many of these roadways to be closed resulting in no traffic in these areas where these revenues would be generated.

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 2014 is \$284,772 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 2014 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 2014 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 2014 is West Round Lake Road.

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 \$49,280 in 2014.

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 2014 budget includes transfers from the General Fund, Water Fund, Sanitary Sewer Fund, and the Surface Water Management Fund in the amount of \$310,765. The 2014 budget includes expenditures from included the replacement of the 1997 Dump Truck, 2002 Grounds master, and 2002 F450. The plan also calls for the purchase of a new Vehicle for general City Staff use and Building inspections. The current truck will be transfer to public works for seasonal use.

### ***Enterprise Funds***

The City completed a comprehensive utility rate study in 2008. As a result of this study, the City chose to change its rate structure to a tiered system effective January 1, 2009. As a result of legislation in 2008, all cities in the Twin Cities metropolitan area were mandated to charge for water in a manner that promotes conservation. The new tiered system meets this criteria. This rate system was re-evaluated in 2012 and slight changes were made which included changing the meter charge and charging for all gallons of water used. Surface Water rates were revised in 2013.

The rate increases for 2014 are 2% for water, 2% for Sanitary Sewer, and 15% for Surface Water Management. Utility revenues are budgeted with the new rate structure for 2014, but revenue levels are not sufficient to cover both the operating and capital expenses in 2014. The rate structure will generate sufficient revenues over time to cover these expenses. Water revenues are budgeted at \$2,251,709 while the operating expense budget, including depreciation, is

\$2,327,687. Sanitary Sewer revenues are \$1,728,405 compared to operating expenses, including depreciation, of \$2,199,594. Surface Water revenues are \$663,522 compared to operating expenses, including depreciation, of \$941,795. The 2014 CIP projects impact the Water, Sanitary Sewer and Surface Water Management funds with capital outlay of \$68,396, \$569,060, and \$449,000 respectively. Transfers out for Equipment Replacement are \$68,396 from Water, \$96,870 from Sanitary Sewer, and \$65,499 from Surface Water Management.

The Recycling fund has budgeted revenue of \$150,408 while the expense budget is \$149,574.

### ***Fund Balances***

The 2014 budget proposes that expenditures and expenses exceed revenues by \$1,534,085. 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 2014 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. This is a result of the TCAAP expenditures (a transfer was made in 2013 to cover these costs, some of which is still in the reserve fund balance), but without these expenditures, the regular operating budget for the General Fund is balanced. The 2014 budget includes the use of \$73,575 in reserves. The General Fund's fund balance is projected at 58% of 2014 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 2013 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 2014, 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, 2013. 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 2014, 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, 2013**

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 2014, only one Council seat changed for 2013, the new Councilperson was on the City Council from 2007 – 2010, and 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 the TCAAP development started going, the timing for accomplishing the eighteen (18) goals listed may change as TCAAP was not listed in this Guiding Plan.

On July 11, 2011, the City Council formally 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

The City Council has scheduled its next strategic planning sessions in March of 2014.



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

Estimated Length to Complete					
Year Initiated	Time Frame	Current Status			
2011	Feb 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Sep 2012	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Jul 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Feb 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Dec 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Jul 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Aug 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Jun 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Dec 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Apr 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Apr 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Jul 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	May 2011	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Jun 2014	<input checked="" type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Sep 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Jul 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2011	Jun 2014	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2012	Sep 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Sep 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Sep 2013	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input checked="" type="checkbox"/> Completed
2012	Sep 2013	<input type="checkbox"/> Initiated	<input checked="" type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Jul 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Jul 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Jul 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed
2013	Jul 2014	<input type="checkbox"/> Initiated	<input type="checkbox"/> In Progress	<input type="checkbox"/> Abandoned	<input type="checkbox"/> Completed

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

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

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

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

<b>PUBLIC WORKS</b>		<b>Staff</b>	<b>Priority</b>		
<b>15</b>	<b>Establish policies/procedures for the maintenance of city streets</b>	<b>Terry</b>			
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
<b>16</b>	<b>Establish policies/procedures for maintenance of City utilities</b>	<b>Terry</b>			
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
<b>17</b>	<b>Establish policies/procedures for maintenance of City parks and trails</b>	<b>Terry</b>			
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
<b>18</b>	<b>Establish miscellaneous policies/procedures for operation of Public Works Department</b>	<b>Terry</b>			
18a	Develop/Adopt Fleet Management Policy				
	Program 10 Year Fleet Expenditures		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Develop/Implement Service/Repair Tracking		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
18b	Safety Committee				
	Ergonomic Analysis of Activities		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Identify Ergonomic Risks		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Develop Ergonomic Program		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
18c	Training/Mentoring Internal Policy				
	Safety Training (required)		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low
	Technical Training (how many, who, how often)				
	Licenses (Sewer, Wter, Forestry, pesticide Sprayer, Playground Inspector, Etc)		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low

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



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## **Budget Practices and Policies**

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

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

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

### **Fund Accounting**

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

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

### **Accounting Practices**

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

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

# **Budget Practices and Policies**

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

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

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

## **Budgetary Basis of Accounting**

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

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

## **Basis of Budgeting**

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

## **Budget Practices and Policies**

## **Budget Process and Calendar**

### **Reserves**

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

### **Appropriation Authority**

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

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

### **Other Policies**

Additional Fiscal Policies are found on pages 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 15<sup>th</sup> each year. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy.

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

**CITY OF ARDEN HILLS  
2014 BUDGET CALENDAR**

April 29, 2013	City Council Approval of Budget Instructions and Parameters.
April 30, 2013 –May 31, 2013	Department Heads Prepare 2014-2018 CIP Requests and Background Material.
May 31, 2013	Department head Submit CIP Requests to Finance Department.
June 3, 2013 –June 7, 2013	City Administrator and Finance Director review Department CIP Requests and Confer with Departments.
June 10, 2013	Forms Distributed to all Department Heads for 2014 Operating Budget.
June 14, 2013	2014-2018 CIP is drafted for Presentation to Council at work session.
June 17, 2013	City Council Worksession to discuss 2014-2018 CIP.
June 10, 2013 – July 5, 2013	Department Heads Prepare Budgets and Background Material.
July 5, 2013	Department Heads Submit Budget Requests to Finance department.
July 22, 2013 - July 26, 2013	City Administrator and Finance Director review Department Budgets and Confer with Departments.
August 9, 2013	Finance department completes Preliminary Revenue Estimates.
August 16, 2013	City Administrator Budget is drafted for Presentation to Council at work session.
August 19, 2013	City Council work session to discuss Preliminary 2014 Budget.
September 6, 2013	City Administrator’s recommended Preliminary 2014 Budget distributed to the City Council.
September 9, 2013	City Council adopts the Preliminary 2013 Property Tax Levy (Payable 2014)
September 9, 2013	Council Certifies date for public (TNT) hearing and continuation hearing (if necessary) to county.
September 16, 2013	Finance Director submits preliminary 2013 property tax levy (Payable 2014) 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 242.

### **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

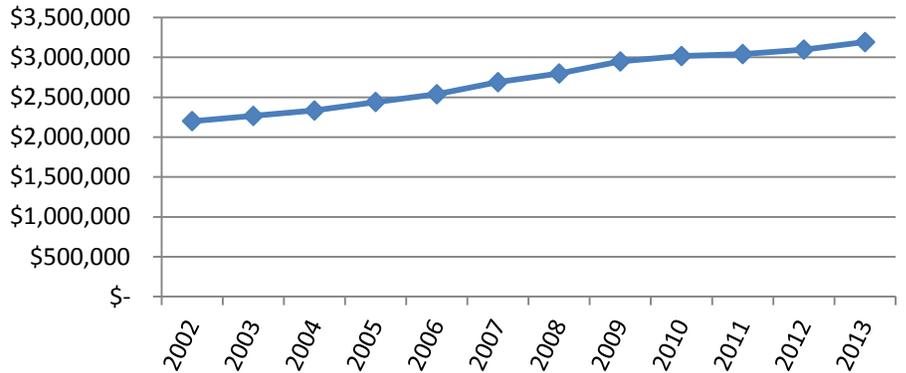
measurement of results of operations. The City currently does not have any fiduciary funds.

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

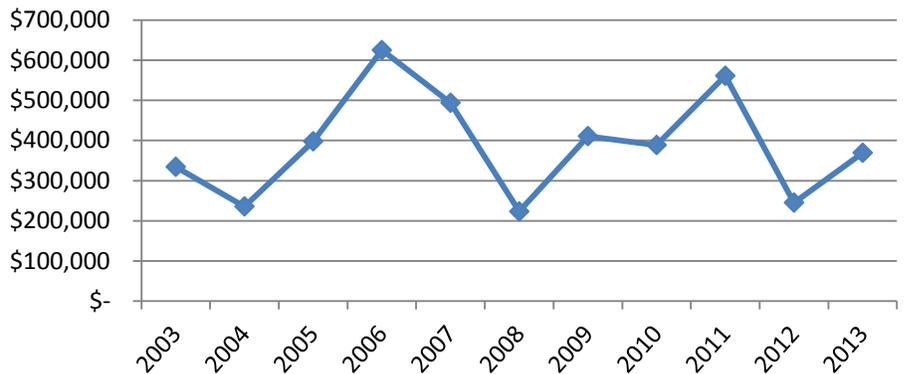


*Trends:* Property tax levies have been increasing due to cuts in State Aid that began in 2001. A more in depth discussion of the Property Tax Levies is found on page 46.

## 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

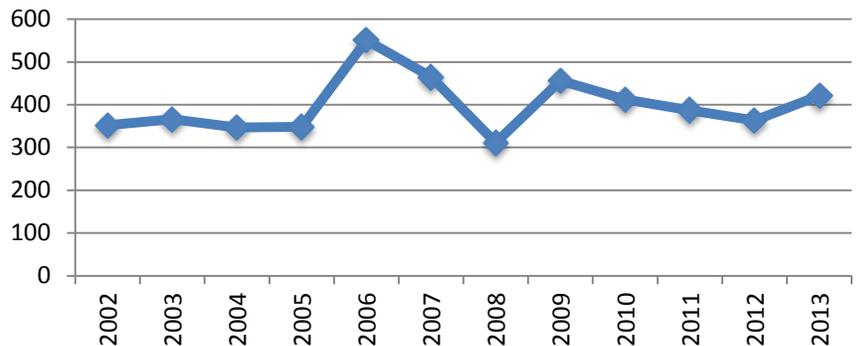
Trends: Special Assessment Revenues fluctuate due to the timing of Pavement Management Plan (PMP) projects. The 2006 and 2011 PMP projects were larger than average and there were more prepaid special assessments. There was no PMP project in 2008 or 2012. The City has a larger project planned for 2013. See the Capital Improvement Plan on pages 169-231.

## 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.

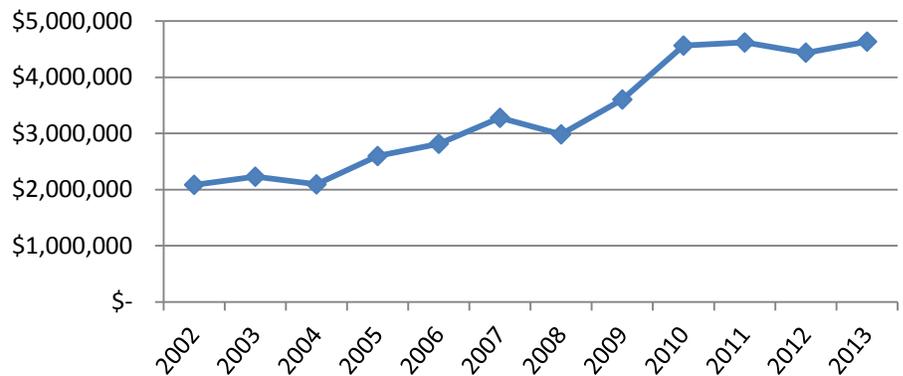
# Revenues

## 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.

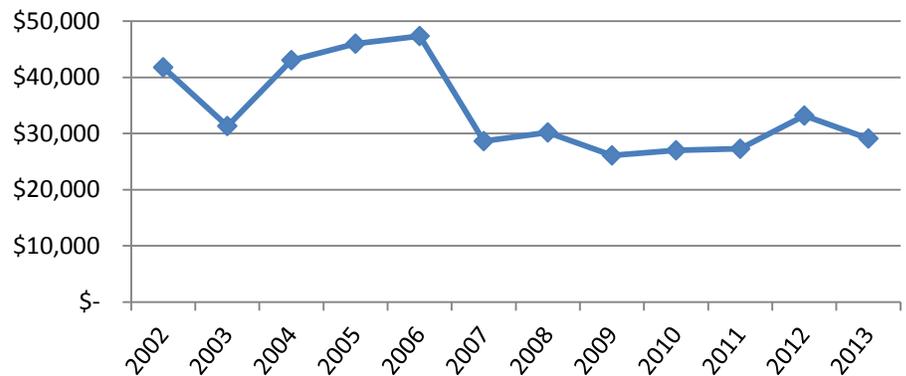
## Fines and Forfeitures

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 \$94,000 per year for the Cable Fund.

### **Developer Reimbursements**

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

## Revenues

*Trends:* No revenues have been budgeted at this time but if a new developer comes on board significant revenues are expected to offset costs incurred in 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 2013 levels, with a flat trend for 2014. 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 increase by \$19.5 million or 1.9% to \$1.06 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 increase by 1.1% to \$11.0 million. This increased the City's tax rate from 27.931% to 28.248%.

## Median Valued Home

Due to current economic conditions, the Taxable Market Value of the median valued home within the City is projected to increase 2.8% from \$257,400 to \$264,700. The overall City Tax burden increase on the median valued home is projected to be approximately 3.3% or \$22.64

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 \$3,257,456. This represents a \$66,226 or 2.08% increase over the 2012 levy of \$3,191,230.

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 \$254,738 in 2014 as opposed to \$240,789 in 2013, which is an increase of 5.8%. More information on this can be found in the Appendix on page 237.

## 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**

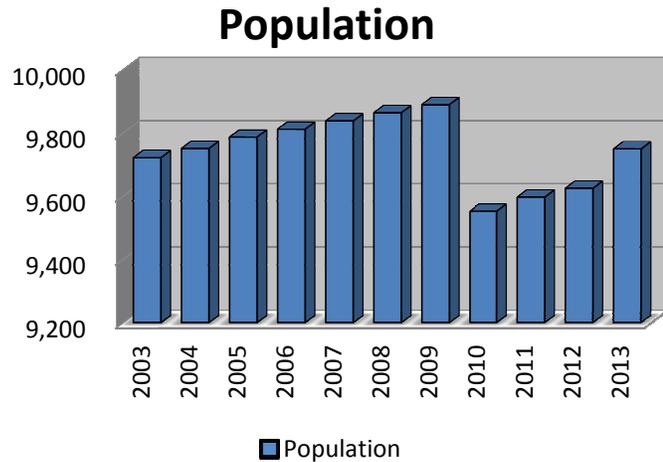
Each year in late November or early December, Statutes require all counties, school districts, and cities with a population over 2,500 to hold a public hearing to discuss the proposed budget and property tax levies. As part of this process, each property is sent by the county a Truth-In-Taxation notice 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 9, 2013.

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.

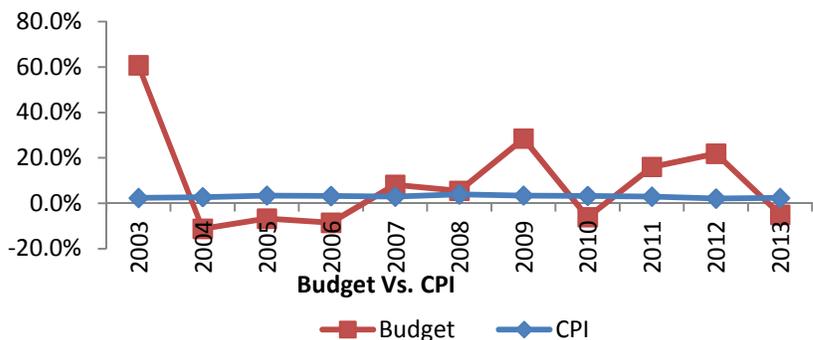
# Budget Assumptions

## 2014 Assumptions

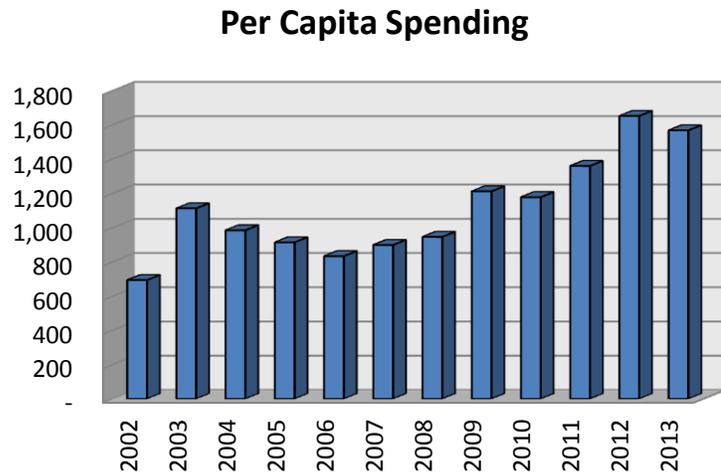
Since 2000 the city has assumed a population growth of about 0.3% a year. The City expects the population growth to continue below 1% in the future until the TCAAP development occurs. The Chart below demonstrates the City's population growth over the last eleven years. After the 2010 Census the City's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



As the City's population grows, so does the demand for services. This increase in demand for services also requires increases in parks, miles of streets, water mains and sewer lines that need to be maintained. In 2014, 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

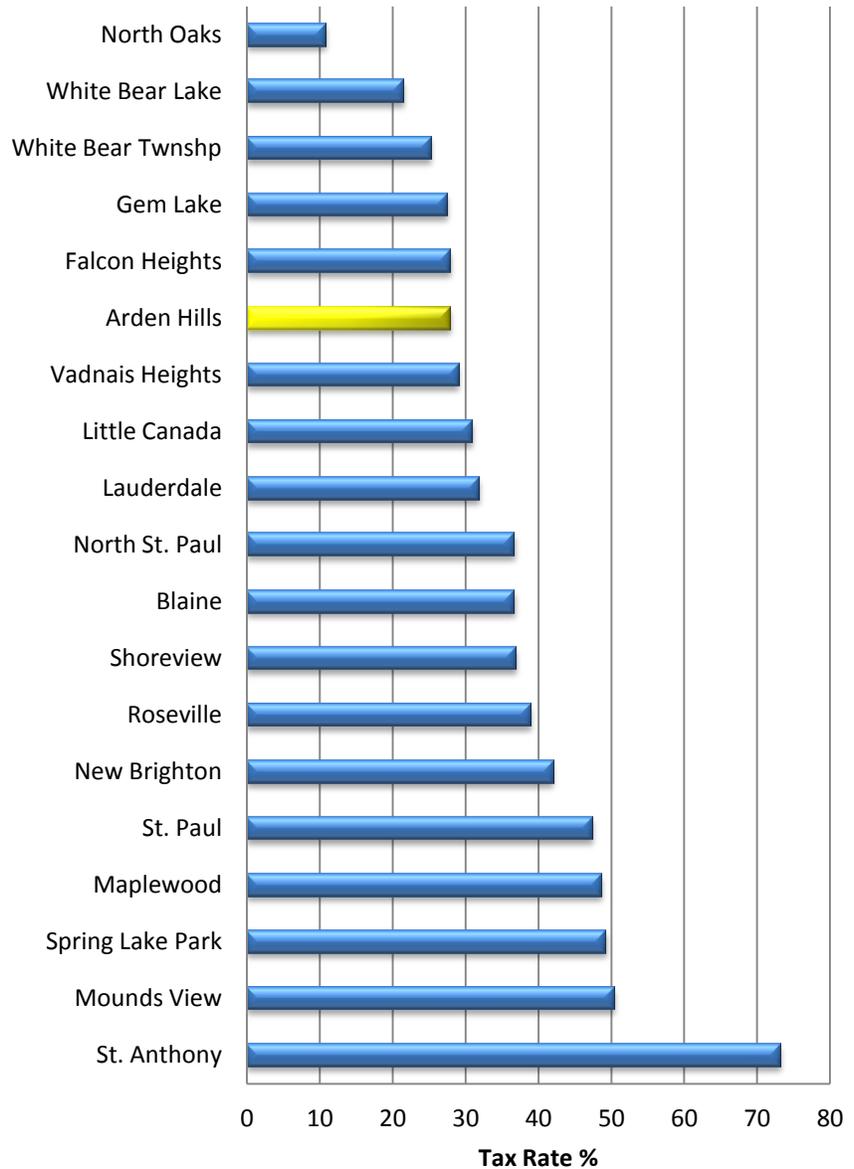


As the City becomes more developed and has less land available for new residential development, the City's operating expenditures should increase with increases in the CPI with the exception of a "catch-up" in infrastructure improvements.

Current economic conditions have caused the City's market values to increase by 2.8%. 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 2.8% for taxes payable in 2014. 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 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

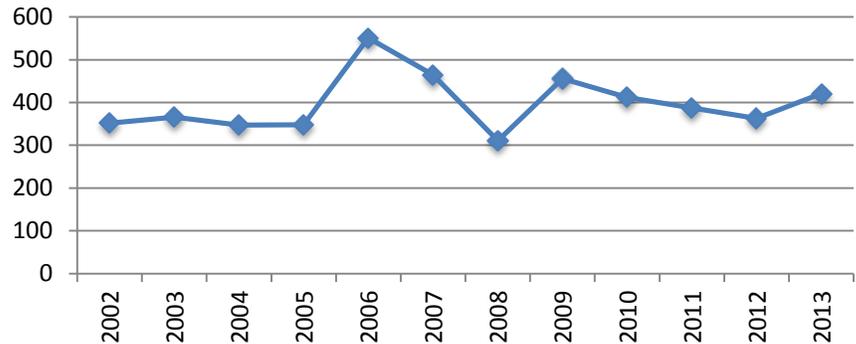
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Levy	2,426,670	2,523,737	2,675,161	2,797,348	2,948,646	3,016,465	3,040,964	3,096,994	3,191,230	3,257,456
Karth Lake Levy	13,783	13,783	13,783	-	-	-	-	-	-	-
G.O. Improvement Bonds	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,440,453</b>	<b>2,537,520</b>	<b>2,688,944</b>	<b>2,797,348</b>	<b>2,948,646</b>	<b>3,016,465</b>	<b>3,016,465</b>	<b>3,096,994</b>	<b>3,191,230</b>	<b>3,257,456</b>
Percentage Change	4.60%	4.00%	6.00%	4.00%	5.40%	2.3%	0.8%	1.8%	3.0%	2.1%

The Minnesota property tax system is described in more detail on pages 237 through 241. (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 164 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).

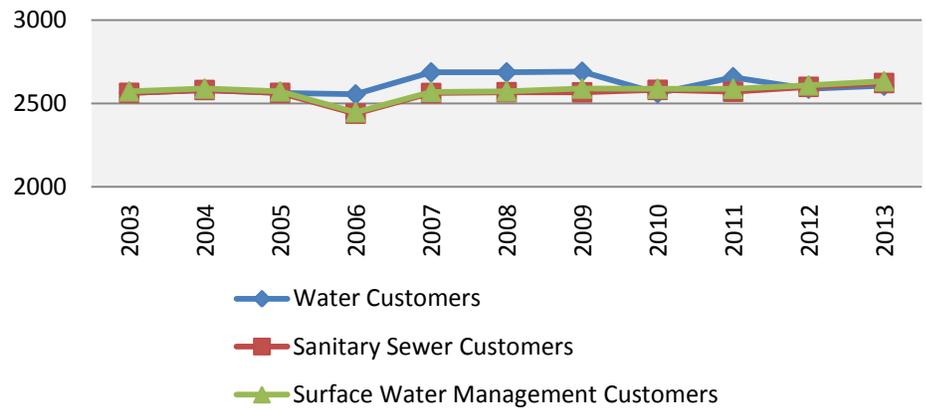
The City received a 0% increase in its health insurance premium for 2013 and dental insurance premiums increased by 3.7%. Currently, the City pays \$699.61 per month toward health benefits for each employee. The City has removed the Co-Pay Plan and added an additional "high deductible" medical plan (this 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

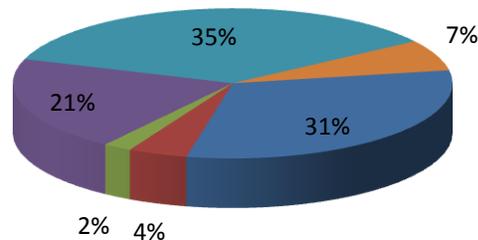
## By Fund Type

<u>REVENUE BUDGET</u>	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended Budget FY2013	Projected FY 2013	Budget FY 2014	% Change 12 vs 13
General Fund	4,204,635	4,309,626	4,130,407	4,678,987	4,663,007	4,225,668	2.31%
Special Revenue Funds	507,990	735,556	461,881	491,881	599,914	591,300	28.02%
Debt Services Funds	284,325	286,698	283,520	283,520	283,557	284,772	0.44%
Capital Improvement Fund	1,494,324	1,029,069	2,046,765	3,153,625	2,180,623	2,764,434	35.06%
Enterprise Fund	4,720,529	4,806,029	4,626,397	4,626,397	4,779,607	4,794,044	3.62%
Internal Service Funds	49,996	750,327	863,430	863,430	853,436	906,042	4.94%
<b>Total Revenues</b>	<b>11,261,798</b>	<b>11,917,304</b>	<b>12,412,400</b>	<b>14,097,840</b>	<b>13,360,144</b>	<b>13,566,260</b>	<b>-3.77%</b>

### EXPENDITURE BUDGET

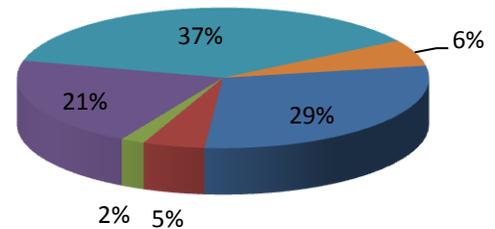
General Fund	3,817,447	4,110,023	4,150,861	4,493,793	4,564,361	4,411,070	6.27%
Special Revenue Fund	375,579	444,500	529,869	1,557,853	1,514,470	732,201	38.19%
Debt Services Funds	284,325	286,698	283,520	283,520	283,520	284,772	0.44%
Capital Improvement Funds	1,891,916	919,267	1,261,252	1,831,378	1,847,152	3,134,567	148.53%
Enterprise Funds	3,644,262	4,266,697	6,866,033	6,866,033	6,655,143	5,618,650	-18.17%
Internal Service Funds	8,896	726,779	876,921	876,921	806,788	919,085	4.81%
<b>Total Expenditures</b>	<b>10,022,425</b>	<b>10,753,964</b>	<b>13,968,456</b>	<b>15,909,498</b>	<b>15,671,434</b>	<b>15,100,345</b>	<b>-5.09%</b>
Fund Balance - January 1	18,802,343	20,041,717	21,205,057	21,205,057	21,205,057	19,393,400	
Excess Revenues Over Expenditures	1,239,374	1,163,341	(1,556,056)	(1,811,658)	(2,311,290)	(1,534,085)	
<b>Fund Balance - December 31</b>	<b>20,041,717</b>	<b>21,205,057</b>	<b>19,649,002</b>	<b>19,393,400</b>	<b>18,893,768</b>	<b>17,859,315</b>	

### 2014 Revenues By Fund Type



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

### 2014 Expenditures By Fund Type



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

# Budget Summary

## 2014 Budget Summary of all Fund Types (With 2013 & 2012 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>2014 Total Budget</u>	<u>2013 Total Budget</u>	<u>2012 Total Budget</u>
<b>Revenues:</b>									
Taxes	3,287,556	530,200	-	-	-	-	3,817,756	3,656,172	3,778,936
Special Assessments	1,822	-	-	400,000	-	-	401,822	402,769	400,210
Licenses & Permits	259,873	-	-	-	-	-	259,873	260,525	256,850
Intergovernmental Revenues	138,100	-	-	1,851,669	19,500	-	2,009,269	1,135,867	135,384
Charges for Services	417,568	-	-	-	-	898,042	1,315,610	1,272,636	1,249,361
Park Dedication Fees	-	-	-	-	-	-	-	-	-
Utility Charges	-	-	-	-	4,726,544	-	4,726,544	4,562,397	4,378,477
Interest on Investments	65,000	11,100	-	157,000	48,000	8,000	289,100	256,500	253,800
Fines & Forfeits	31,900	-	-	-	-	-	31,900	40,301	45,462
Miscellaneous	23,850	-	-	45,000	-	-	68,850	70,673	71,922
<b>Total Revenues</b>	<b>4,225,669</b>	<b>541,300</b>	<b>-</b>	<b>2,453,669</b>	<b>4,794,044</b>	<b>906,042</b>	<b>12,920,724</b>	<b>11,657,840</b>	<b>10,570,402</b>
<b>Expenditures:</b>									
General Government	1,323,302	117,891	-	-	-	549,874	1,991,067	1,720,409	1,717,395
Public Safety	1,825,882	-	-	-	-	-	1,825,882	1,778,420	1,707,329
Public Works	469,593	-	-	-	4,043,025	369,211	4,881,829	4,675,552	4,585,167
Park & Recreation	727,293	-	-	-	-	-	727,293	702,275	673,915
Economic Development	-	113,012	-	-	-	-	113,012	93,048	69,697
Miscellaneous	-	-	-	-	-	-	-	-	-
Capital Outlay	-	216,526	-	3,084,567	1,344,860	-	4,645,953	3,934,797	2,447,211
Debt Service	-	-	284,772	-	-	-	284,772	283,520	286,698
<b>Total Expenditures</b>	<b>4,346,070</b>	<b>447,429</b>	<b>284,772</b>	<b>3,084,567</b>	<b>5,387,885</b>	<b>919,085</b>	<b>14,469,808</b>	<b>13,188,021</b>	<b>11,487,412</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(120,401)</b>	<b>93,871</b>	<b>(284,772)</b>	<b>(630,898)</b>	<b>(593,841)</b>	<b>(13,043)</b>	<b>(1,549,084)</b>	<b>(1,530,181)</b>	<b>(917,010)</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	50,000	284,772	310,765	-	-	645,537	754,285	734,698
Operating Transfers Out	65,000	284,772	-	50,000	230,765	-	630,537	754,285	734,698
Reserves/Contingency	-	-	-	-	-	-	-	4,354	-
<b>Total Other Financing Sources (Uses)</b>	<b>65,000</b>	<b>334,772</b>	<b>284,772</b>	<b>360,765</b>	<b>230,765</b>	<b>-</b>	<b>1,276,074</b>	<b>1,473,750</b>	<b>1,473,750</b>
<b>Revenues &amp; Other Financing Sources Over (Under) Expenditures &amp; Other Financing Uses</b>	<b>(185,401)</b>	<b>(140,901)</b>	<b>-</b>	<b>(370,133)</b>	<b>(824,606)</b>	<b>(13,043)</b>	<b>(1,534,084)</b>	<b>(1,534,535)</b>	<b>(917,010)</b>
<b>Fund Balances (Deficit)</b>									
<b>Beginning of Year</b>	<b>1,949,583</b>	<b>1,337,228</b>	<b>2,204</b>	<b>5,319,216</b>	<b>3,505,889</b>	<b>459,740</b>	<b>12,573,860</b>	<b>15,101,764</b>	<b>13,699,212</b>
<b>End of Year</b>	<b>1,764,182</b>	<b>1,196,327</b>	<b>2,204</b>	<b>4,949,083</b>	<b>2,681,283</b>	<b>446,697</b>	<b>11,039,776</b>	<b>13,567,229</b>	<b>12,782,202</b>
				*	*	*	*	*	*
<b>Balance without Enterprise Fund Capital Outlay*</b>					4,026,143	-	12,384,636	16,186,229	12,794,856

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

# Budget Summary

## 2012 – 2014 Summary of Estimated Financial Sources and Uses

	General Fund			Special Revenue Funds		
	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Budget</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Budget</u>
<b>Revenues:</b>						
Taxes	3,087,159	3,085,524	3,287,556	525,592	538,511	530,200
Special Assessments	1,771	3,225	1,822	-	-	-
Licenses & Permits	415,070	373,796	259,873	-	-	-
Intergovernmental Revenues	118,800	120,811	138,100	-	-	-
Charges for Services	526,334	494,134	417,568	-	-	-
Park Dedication Fees	-	-	-	-	-	-
Utility Charges	-	-	-	-	-	-
Interest on Investments	63,151	38,994	65,000	14,959	31,403	11,100
Fines & Forfeits	33,192	29,115	31,900	-	-	-
Miscellaneous	64,149	17,408	23,850	5,050	2,500	-
<b>Total Revenues</b>	<b>4,309,626</b>	<b>4,163,007</b>	<b>4,225,668</b>	<b>545,601</b>	<b>572,414</b>	<b>541,300</b>
<b>Expenditures:</b>						
General Government	960,017	1,261,558	1,323,302	94,707	83,481	117,891
Public Safety	1,728,668	1,778,084	1,825,882	-	-	-
Public Works	377,101	552,293	469,593	-	-	-
Park & Recreation	679,282	693,676	727,293	-	-	-
Economic Development	-	-	-	57,765	93,178	113,012
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	5,330	26,306	216,526
Debt Service	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,745,068</b>	<b>4,285,611</b>	<b>4,346,070</b>	<b>157,802</b>	<b>202,966</b>	<b>447,429</b>
<b>Revenues Over (Under) Expenditures</b>	<b>564,557</b>	<b>(122,604)</b>	<b>(120,402)</b>	<b>387,799</b>	<b>369,448</b>	<b>93,871</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	189,955	30,000	50,000
Operating Transfers Out	364,955	278,750	65,000	286,698	1,311,504	284,772
Reserves/Contingency	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(364,955)</b>	<b>(278,750)</b>	<b>(65,000)</b>	<b>(96,743)</b>	<b>(1,281,504)</b>	<b>(234,772)</b>
<b>Revenues &amp; Other Financing Sources Over (Under) Expenditures &amp; Other Financing Uses</b>	<b>199,602</b>	<b>(401,354)</b>	<b>(185,402)</b>	<b>291,056</b>	<b>(912,056)</b>	<b>(140,901)</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>2,151,335</b>	<b>2,350,937</b>	<b>1,949,583</b>	<b>1,958,228</b>	<b>2,249,284</b>	<b>1,337,228</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>2,350,937</b>	<b>1,949,583</b>	<b>1,764,181</b>	<b>2,249,284</b>	<b>1,337,228</b>	<b>1,196,327</b>

# Budget Summary

## 2012 – 2014 Summary of Estimated Financial Sources and Uses

Debt Service Funds			Capital Project Funds			Total Government Funds		
2012	2013	2014	2012	2013	2014	2012	2013	2014
<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>
-	-	-	-	-	-	3,612,751	3,624,035	3,817,756
-	-	-	251,653	369,447	400,000	253,424	372,672	401,822
-	-	-	-	-	-	415,070	373,796	259,873
-	-	-	24,285	105,167	1,851,669	143,084	225,978	1,989,769
-	-	-	-	-	-	526,334	494,134	417,568
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	37	-	137,008	132,478	157,000	215,119	202,913	233,100
-	-	-	-	-	-	33,192	29,115	31,900
-	-	-	37,514	(7,075)	45,000	106,713	12,834	68,850
-	37	-	450,460	600,018	2,453,669	5,305,687	5,335,476	7,220,638
-	-	-	-	-	-	1,054,724	1,345,039	1,441,193
-	-	-	-	-	-	1,728,668	1,778,084	1,825,882
-	-	-	-	-	-	377,101	552,293	469,593
-	-	-	-	-	-	679,282	693,676	727,293
-	-	-	-	-	-	57,765	93,178	113,012
-	-	-	-	-	-	-	-	-
-	-	-	665,374	1,277,026	3,084,567	670,704	1,303,332	3,301,093
286,698	283,520	284,772	-	-	-	286,698	283,520	284,772
286,698	283,520	284,772	665,374	1,277,026	3,084,567	4,854,942	6,049,123	8,162,838
(286,698)	(283,483)	(284,772)	(214,914)	(677,008)	(630,898)	450,745	(713,647)	(942,200)
286,698	283,520	284,772	578,609	1,580,605	310,765	1,055,262	1,894,125	645,537
-	-	-	253,893	570,126	50,000	905,546	2,160,380	399,772
-	-	-	-	-	-	-	-	-
286,698	283,520	284,772	324,716	1,010,479	260,765	149,716	(266,255)	245,765
-	37	-	109,802	333,471	(370,133)	600,460	(979,902)	(696,435)
2,167	2,167	2,204	4,875,943	4,985,745	5,319,216	8,987,673	9,588,133	8,608,231
2,167	2,204	2,204	4,985,745	5,319,216	4,949,083	9,588,133	8,608,231	7,911,796

# Budget Summary

## 2012 – 2014 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

	Enterprise Funds			Internal Service Funds		
	2012 Actual	2013 Projected	2014 Budget	2012 Actual	2013 Projected	2014 Budget
<b>Operating Revenues</b>						
Utility Charges	4,713,333	4,724,084	4,726,544	-	-	-
Internal Charges	-	-	-	746,927	846,739	898,042
<b>Total Operating Revenues</b>	<b>4,713,333</b>	<b>4,724,084</b>	<b>4,726,544</b>	<b>746,927</b>	<b>846,739</b>	<b>898,042</b>
<b>Operating Expenses</b>						
Personnel Expense	814,151	868,080	860,418	112,553	145,006	163,893
Other Services & Charges	2,867,931	3,066,088	2,811,453	476,841	482,097	597,822
Supplies	73,311	61,363	6,050	137,385	167,912	157,370
Depreciation Expense	355,648	358,175	365,104	-	-	-
<b>Total Operating Expenses</b>	<b>4,111,042</b>	<b>4,353,706</b>	<b>4,043,025</b>	<b>726,779</b>	<b>795,014</b>	<b>919,085</b>
<b>Operating Income (Loss)</b>	<b>602,291</b>	<b>370,378</b>	<b>683,519</b>	<b>20,147</b>	<b>51,725</b>	<b>(21,043)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Taxes	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Investment Income	47,389	35,829	48,000	3,400	6,697	8,000
Intergovernmental	45,308	19,694	19,500	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Outlay	12,654	2,070,672	1,344,860	-	11,773	-
Bond Discount	-	-	-	-	-	-
<b>Total Nonoperating Revenue (net)</b>	<b>80,042</b>	<b>(2,015,150)</b>	<b>(1,277,360)</b>	<b>3,400</b>	<b>(5,076)</b>	<b>8,000</b>
<b>Income Before Operating Transfers</b>	<b>682,333</b>	<b>(1,644,771)</b>	<b>(593,841)</b>	<b>23,547</b>	<b>46,649</b>	<b>(13,043)</b>
<b>Without Capital Outlay*</b>	<b>694,987</b>	<b>425,901</b>	<b>751,019</b>	<b>23,547</b>	<b>58,422</b>	<b>(13,043)</b>
<b>Operating Transfers</b>						
Operating Transfers In						
Operating Transfers Out	143,000	230,765	230,765	-	-	-
<b>Net Operating Transfers</b>	<b>(143,000)</b>	<b>(230,765)</b>	<b>(230,765)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss) Without Capital Outlay*</b>	<b>539,333</b>	<b>(1,875,536)</b>	<b>(824,606)</b>	<b>23,547</b>	<b>46,649</b>	<b>(13,043)</b>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>2,758,765</b>	<b>3,310,752</b>	<b>3,505,889</b>	<b>377,771</b>	<b>401,318</b>	<b>459,740</b>
<b>NET ASSETS END OF YEAR</b>	<b>3,310,752</b>	<b>3,505,889</b>	<b>4,026,143</b>	<b>401,318</b>	<b>459,740</b>	<b>446,697</b>

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





## **General Fund Summary**

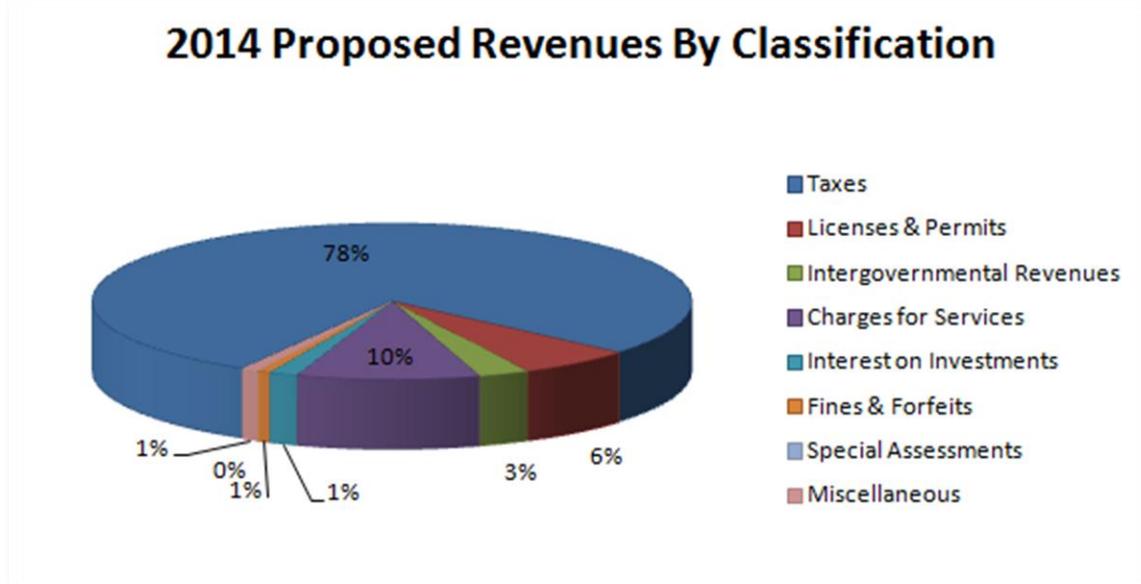
# GENERAL FUND SUMMARY

## 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.

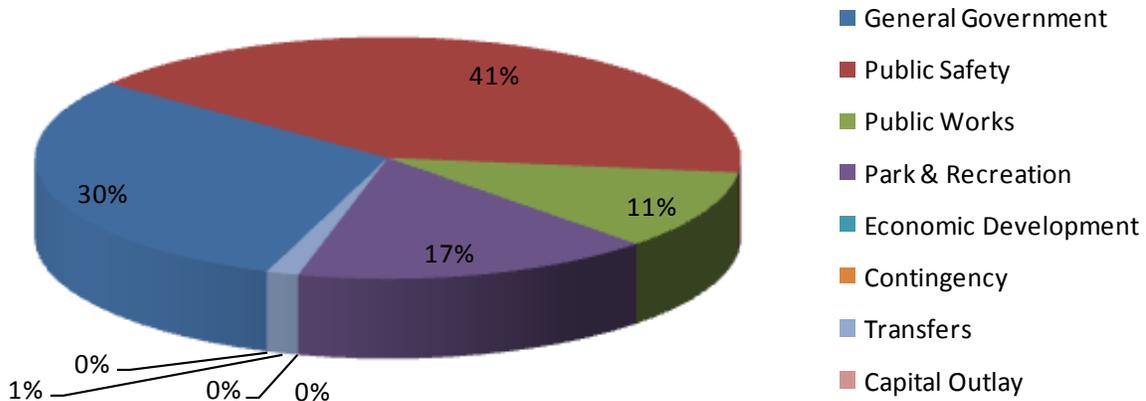
## Budget Summary:

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.



The 2014 General Fund budget of \$4,411,070 is a 1.84% decrease over the City’s 2013 budget. Public Safety and General Government expenditures represent the largest expenditure areas with 41% and 30% respectively, while Park & Recreation represents 17%. These areas account for 87% of the budgeted expenditures within the City. The remaining expenditures are represented by Public Works at 11% and Transfers at 1%. Generally, the City does not budget for Contingency expenses. Economic Development revenues and expenses are located in the EDA General Fund budget. Capital Outlay expenses are located in the Capital Improvement Plan are not included in the General Fund. The following graph illustrates the budgeted expenditures by department.

# 2014 Proposed Expenditures By Department



	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Taxes	2,913,248	3,087,159	3,220,791	3,220,791	3,085,524	3,287,556	2.07%
Licenses and Permits	429,279	415,070	260,525	260,525	373,796	259,873	-0.25%
Other Intergovernmental	126,691	118,800	115,867	164,447	120,811	138,100	-16.02%
Charges for Services	491,548	526,334	417,481	417,481	494,134	417,568	-2.24%
Fines & Forfeits	29,151	33,192	40,301	40,301	29,115	31,900	-20.85%
Special Assessments	442	1,771	2,769	2,769	3,225	1,822	-34.20%
Miscellaneous	216,803	127,300	72,673	72,673	56,403	88,850	22.26%
Transfers	-	-	-	500,000	500,000	-	-100.00%
<b>Total Revenues</b>	<b>\$ 4,207,161</b>	<b>\$ 4,309,626</b>	<b>\$ 4,130,407</b>	<b>\$ 4,678,987</b>	<b>\$ 4,663,007</b>	<b>\$ 4,225,669</b>	<b>-9.89%</b>
<b>Expenditures by Department</b>							
Mayor & Council	\$ 71,687	\$ 70,212	\$ 76,371	\$ 76,371	\$ 68,723	\$ 82,419	7.92%
Elections	17,268	17,276	18,000	18,000	17,317	18,910	5.06%
Administration	322,094	302,107	333,017	333,017	291,011	296,009	-11.11%
Finance & Administrative Services	131,723	149,850	170,058	170,058	180,890	167,250	-1.65%
TCAAP	27,898	41,571	50,000	362,932	304,433	210,495	-11.19%
Planning & Zoning	215,913	171,871	249,037	249,037	193,065	240,595	-3.39%
Government Buildings	202,552	207,130	210,495	210,495	214,869	210,798	0.14%
Police & Animal Services	939,612	987,210	1,011,663	1,011,663	1,023,115	1,039,029	2.71%
Dispatch	42,166	49,219	52,067	52,067	52,067	60,352	15.91%
Fire Protection	379,402	392,869	414,541	414,541	414,541	431,006	3.97%
Emergency Management	9,699	9,308	15,464	15,464	5,161	15,496	0.21%
Protective Inspections	269,923	290,062	284,685	284,685	283,200	279,999	-1.65%
Street Maintenance	273,165	377,101	318,834	318,834	552,293	469,593	47.28%
Park Maintenance	437,568	441,883	444,647	444,647	473,786	492,112	10.67%
Recreation	204,284	217,912	232,628	232,628	218,950	235,181	1.10%
Celebrating Arden Hills	19,894	19,487	25,000	25,000	940	-	-100.00%
Reserves/Contingency	-	-	4,354	4,354	-	-	-100.00%
Transfers	252,600	364,955	240,000	270,000	270,000	50,000	-81.48%
Capital Outlay	-	-	-	-	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 3,817,447</b>	<b>\$ 4,110,023</b>	<b>\$ 4,150,861</b>	<b>\$ 4,493,793</b>	<b>\$ 4,564,361</b>	<b>\$ 4,299,244</b>	<b>-1.84%</b>
Fund Balance - January 1	1,788,296	2,178,010	2,377,612	2,377,612	2,377,612	2,562,806	
Excess Revenue Over Expenditure	389,714	199,602	(20,454)	185,194	98,646	(73,575)	
Fund Balance - December 31	<b>\$ 2,178,010</b>	<b>\$ 2,377,612</b>	<b>\$ 2,357,158</b>	<b>\$ 2,562,806</b>	<b>\$ 2,476,258</b>	<b>\$ 2,489,231</b>	

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

	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
<b>Taxes</b>							
Taxes	2,913,248	3,087,159	3,220,791	3,220,791	3,085,524	3,287,556	2.07%
Licenses and Permits	429,279	415,070	260,525	260,525	373,796	259,873	-0.25%
Other Intergovernmental	126,691	118,800	115,867	164,447	120,811	138,100	-16.02%
Charges for Services	491,548	526,334	417,481	417,481	494,134	417,568	-2.24%
Fines & Forfeits	29,151	33,192	40,301	40,301	29,115	31,900	-20.85%
Special Assessments	442	1,771	2,769	2,769	3,225	1,822	-34.20%
Miscellaneous	216,803	127,300	72,673	72,673	56,403	88,850	22.26%
Transfers	-	-	-	500,000	500,000	-	-100.00%
<b>Total Revenues</b>	<b>\$ 4,207,161</b>	<b>\$ 4,309,626</b>	<b>\$ 4,130,407</b>	<b>\$ 4,678,987</b>	<b>\$ 4,663,007</b>	<b>\$ 4,225,669</b>	<b>-9.89%</b>
<b>Expenditures by Category</b>							
Personal Services	\$ 1,326,431	\$ 1,287,850	\$ 1,381,493	\$ 1,381,493	\$ 1,329,650	\$ 1,421,852	2.92%
Materials and Supplies	206,303	201,997	140,150	140,150	177,251	123,941	-11.57%
Other Services and Charges	2,032,114	2,255,221	2,384,864	2,689,046	2,778,710	270,000	4.14%
Capital Outlay	-	-	-	-	-	-	0.00%
Transfers	252,600	364,955	240,000	270,000	270,000	50,000	-81.48%
Contingency/Reserves	-	-	4,354	4,354	-	-	-100.00%
Other Financing Uses	-	-	-	8,750	8,750	15,000	71.43%
<b>Total Expenditures</b>	<b>\$ 3,817,447</b>	<b>\$ 4,110,023</b>	<b>\$ 4,150,861</b>	<b>\$ 4,493,793</b>	<b>\$ 4,564,361</b>	<b>\$ 1,880,793</b>	<b>-1.84%</b>
Fund Balance - January 1	1,788,296	2,178,010	2,377,612	2,377,612	2,377,612	2,562,806	
Excess Revenue Over Expenditure	389,714	199,602	(20,454)	185,194	98,646	2,344,876	
Fund Balance - December 31	<b>\$ 2,178,010</b>	<b>\$ 2,377,612</b>	<b>\$ 2,357,158</b>	<b>\$ 2,562,806</b>	<b>\$ 2,476,258</b>	<b>\$ 4,907,683</b>	

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

**Parks & Recreation**  
16.5 Cents

**Public Safety**  
41.5 Cents

**Public Works**  
10.5 Cents

**General Government**  
30 Cents



**Transfers**  
1.5 Cents

A \$264,700 home generates \$709 in annual property taxes:  
This comes to \$59.00 per month for 2014.

*What could you purchase for \$59.00 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
- 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 \$264,700 Homestead in 2014

<b>Actual Cost of City Services Pay 2014 Property Tax Support for \$264,700 Homestead</b>				
<b>City Service Category</b>	<b>Actual</b>	<b>Percent of Levy</b>	<b>Amount of Levy</b>	<b>Monthly Cost</b>
<b>General Government</b> Mayor/Council, Administration, Communications, Elections, Auditor, Assessor, Legal, Planning	<b>\$1,323,302</b>	<b>30.0%</b>	<b>\$213</b>	<b>\$18</b>
<b>Public Safety</b> Building Inspection/Code Enforcement, Court, Police Contract, Fire, Ambulance, Human Services, Animal Control	<b>\$1,825,882</b>	<b>41.4%</b>	<b>\$294</b>	<b>\$24</b>
<b>Public Works</b> Engineering, Streets, Street Lighting, City Buildings	<b>\$469,593</b>	<b>10.6%</b>	<b>\$76</b>	<b>\$6</b>
<b>Parks</b>	<b>\$492,112</b>	<b>11.2%</b>	<b>\$79</b>	<b>\$7</b>
<b>Recreation</b>	<b>\$235,181</b>	<b>5.3%</b>	<b>\$38</b>	<b>\$3</b>
<b>Transfers</b>	<b>\$65,000</b>	<b>1.5%</b>	<b>\$10</b>	<b>\$1</b>
<b>Reserves</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
<b>Capital Projects</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>
<b>Totals</b>	<b>\$4,411,070</b>	<b>100.0%</b>	<b>\$709</b>	<b>\$59</b>

## REVENUES

### **Activity Description**

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

### **Objectives**

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

### **Budget Issues**

The General Fund's main revenue source is property taxes. Property taxes made up 77% of the 2012 budget and 78% of the 2013 budget. For 2014 property taxes make up 78% of the total General Fund revenues.

Other revenues besides property taxes were reviewed for inflation and changes to the City's fee schedule. However, noting that administrative charges to other funds for overhead may decrease with the decreasing budget of 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).

Liquor licenses have been decreased slightly to account for the closing of the Blue Fox. Fines & Forfeits have seen a decrease in Highway Patrol fines and Forfeits so they have been reduced further in this budget. The major increases have been property taxes (2.08%), Rental Registrations (61.9%), and Interest Income (85.7%).

### **Budget Summary**

See next two pages.

Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Taxes</b>							
Current Ad Valorem Taxes	\$ 2,656,624	\$ 2,801,080	\$ 3,191,230	\$ 3,191,230	\$ 2,899,404	\$ 3,257,456	2.08%
Payments in Lieu of Taxes	174	-	-	-	170	-	0.00%
Delinquent Ad Valorem Taxes	(7,721)	18,418	21,461	21,461	(25,544)	22,000	2.51%
Mobile Home Tax	2,207	5,737	7,500	7,500	6,033	7,500	0.00%
Fiscal Disparities	265,220	252,829	-	-	206,220	-	0.00%
Aggregate Removal Tax	501	700	600	600	-	600	0.00%
Penalties & Interest on Taxes	(3,757)	8,396	-	-	(759)	-	0.00%
Forfeited Tax Sales	-	-	-	-	-	-	0.00%
<b>Total Taxes</b>	<b>2,913,248</b>	<b>3,087,159</b>	<b>3,220,791</b>	<b>3,220,791</b>	<b>3,085,524</b>	<b>3,287,556</b>	<b>2.07%</b>
<b>Licenses and Permits</b>							
Liquor, On Sale & Sunday	24,100	14,940	26,250	26,250	24,971	24,000	-8.57%
Liquor, Off Sale	640	9,320	-	-	462	-	0.00%
Inspection Fees	900	3,600	-	-	1,880	2,000	0.00%
Contractors	6,750	7,350	5,775	5,775	6,985	6,750	16.88%
Rental Regulation Fee	3,280	3,680	2,100	2,100	588	3,400	61.90%
Business Licenses	10,286	10,905	13,650	13,650	9,914	13,650	0.00%
Other Business Lic/Permits	1,690	100	4,200	4,200	-	1,500	-64.29%
Tabacco License	1,000	300	1,377	1,377	1,205	1,300	-5.59%
Plan Review & Bldg Permits	269,199	233,533	133,000	133,000	211,757	133,000	0.00%
Mechanical Permits	29,649	44,182	26,000	26,000	31,664	26,000	0.00%
Plumbing Permits	23,194	10,241	10,000	10,000	19,676	10,000	0.00%
Animal Licenses	1,640	2,159	2,100	2,100	1,392	2,200	4.76%
Sign Permits	1,850	2,100	893	893	1,378	893	0.00%
Sign Permit Renewal	1,640	1,550	2,100	2,100	1,781	2,100	0.00%
Electrical Permits	33,769	47,309	20,000	20,000	37,543	20,000	0.00%
Utility Permit Fees	4,375	5,250	300	300	3,321	300	0.00%
Fire Suppression Permits	6,955	10,402	6,000	6,000	11,232	6,000	0.00%
Fire Permit Plan Check Fee	2,662	6,651	3,000	3,000	6,941	3,000	0.00%
Erosion/Grading Permit	4,600	900	1,680	1,680	1,106	1,680	0.00%
Other Nonbusiness Lic/Permits	1,100	600	2,100	2,100	-	2,100	0.00%
<b>Total Licenses and Permits</b>	<b>429,279</b>	<b>415,070</b>	<b>260,525</b>	<b>260,525</b>	<b>373,796</b>	<b>259,873</b>	<b>-0.25%</b>
<b>Intergovernmental Revenues</b>							
Market Value Homestead Credit	-	-	-	-	42	-	0.00%
Mobile Home Homestead Credit	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	41,722	37,118	42,129	42,129	39,215	37,073	-12.00%
MSA Maintenance	76,017	75,028	68,559	68,559	76,375	75,028	9.44%
State Grants	-	-	-	-	-	-	0.00%
County Grants & Aids	-	-	-	48,580	-	20,820	-57.14%
Other County Grants & Aids	-	-	-	-	-	-	0.00%
<b>Other Intergovernmental</b>	<b>126,691</b>	<b>118,800</b>	<b>115,867</b>	<b>164,447</b>	<b>120,811</b>	<b>138,100</b>	<b>-16.02%</b>
<b>Charges for Services</b>							
Zoning and Subdivision Fees	-	50	-	-	524	-	0.00%
Plan Checking Fees	140,983	117,770	-	-	-	-	0.00%
Sale of Maps and Publications	9	29	-	-	7	-	0.00%
Plat & Other Fees	10,025	6,900	11,550	11,550	10,785	10,000	-13.42%
Admin Chgs from other funds	20,030	30,778	17,984	17,984	16,768	24,180	-6.76%
Admin Chgs from other funds	35,700	49,318	54,493	54,493	49,628	54,014	-8.93%
Admin Chgs from other funds	82,497	102,856	92,065	92,065	90,238	87,885	-1.98%
Zoning Permit Fees	640	2,010	893	893	1,019	893	0.00%
Business Subsidiary App Fee	-	-	2,000	2,000	-	2,000	0.00%
Water Tower Antenna Rentals	72,351	75,745	76,486	76,486	101,894	76,486	0.00%
Other General Govt Charges	3,401	3,468	3,400	3,400	3,390	3,500	2.94%
Admin Charge-Staff Time	-	100	-	-	-	-	0.00%
Plan Check Fee	-	-	42,000	42,000	95,737	42,000	0.00%
False Alarms	150	450	1,000	1,000	990	1,000	0.00%
Impound Fees	-	-	-	-	-	-	0.00%
State Building Code Surcharges	13,873	17,384	8,000	8,000	8,479	8,000	0.00%
City Building Code Surcharges	1,307	1,176	1,000	1,000	1,301	1,000	0.00%
City Hall Rental	60	70	-	-	-	-	0.00%
Park Facility Rental Fees	-	-	4,230	4,230	-	4,230	0.00%
Youth Program Field Use	3,242	6,380	3,675	3,675	6,455	3,675	0.00%
Adult Program Field Use	-	3,360	1,600	1,600	-	1,600	0.00%
Summer Playground Fees	13,537	14,071	13,500	13,500	16,746	14,500	7.41%
Summer Trip Fees	-	-	-	-	-	-	0.00%
Adult Programs	35,105	34,468	31,000	31,000	31,371	31,000	0.00%
Youth Programs	43,107	46,150	40,000	40,000	47,125	40,000	0.00%
Adult Softball	-	-	-	-	-	-	0.00%
After School Programs	11,997	11,598	10,000	10,000	9,941	10,000	0.00%
Special Events Programs	3,181	2,153	2,500	2,500	1,736	1,500	-40.00%
Other Charges for Services	355	50	105	105	-	105	0.00%
<b>Total Charges for Services</b>	<b>491,548</b>	<b>526,334</b>	<b>417,481</b>	<b>417,481</b>	<b>494,134</b>	<b>417,568</b>	<b>-2.24%</b>

Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b><u>Fines &amp; Forfeits</u></b>							
Highway Patrol Fines	1,762	1,789	2,000	2,000	746	2,000	0.00%
DWI Forfeitures	-	554	1,000	1,000	-	500	-50.00%
Violations Bureau	14,952	15,219	23,000	23,000	14,463	16,000	-30.43%
Tobacco Fines	100	-	300	300	200	300	0.00%
Administrative Fines	12,001	15,631	12,001	12,001	13,029	12,600	4.99%
Forfeits	336	-	2,000	2,000	677	500	-75.00%
<b>Total Fines &amp; Forfeits</b>	<b>29,151</b>	<b>33,192</b>	<b>40,301</b>	<b>40,301</b>	<b>29,115</b>	<b>31,900</b>	<b>-20.85%</b>
<b><u>Special Assessments</u></b>							
Special Assessments	438	1,771	2,769	2,769	2,886	1,822	-34.20%
Delinquent Sp Assessments	-	-	-	-	264	-	0.00%
Penalties and Int Sp Assessments	4	-	-	-	74	-	0.00%
PrePaid Special Assessments	-	-	-	-	-	-	0.00%
<b>Total Special Assessments</b>	<b>442</b>	<b>1,771</b>	<b>2,769</b>	<b>2,769</b>	<b>3,225</b>	<b>1,822</b>	<b>-34.20%</b>
<b><u>Miscellaneous</u></b>							
Interest Income	34,858	63,151	35,000	35,000	38,994	65,000	85.71%
Contributions/Donations	-	150	3,600	3,600	-	3,600	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Contributions/Donations	750	814	-	-	-	-	0.00%
Contributions/Donations	10,025	12,423	15,000	15,000	-	-	-100.00%
Contributions/Donations	-	1,750	-	-	-	-	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Candidate Filing Fee	-	-	-	-	-	-	0.00%
Developer Reimbursements	-	-	-	-	-	-	0.00%
Developer Reimbursements	-	396	-	-	-	-	0.00%
Conduit Debt Application Fee	500	-	-	-	-	-	0.00%
Conduit Debt Fees	134,955	39,619	9,500	9,500	9,422	9,500	0.00%
Night Time Construction Waiver	-	-	-	-	-	-	0.00%
Miscellaneous Reimbursements	429	195	550	550	117	550	0.00%
Miscellaneous Reimbursement	1,079	169	1,250	1,250	323	1,000	-20.00%
Miscellaneous Reimbursement	19	-	3,000	3,000	5	3,000	0.00%
Miscellaneous Reimbursement	-	-	-	-	-	-	0.00%
Private Street Light Reimbursements	-	-	-	-	-	-	0.00%
Other Miscellaneous Revenue	577	2,500	-	-	406	1,000	0.00%
Other Miscellaneous Revenue	26,098	-	-	-	49	-	0.00%
Other Miscellaneous Revenue	-	-	-	-	-	-	0.00%
Miscellaneous Reimbursement	7,513	6,133	4,773	4,773	7,086	5,200	8.94%
Fire Inspection Reimbursement	-	-	-	-	-	-	0.00%
<b>Total Miscellaneous</b>	<b>216,803</b>	<b>127,300</b>	<b>72,673</b>	<b>72,673</b>	<b>56,403</b>	<b>88,850</b>	<b>22.26%</b>
<b>Total Operating Revenues</b>	<b>4,207,161</b>	<b>4,309,626</b>	<b>4,130,407</b>	<b>4,178,987</b>	<b>4,163,007</b>	<b>4,225,669</b>	<b>0.89%</b>
<b><u>Other Financing Sources</u></b>							
Sales of General Fixed Assets	-	-	-	-	-	-	0.00%
Transfer	-	-	-	500,000	500,000	-	-100.00%
Transfer	-	-	-	-	-	-	0.00%
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>-100.00%</b>
<b>Total General Fund Revenue</b>	<b>\$ 4,207,161</b>	<b>\$ 4,309,626</b>	<b>\$ 4,130,407</b>	<b>\$ 4,678,987</b>	<b>\$ 4,663,007</b>	<b>\$ 4,225,669</b>	<b>-9.89%</b>

## MAYOR AND COUNCIL

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

### Activity Scope

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

### Objectives

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

### Issues

1. Reduced tax capacity and levy limits which place pressure on the ability to finance City operations at current levels

### Measurable Workload Data

None developed at this time.

### Budget Commentary

In the 2014 the Mayor and Council Budget is proposed to increase by 7.92%. Other Professional Services has been increased to provide for an outside consultant to work on the Council Retreat and Goal setting. Tablets have been reduced to only 1 Council Member.

## **Budget Summary**

Function: General Government

Department: Mayor & Council

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	31,230	31,182	31,181	31,181	31,202	31,181	0.00%
Materials and Supplies	133	24	-	-	46	-	0.00%
Services and Charges	40,325	39,005	45,190	45,190	37,475	51,238	13.38%
<b>Total Operating Expenses</b>	71,687	70,212	76,371	76,371	68,723	82,419	7.92%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	71,687	70,212	76,371	76,371	68,723	82,419	7.92%
Funding Source:	General Fund						

## ADMINISTRATION

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

### Activity Scope

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

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

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

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, this has resulted in increased savings and reduction to this budget in the Administration department.

### 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 2014 Administration operating budget is decreasing by 11.11% over 2013. Notable changes are: Legal fees have been increased as the City contracted with a new City Attorney in 2013 and is seeing an increased use in these services; decreases in Professional services which are now reflected in the TCAAP department.

## **Budget Summary**

Function: General Government

Department: Administration

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Total Personal Services	205,510	197,744	196,546	196,546	199,514	173,781	-11.58%
Total Materials and Supplies	-	-	-	-	448	-	0.00%
Other Services and Charges	116,584	104,363	136,471	136,471	91,048	122,228	-10.44%
<b>Total Operating Expenses</b>	<b>322,094</b>	<b>302,107</b>	<b>333,017</b>	<b>333,017</b>	<b>291,011</b>	<b>296,009</b>	<b>-11.11%</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Department Total</b>	<b>322,094</b>	<b>302,107</b>	<b>333,017</b>	<b>333,017</b>	<b>291,011</b>	<b>296,009</b>	<b>-11.11%</b>
Funding Source:	General Fund						

## ELECTIONS

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

### Activity Scope

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

### Objectives

1. Stay current on election laws.

### Issues

1. Stay current on election laws.

### Measurable Workload Data

None developed at this time.

### Budget Commentary

The Elections budget is increasing 5.06% according to the contract with Ramsey County.

### Budget Summary

Function: General Government		Department: Elections					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	60	18	-	-	-	-	0.00%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	17,208	17,258	18,000	18,000	17,317	18,910	5.06%
<b>Total Operating Expenses</b>	17,268	17,276	18,000	18,000	17,317	18,910	5.06%
<b>Total Capital</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	17,268	17,276	18,000	18,000	17,317	18,910	5.06%
Funding Source: General Fund							



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## **FINANCE & ADMINISTRATIVE SERVICES**

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

### **Activity Scope**

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

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

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

### **Objectives**

1. Continue working to 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.
4. Analyze and comply with the new Health Reform Act.
5. Update and maintain Human Resource Policies and Procedures.

## Measurable Workload Data

None developed at this time.

## Budget Commentary

The Finance and Administrative Support Services budget includes funds to handle the financial transactions of the City, in an efficient manner, while maintaining the highest level of internal controls and segregation of duties. It also includes funds to manage the administrative support and human resource functions of the City. This budget decreased by 1.65% in 2014.

Personal Services shows a decrease of 20.04%, this includes the elimination of 1.5 FTEs for interns. Other Services and Charges are increasing due to a number of factors. Most of these are due to increased use of credit cards and technology.

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

## Budget Summary

Function: General Government		Department: Finance & Administrative Services					
		Appropriation Detail					
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	58,523	66,489	75,663	75,663	60,832	60,500	-20.04%
Materials and Supplies	23,627	17,380	24,100	24,100	17,744	24,100	0.00%
Other Services and Charges	49,573	65,981	70,295	70,295	102,315	82,650	17.58%
<b>Total Operating Expenses</b>	131,723	149,850	170,058	170,058	180,890	167,250	-1.65%
<b>Total Capital</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	131,723	149,850	170,058	170,058	180,890	167,250	-1.65%
Funding Source: General Fund							

## TCAAP

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

### Activity Scope

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

### Objectives

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

### Issues

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

### Measurable Workload Data

None developed at this time.

### Budget Commentary

Since the City's private development partner pulled out of the project in April of 2009, Ramsey County purchased the property and established a Joint Development Authority (JDA) with the City. Revenues and expenditures are unknown at this time, but placeholders have been included for consulting costs, and staff time has been allocated for the City Administrator, Community Development Director, and Public Works Director as they act as the City's support staff to this Authority. The 2014 budget shows a decrease of -11.19% this is due to the Budget Amendments entered in 2013. Without the Amendments the budget would show a 644.64% increase over last years.

## **Budget Summary**

Function: General Government

Department: TCAAP

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	-	-	-	-	2,021	59,099	0.00%
Materials and Supplies	1,155	17	-	-	92	1,000	0.00%
Other Services and Charges	26,743	41,554	50,000	354,182	293,571	247,222	-30.20%
<b>Total Operating Expenses</b>	27,898	41,571	50,000	354,182	295,683	307,321	-13.23%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Other Financing Uses</b>	-	-	-	8,750	8,750	15,000	71.43%
<b>Department Total</b>	27,898	41,571	50,000	362,932	304,433	322,321	-11.19%
Funding Source: General Fund							

## PLANNING & ZONING

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

### **Activity Scope**

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

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

### **Objectives**

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

### **Issues**

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

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The budget for 2014 is a total decrease of 3.39% over the 2013 budget. The Personal Services budget increased by 12.74%, reflecting the addition of a full-time Associate Planner and a reduction in the Community Development Director's allocation to the department as it was moved to TCAAP. Other reductions were expenses that were reallocated to the TCAAP department.

## **Budget Summary**

Function: General Government

Department: Planning & Zoning

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	190,788	156,062	170,792	170,792	169,382	192,556	12.74%
Materials and Supplies	1,703	49	1,000	1,000	118	394	-60.56%
Other Services and Charges	23,422	15,760	77,245	77,245	23,565	47,645	-38.32%
<b>Total Operating Expenses</b>	215,913	171,871	249,037	249,037	193,065	240,595	-3.39%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	215,913	171,871	249,037	249,037	193,065	240,595	-3.39%
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 2014 budget is an increase of 0.14% 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	35,520	29,026	30,778	30,778	30,655	31,081	0.98%
Materials and Supplies	9,493	5,531	4,500	4,500	6,941	4,500	0.00%
Other Services and Charges	157,539	172,572	175,217	175,217	177,272	175,217	0.00%
<b>Total Operating Expenses</b>	202,552	207,130	210,495	210,495	214,869	210,798	0.14%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	202,552	207,130	210,495	210,495	214,869	210,798	0.14%
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. Animal control services are included in this contract.

**Objectives**

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

**Issues**

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

**Measurable Workload Data**

None developed at this time.

**Budget Commentary**

Arden Hills portion of the Ramsey County Sheriff’s Contracting Communities budget increased 2.71% over 2013, Animal control is now included as it is now provided by the Ramsey County Sheriff’s Department. The cost of boarding animals estimated to be \$2,000 to Hillcrest Animal Hospital is also included in this budget.

**Budget Summary**

Function: Public Safety		Department: Police and Animal Services					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Other Services and Charges	939,612	987,210	1,011,663	1,011,663	1,023,115	1,039,029	2.71%
<b>Total Operating Expenses</b>	939,612	987,210	1,011,663	1,011,663	1,023,115	1,039,029	2.71%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	939,612	987,210	1,011,663	1,011,663	1,023,115	1,039,029	2.71%
Funding Source: General Fund							

## DISPATCH

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

### Activity Scope

Emergency dispatch services are provided by Ramsey County.

### Objectives

1. Continue contracting dispatch services though Ramsey County.

### Issues

### Measurable Workload Data

None developed at this time.

### Budget Commentary

Arden Hills portion of the Ramsey County 911 Dispatch Department operation budget increased by 15.91%. This charge is primarily based on a three year cost allocation formula and for 2014 there is \$4,296 of CAD operating costs in the budget for Arden Hills.

### Budget Summary

Function: Public Safety		Department: Dispatch					
		Appropriation Detail					
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Other Services and Charges	42,166	49,219	52,067	52,067	52,067	60,352	15.91%
<b>Total Operating Expenses</b>	42,166	49,219	52,067	52,067	52,067	60,352	15.91%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	42,166	49,219	52,067	52,067	52,067	60,352	15.91%
Funding Source: General Fund							

## FIRE PROTECTION

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

### Activity Scope

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

### Objectives

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

### Issues

1. Fire coverage with the 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 3.97%. This budget reflects the fifth 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Other Services and Charges	379,402	392,869	414,541	414,541	414,541	431,006	3.97%
<b>Total Operating Expenses</b>	379,402	392,869	414,541	414,541	414,541	431,006	3.97%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	379,402	392,869	414,541	414,541	414,541	431,006	3.97%
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 2014 budget is a 0.21% increase from the previous and is mainly due to salary and benefit changes

### Budget Summary

Function: Public Safety		Department: Emergency Management					
		Appropriation Detail					
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	8,170	2,486	2,614	2,614	2,578	2,646	1.22%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	1,529	6,822	12,850	12,850	2,583	12,850	0.00%
<b>Total Operating Expenses</b>	9,699	9,308	15,464	15,464	5,161	15,496	0.21%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	9,699	9,308	15,464	15,464	5,161	15,496	0.21%
Funding Source: General Fund							

## 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 2014 operating budget is a decrease of 1.65% from the previous year's budget. This is mainly due to salary and benefit changes.

### Budget Summary

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	217,421	224,164	235,650	235,650	220,421	230,170	-2.33%
Materials and Supplies	2,640	85	3,650	3,650	38	4,046	10.85%
Other Services and Charges	49,863	65,813	45,385	45,385	62,741	45,783	0.88%
<b>Total Operating Expenses</b>	269,923	290,062	284,685	284,685	283,200	15,496	-1.65%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	269,923	290,062	284,685	284,685	283,200	279,999	-1.65%
Funding Source: General Fund							



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## **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
- 7.

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The 2014 operating budget is an increase of 47.28% from the previous year's budget. This increase is primarily due to moving the yearly Crack and Seal Coating maintenance costs from the PIR Capital Fund to the Street Fund. \$200,000 was moved for 2014 to Other Services and Charges.

## **Budget Summary**

Function: Public Works

Department: Street Maintenance

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	171,448	174,359	196,014	196,014	199,643	193,134	-1.47%
Materials and Supplies	58,445	106,186	37,625	37,625	90,745	37,625	0.00%
Other Services and Charges	43,271	96,556	85,195	85,195	261,904	238,834	180.34%
<b>Total Operating Expenses</b>	273,165	377,101	318,834	318,834	552,293	469,593	47.28%
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	273,165	377,101	318,834	318,834	552,293	469,593	47.28%
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 2014 operating budget is an increase of 10.67% from the previous year's budget. This is primarily due to adding moving the maintenance costs from the PIR capital fund to the Park Maintenance Fund.

## Budget Summary

Function: Parks and Recreation

Department: Park Maintenance

Appropriation Detail							
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	282,386	268,642	281,552	281,552	272,617	282,789	0.44%
Materials and Supplies	71,818	33,412	34,000	34,000	38,713	36,000	5.88%
Other Services and Charges	83,364	139,829	129,095	129,095	162,456	173,323	34.26%
<b>Total Operating Expenses</b>	<b>437,568</b>	<b>441,883</b>	<b>444,647</b>	<b>444,647</b>	<b>473,786</b>	<b>492,112</b>	<b>10.67%</b>
<b>Capital Outlay</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	<b>437,568</b>	<b>441,883</b>	<b>444,647</b>	<b>444,647</b>	<b>473,786</b>	<b>492,112</b>	<b>10.67%</b>
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 2014 operating budget is an increase of 1.10% 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					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	125,375	137,679	160,703	160,703	140,785	164,915	2.62%
Materials and Supplies	18,512	20,702	16,275	16,275	21,462	16,275	0.00%
Other Services and Charges	60,397	59,532	55,650	55,650	56,703	53,991	-2.98%
<b>Total Operating Expenses</b>	204,284	217,912	232,628	232,628	218,950	235,181	1.10%
<b>Total Capital</b>	-	-	-	-	-	-	0.00%
<b>Department Total</b>	204,284	217,912	232,628	232,628	218,950	235,181	1.10%
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” or for a significant event in a neighborhood park.

### Objectives

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

### Issues

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

### Measurable Workload Data

None developed at this time.

### Budget Commentary

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

### Budget Summary

Function: General Government		Department: Celebrating Arden Hills					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
Personal Services	-	-	-	-	-	-	0.00%
Materials and Supplies	18,776	18,611	19,000	19,000	903	-	-100.00%
Other Services and Charges	1,118	876	6,000	6,000	37	-	-100.00%
<b>Total Operating Expenses</b>	<b>19,894</b>	<b>19,487</b>	<b>25,000</b>	<b>25,000</b>	<b>940</b>	<b>-</b>	<b>-100.00%</b>
<b>Department Total</b>	<b>19,894</b>	<b>19,487</b>	<b>25,000</b>	<b>25,000</b>	<b>940</b>	<b>-</b>	<b>-100.00%</b>
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

2014 the transfer to the Equipment Building and Replacement Fund has been reestablished at \$50,000 which is an increase of \$10,000. An amendment to transfer conduit debt fees received in 2012 was made in 2013 to fund EDA activities. The \$200,000 transfer to PIR has been removed, in reflection of Maintenance cost for streets and parks now being charged to the Street and Park Funds.

### Budget Summary

Function: General Government		Department: Transfers					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Operating Transfers</b>							
Transfer to Storm Water Mgmt	-	-	-	-	-	-	0%
Transfer to Park Fund	-	-	-	-	-	-	0%
Transfer to EDA General Fund	12,600	124,955	-	30,000	30,000	-	-100%
Transfer to Equipment Fund	40,000	40,000	40,000	40,000	40,000	50,000	25%
Transfer to Public Safety Capital	-	-	-	-	-	-	0%
Transfer to PIR	200,000	200,000	200,000	200,000	200,000	-	-100%
Transfer to Debt Service	-	-	-	-	-	-	-100%
<b>Department Total</b>	<b>252,600</b>	<b>364,955</b>	<b>240,000</b>	<b>270,000</b>	<b>270,000</b>	<b>50,000</b>	<b>-81.48%</b>
Funding Source: General Fund							

## RESERVES/CONTINGENCY

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

### Activity Scope

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

### Objectives

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

### Issues

1. Budget constraints

### Measurable Workload Data

None developed at this time.

### Budget Commentary

This budget is to provide designated funding for unanticipated expenses. No reserves/contingency has been budgeted for 2014.

### Budget Summary

Function: General Government		Department: Reserves/Contingency					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Reserves</b>							
Contingency	-	-	4,354	4,354	-	-	0.00%
<b>Department Total</b>	-	-	4,354	4,354	-	-	0.00%
General Fund							



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## **Special Revenue Funds Summary**

## SPECIAL REVENUE FUNDS SUMMARY

### Description

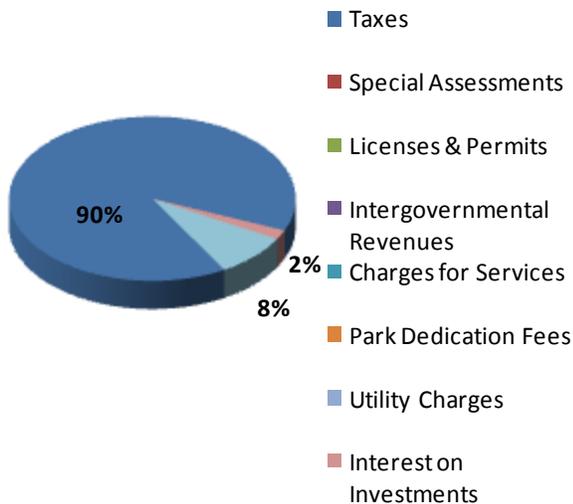
The City of Arden Hills currently maintains six active Special Revenue Funds. A Special Revenue Fund is used to account for revenue sources that are legally restricted for a specific purpose. The modified accrual basis of accounting is used for Special Revenue Funds. That is, expenditures are recorded 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

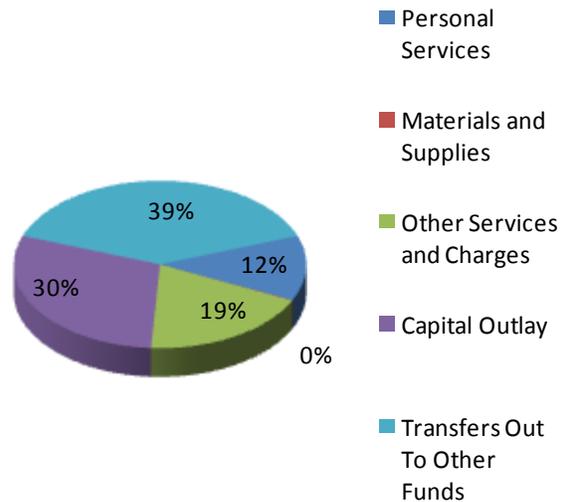
See individual fund's for budget issues, because each fund will have its own unique budget issues. Due to changes in GASB standards, the Community Service Fund has been folded into the Public Safety Capital Fund as its revenue source (Charitable Gambling Proceeds) can only be used for Public Safety Capital as restricted by State Statute.

### Budget Summary

**Revenues By Classification**  
**Total Revenues \$591,300**



**Expenditures By Classification**  
**Total Expenditures \$732,201**



Special Revenue Funds

	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Operating Revenue</b>							
Cable Fund	98,056	100,426	91,131	91,131	77,358	100,000	9.73%
EDA General Fund	31,994	57,125	35,250	35,250	65,778	50,000	41.84%
EDA Revolving Fund	4,290	1,275	2,500	2,500	2,862	1,300	-48.00%
EDA TIF Dist #2 Round Lake	317,703	342,172	290,000	290,000	369,595	250,200	-13.72%
EDA TIF Dist #3 Cottage Villas	43,348	44,603	43,000	43,000	51,820	44,600	3.72%
EDA TIF Dist #4 Pres Homes	-	-	-	-	2,500	95,200	0.00%
Operating Revenues	495,390	545,601	461,881	461,881	569,914	541,300	17.19%
<b>Other Financing Sources</b>							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	12,600	189,955	-	30,000	30,000	50,000	66.67%
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	189,955	-	30,000	30,000	50,000	66.67%
<b>Total Revenues</b>	<b>\$ 507,990</b>	<b>\$ 735,556</b>	<b>\$ 461,881</b>	<b>\$ 491,881</b>	<b>\$ 599,914</b>	<b>\$ 591,300</b>	20.21%
<b>Operating Expenses</b>							
Cable Fund	71,527	94,707	98,756	98,756	83,481	117,891	18.46%
EDA General Fund	3,506	53,916	86,048	86,048	67,769	98,512	14.48%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	1,716	1,393	2,300	2,300	1,359	2,300	0.00%
EDA TIF Dist #3 Cottage Villas	2,245	1,484	4,400	4,400	1,059	4,700	6.82%
EDA TIF Dist #4 Pres Homes	-	973	300	300	22,992	7,500	2400.00%
Operating Expenses	78,994	152,472	191,804	191,804	176,660	230,903	19.91%
<b>Capital Outlay</b>							
Cable Fund	12,259	-	24,545	24,545	9,545	17,045	-30.56%
EDA General Fund	-	5,330	30,000	30,000	11,394	40,000	33.33%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	-	-	-	-	-	159,481	0.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	5,367	-	0.00%
Total Capital Outlay	12,259	5,330	54,545	54,545	26,306	216,526	296.97%
<b>Other Finance Uses</b>							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	-	-	-	-	-	-	0.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	284,325	286,698	283,520	1,311,504	1,311,504	284,772	-78.29%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Other Financing Uses	284,325	286,698	283,520	1,311,504	1,311,504	284,772	-78.29%
<b>Total Expenditures</b>	<b>\$ 375,579</b>	<b>\$ 444,500</b>	<b>\$ 529,869</b>	<b>\$ 1,557,853</b>	<b>\$ 1,514,470</b>	<b>\$ 732,201</b>	-53.06%
<hr/>							
Fund Balances - January 1	1,825,816	1,958,228	2,249,283	2,249,283	2,249,283	1,334,728	
Excess Revenue Over Expenditure	132,412	291,056	(67,988)	(1,065,972)	(914,556)	(140,901)	
Fund Balances - December 31	<b>\$ 1,958,228</b>	<b>\$ 2,249,283</b>	<b>\$ 2,181,295</b>	<b>\$ 1,183,311</b>	<b>\$ 1,334,728</b>	<b>\$ 1,193,827</b>	

## 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 2014 budget has increased overall by 8.70%. Personal services have increased as a result of salary and step increases and the addition of part of the City Clerk's salary as they are now working on the website. Repairs and Maintenance to Equipment has been budget this year for the audio and video equipment. 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Taxes	90,123	94,532	85,131	85,131	72,231	94,000	10.42%
Miscellaneous	7,933	5,894	6,000	6,000	5,127	6,000	0.00%
Total Revenues	\$ 98,056	\$ 100,426	\$ 91,131	\$ 91,131	\$ 77,358	\$ 100,000	9.73%
<b>Expenditures</b>							
Total Personal Services	32,796	33,002	42,465	42,465	42,689	46,164	8.71%
Total Materials and Supplies	-	-	-	-	283	-	0.00%
Other Services and Charges	38,730	61,705	56,291	56,291	40,510	71,727	25.81%
Capital Outlay	12,259	-	24,545	24,545	9,545	17,045	-30.56%
Total Expenditures	\$ 83,786	\$ 94,707	\$ 123,301	\$ 123,301	\$ 93,026	\$ 134,936	8.70%
Fund Balance - January 1	277,199	291,469	297,187	297,187	297,187	265,017	
Excess Revenue Over Expenditure	14,270	5,718	(32,170)	(32,170)	(15,668)	(34,936)	
Fund Balance - December 31	\$ 291,469	\$ 297,187	\$ 265,017	\$ 265,017	\$ 281,519	\$ 230,081	



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## **EDA GENERAL**

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

### **Activity Scope**

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

### **Objectives**

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

### **Issues**

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

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The revenue to this fund has been primarily excess increment and interest income in the past years with transfers from the General Fund from 2008 - 2011. A transfer was made in 2012 and 2013 for the Conduit Debt revenue received in 2011 and 2012 from the Presbyterian Homes project. The tax increment excess 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, 2012 and 2014 have budgeted transfers from the

PIR fund. As previously stated, transfers had been routine from 2008 through 2012.

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 19.36% over 2013 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					
Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Taxes	29,281	48,058	35,250	35,250	60,292	48,000	36.17%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	2,713	9,067	-	-	5,486	2,000	0.00%
Other Financing Sources	12,600	189,955	-	30,000	30,000	50,000	66.67%
Total Revenues	\$ 44,594	\$ 247,080	\$ 35,250	\$ 65,250	\$ 95,778	\$ 100,000	53.26%
<b>Expenditures</b>							
Total Personal Services	-	41,729	43,379	43,379	43,264	45,875	5.75%
Total Materials and Supplies	306	-	1,200	1,200	-	650	-45.83%
Other Service Charges	3,200	12,187	41,469	41,469	24,505	51,987	25.36%
Capital Outlay	-	5,330	30,000	30,000	11,394	40,000	33.33%
Total Expenditures	\$ 3,506	\$ 59,246	\$ 116,048	\$ 116,048	\$ 79,163	\$ 138,512	19.36%
Fund Balance - January 1	68,554	109,642	297,476	297,476	297,476	246,678	
Excess Revenue Over Expenditure	41,088	187,834	(80,798)	(50,798)	16,615	(38,512)	
Fund Balance - December 31	\$ 109,642	\$ 297,476	\$ 216,678	\$ 246,678	\$ 314,091	\$ 208,166	



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## EDA REVOLVING LOAN FUND

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

### Activity Scope

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

### Objectives

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

### Issues

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

### Measurable Workload Data

None developed at this time.

### Budget Commentary

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

### Budget Summary

Function: Economic Development		Department: EDA Revolving Fund						
		Appropriation Detail						
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14	
<b>Revenues</b>								
Total Miscellaneous	4,290	1,275	2,500	2,500	2,862	1,300	-48.00%	
Total Revenues	\$ 4,290	\$ 1,275	\$ 2,500	\$ 2,500	\$ 2,862	\$ 1,300	-48.00%	
Fund Balance - January 1	150,084	154,374	155,649	155,649	155,649	158,149		
Excess Revenue Over Expenditure	4,290	1,275	2,500	2,500	2,862	1,300		
Fund Balance - December 31	\$ 154,374	\$ 155,649	\$ 158,149	\$ 158,149	\$ 158,511	\$ 159,449		

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

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

### **Activity Scope**

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

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

### **Objectives**

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

### **Issues**

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

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

There are no significant changes in this fund in 2014 other than a reduction in interest income as a result of the transfer out of non-increment funds to the PIR Fund. 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenue</b>							
Taxes	273,765	340,032	275,000	275,000	358,332	250,000	-9.09%
Miscellaneous	43,938	2,140	15,000	15,000	11,263	200	-98.67%
Total Revenue	\$ 317,703	\$ 342,172	\$ 290,000	\$ 290,000	\$ 369,595	\$ 250,200	-13.72%
<b>Expenditures</b>							
Other Services and Charges	1,716	1,393	2,300	2,300	1,359	2,300	0.00%
Capital Outlay	-	-	-	-	-	159,481	0.00%
Operating Trans	284,325	286,698	283,520	1,311,504	1,311,504	284,772	-78.29%
Total Expenditures	\$ 286,041	\$ 288,091	\$ 285,820	\$ 1,313,804	\$ 1,312,863	\$ 446,553	-66.01%
Fund Balance - January 1	1,201,847	1,233,508	1,287,590	1,287,590	1,287,590	263,786	
Excess Revenue Over Expenditure	31,661	54,082	4,180	(1,023,804)	(943,267)	(196,353)	
Fund Balance - December 31	\$ 1,233,508	\$ 1,287,590	\$ 1,291,770	\$ 263,786	\$ 344,323	\$ 67,433	

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

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

### **Activity Scope**

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

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

### **Objectives**

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

### **Issues**

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

### **Measurable Workload Data**

None developed at this time.

### **Budget Commentary**

The City no longer has any obligations to pay the development as of February 1, 2010. Only administrative costs have been planned for 2014.

## **Budget Summary**

Function: Economic Development

Department: EDA TIF District #3 Cottage Villas

Activity	Appropriation Detail							% Change 13 vs 14
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014		
<b><u>Revenues</u></b>								
Taxes	39,063	42,970	40,000	40,000	47,656	43,000		7.50%
Intergovernmental	77	-	-	-	-	-		0.00%
Miscellaneous	4,208	1,633	3,000	3,000	4,165	1,600		-46.67%
Total Revenues	\$ 43,348	\$ 44,603	\$ 43,000	\$ 43,000	\$ 51,820	\$ 44,600		3.72%
<b><u>Expenditures</u></b>								
Other Services and Charges	2,245	1,484	4,400	4,400	1,059	4,700		6.82%
Total Expenditures	\$ 2,245	\$ 1,484	\$ 4,400	\$ 4,400	\$ 1,059	\$ 4,700		6.82%
Fund Balance - January 1	128,133	169,235	212,354	212,354	212,354	250,954		
Excess Revenue Over Expenditure	41,102	43,119	38,600	38,600	50,762	39,900		
Fund Balance - December 31	\$ 169,235	\$ 212,354	\$ 250,954	\$ 250,954	\$ 263,116	\$ 290,854		

## EDA TIF DISTRICT #4 – PRESBYTERIAN HOMES

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

### Activity Scope

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

### Objectives

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

### Issues

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

### Measurable Workload Data

None developed at this time.

### Budget Commentary

No increment has been received as this district has not generated any income yet, but is expected to in 2014. The current budget at this time consists of administrative charges.

### Budget Summary

Function: Economic Development		Department: EDA TIF District #4 Pres Homes						
Activity	Appropriation Detail							% Change 13 vs 14
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014		
<b>Revenues</b>								
Taxes	-	-	-	-	-	95,200		0.00%
Intergovernmental	-	-	-	-	-	-		0.00%
Miscellaneous	-	-	-	-	2,500	-		0.00%
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ -		0.00%
<b>Expenditures</b>								
Total Materials and Supplies	-	-	-	-	3,522	-		0.00%
Other Services and Charges	-	973	300	300	19,470	7,500		0.00%
Capital Outlay	-	-	-	-	5,367	-		0.00%
<b>Total Operating Expenses</b>	-	973	300	300	28,359	7,500		0.00%
<b>Total Expenditures</b>	\$ -	\$ 973	\$ 300	\$ 300	\$ 28,359	\$ 7,500		
Fund Balance - January 1	-	-	(973)	(973)	(973)	(1,273)		
Excess Revenue Over Expenditure	-	(973)	(300)	(300)	(25,859)	(7,500)		
<b>Fund Balance - December 31</b>	\$ -	\$ (973)	\$ (1,273)	\$ (1,273)	\$ (26,832)	\$ (8,773)		





## **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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Interest Income	-	-	-	-	37	-	-
Transfer	284,325	286,698	283,520	283,520	283,520	284,772	0.44%
<b>Total Revenues</b>	<b>\$ 284,325</b>	<b>\$ 286,698</b>	<b>\$ 283,520</b>	<b>\$ 283,520</b>	<b>\$ 283,557</b>	<b>\$ 284,772</b>	<b>0.44%</b>
<b>Expenditures</b>							
Bond Principal	245,000	255,000	260,000	260,000	260,000	270,000	3.85%
Bond Interest	38,875	31,248	23,070	23,070	23,070	14,322	-37.92%
Fiscal Agents' Fees	450	450	450	450	450	450	0.00%
<b>Total Expenditures</b>	<b>\$ 284,325</b>	<b>\$ 286,698</b>	<b>\$ 283,520</b>	<b>\$ 283,520</b>	<b>\$ 283,520</b>	<b>\$ 284,772</b>	<b>0.44%</b>
Fund Balance - January 1	2,167	2,167	2,167	2,167	2,167	2,167	
Excess Revenue Over Expenditures	-	-	-	-	37	-	
<b>Fund Balance - December 31</b>	<b>\$ 2,167</b>	<b>\$ 2,167</b>	<b>\$ 2,167</b>	<b>\$ 2,167</b>	<b>\$ 2,204</b>	<b>\$ 2,167</b>	

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

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

## Bond Rating:

All bonds issued by the City are assigned ratings by 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:

<b>Legal Debt Limit (3% of Estimated Market Value)</b>	<b>\$32,817,941</b>
<b>Less: Outstanding Debt Subject to Limit</b>	<b>\$ <u>0</u></b>
<b>Legal Debt margin as of January 1, 2014</b>	<b>\$32,817,941</b>

**Service Levels:**

	<b><u>2011</u></b> <b><u>Actual</u></b>	<b><u>2012</u></b> <b><u>Actual</u></b>	<b><u>2013</u></b> <b><u>Actual</u></b>	<b><u>2014</u></b> <b><u>Estimate</u></b>
<b>Bond Rating</b>	AA+	AA+	AA+	AA+
<b>Dec. 31 Debt Outstanding</b> <b>(\$'s in thousands)</b>	<b>\$1,065</b>	<b>\$810</b>	<b>\$550</b>	<b>\$280</b>
<b>Net Debt Per Capita</b>	<b>\$111</b>	<b>\$84</b>	<b>\$56</b>	<b>\$38</b>

**Bonds Payable:**

**General Obligation Tax Increment Bonds**

<u>Issue</u>	<u>Net</u> <u>Interest</u> <u>Rate</u>	<u>Due</u> <u>Dates</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Authorized</u> <u>And Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>12/31/2013</u>	<u>Principal</u> <u>due in</u> <u>2014</u>	<u>Interest</u> <u>due in</u> <u>2014</u>
2004A	3.2171%	2-1/8-1	11/4/2004	2/1/2015	\$ 2,395,000	\$ 1,845,000	\$ 550,000	\$ 270,000	\$ 14,322

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

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

### **Activity Scope**

Issuance of \$3,100,000 General Obligation Tax Increment Bonds dated March 1, 1998 were to finance various public improvements within TIF District No. 2. The improvements were generally the relocated 14<sup>th</sup> Street project and the Round Lake Road intersection improvements project. The seventeen year bonds 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 2014.

## **Budget Summary**

Function: Debt Service

Department: GO Tax Increment Bonds of 1998A

Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Interest Income	-	-	-	-	37	-	-
Transfer	284,325	286,698	283,520	283,520	283,520	284,772	0.44%
<b>Total Revenues</b>	<b>\$ 284,325</b>	<b>\$ 286,698</b>	<b>\$ 283,520</b>	<b>\$ 283,520</b>	<b>\$ 283,557</b>	<b>\$ 284,772</b>	<b>0.44%</b>
<b>Expenditures</b>							
Bond Principal	245,000	255,000	260,000	260,000	260,000	270,000	3.85%
Bond Interest	38,875	31,248	23,070	23,070	23,070	14,322	-37.92%
Fiscal Agents' Fees	450	450	450	450	450	450	0.00%
<b>Total Expenditures</b>	<b>\$ 284,325</b>	<b>\$ 286,698</b>	<b>\$ 283,520</b>	<b>\$ 283,520</b>	<b>\$ 283,520</b>	<b>\$ 284,772</b>	<b>0.44%</b>
Fund Balance - January 1	2,167	2,167	2,167	2,167	2,167	2,167	
Excess Revenue Over Expenditures	-	-	-	-	37	-	
<b>Fund Balance - December 31</b>	<b>\$ 2,167</b>	<b>\$ 2,167</b>	<b>\$ 2,167</b>	<b>\$ 2,167</b>	<b>\$ 2,204</b>	<b>\$ 2,167</b>	



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## **Capital Projects Funds Summary**

# CAPITAL PROJECT FUNDS

## **Description:**

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

## **Budget Issues**

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

## **Budget Commentary**

The active and proposed projects for 2014 include:

- Central File System
- Gateway Signs
- Forestry Implementation Plan
- Trail Rehabilitation
- Perry #3 Fencing
- Perry #4 Field Renovation
- Lake Johanna Fire Department
- Regulatory Street Sign Replacement
- Ridgewood Asbury – 2013 PMP
- Lexington Avenue Improvement (I-694 to CR F)
- Hwy 96 Sidewalk Improvement
- West Round Lake Road PMP
- I-196/TH 10 Landscaping
- Glenview Neighborhood – 2015 PMP
- Co Rd E Improvement Between Hwy 51 & Lexington
- Springbrook Software Upgrades
- Technology and Office Equipment
- Communications Equipment
- City Website
- Valve Replacement Program

Some of these project costs for 2014 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Operating Revenue</b>							
Equipment, Bldg & Replacement	\$ -	\$ -	\$ -	\$ -	\$ 42	\$ -	0.00%
Public Safety Capital	47,190	44,334	41,000	41,000	27,842	42,000	2.44%
Park Fund	252,895	24,285	-	-	(30,000)	-	0.00%
Capital Improvement Fund (PIR)	764,526	381,842	1,535,000	1,543,750	602,134	2,411,669	56.22%
<b>Total Operating Revenues</b>	<b>1,064,612</b>	<b>450,460</b>	<b>1,576,000</b>	<b>1,584,750</b>	<b>600,018</b>	<b>2,453,669</b>	<b>54.83%</b>
<b>Other Financing Sources</b>							
Equipment, Bldg & Replacement	229,712	189,716	270,765	270,765	282,495	310,765	14.77%
Public Safety Capital	-	-	-	-	-	-	0.00%
Park Fund	-	188,893	-	70,126	70,126	-	-100.00%
Capital Improvement Fund (PIR)	200,000	200,000	200,000	1,227,984	1,227,984	-	-100.00%
<b>Total Other Financing Sources</b>	<b>429,712</b>	<b>578,609</b>	<b>470,765</b>	<b>1,568,875</b>	<b>1,580,605</b>	<b>310,765</b>	<b>-80.19%</b>
						0	
<b>Total Revenues</b>	<b>\$ 1,494,324</b>	<b>\$ 1,029,069</b>	<b>\$ 2,046,765</b>	<b>\$ 3,153,625</b>	<b>\$ 2,180,623</b>	<b>\$ 2,764,434</b>	<b>-12.34%</b>
<b>Expenditures</b>							
Equipment, Bldg & Replacement	\$ 672,233	\$ 57,902	\$ 204,000	\$ 204,000	\$ 113,150	\$ 340,000	66.67%
Public Safety Capital	91,579	169,894	181,252	181,252	170,511	49,280	-72.81%
Park Fund	64,923	94,411	-	-	38,492	-	0.00%
Capital Improvement Fund (PIR)	1,063,181	333,041	876,000	876,000	954,873	2,695,287	207.68%
<b>Total Expenditures</b>	<b>1,891,916</b>	<b>655,248</b>	<b>1,261,252</b>	<b>1,261,252</b>	<b>1,277,026</b>	<b>3,084,567</b>	<b>144.56%</b>
<b>Other Finance Uses</b>							
Equipment, Bldg & Replacement	-	-	-	-	-	-	0.00%
Public Safety Capital	-	-	-	-	-	-	0.00%
Capital Improvement Fund (PIR)	-	253,893	-	570,126	570,126	50,000	-91.23%
<b>Total Other Financing Uses</b>	<b>-</b>	<b>253,893</b>	<b>-</b>	<b>570,126</b>	<b>570,126</b>	<b>50,000</b>	<b>-91.23%</b>
<b>Total Expenditures</b>	<b>\$ 1,891,916</b>	<b>\$ 909,141</b>	<b>\$ 1,261,252</b>	<b>\$ 1,831,378</b>	<b>\$ 1,847,152</b>	<b>\$ 3,134,567</b>	<b>71.16%</b>
Fund Balance - January 1	6,848,538	6,450,946	6,824,768	6,824,768	6,824,768	8,717,141	
Excess Revenue Over Expenditure	(397,592)	373,822	785,513	1,892,373	903,597	(370,133)	
<b>Fund Balance - December 31</b>	<b>\$ 6,450,946</b>	<b>\$ 6,824,768</b>	<b>\$ 7,610,281</b>	<b>\$ 8,717,141</b>	<b>\$ 7,728,365</b>	<b>\$ 8,347,008</b>	

## **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 2014 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.)

## **BudgetSummary**

Function: Public Works

Department: Pavement Mgmt Programs

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Special Assessments	561,238	251,653	400,000	400,000	369,447	400,000	0.00%
Miscellaneous	203,288	130,189	135,000	143,750	127,520	160,000	11.30%
Transfer	200,000	200,000	200,000	1,227,984	1,227,984	-	-100.00%
Department Total	\$ 964,526	\$ 581,842	\$ 1,735,000	\$ 2,771,734	\$ 1,830,118	\$ 2,411,669	-12.99%
<b>Expenditures</b>							
Total Materials and Supplies	1,360	1,133	-	-	1,054	-	0.00%
Other Services and Charges	177,822	264,619	-	-	348,798	-	0.00%
Capital Outlay	883,999	67,289	876,000	876,000	605,020	2,695,287	207.68%
Department Total	\$ 1,063,181	\$ 586,934	\$ 876,000	\$ 1,446,126	\$ 1,524,999	\$ 2,745,287	89.84%
Fund Balance - January 1	6,606,505	6,507,850	6,502,758	6,502,758	6,502,758	7,828,366	
Excess Revenue Over Expenditure	(98,655)	(5,092)	859,000	1,325,608	305,119	(333,618)	
Fund Balance - December 31	\$ 6,507,850	\$ 6,502,758	\$ 7,361,758	\$ 7,828,366	\$ 6,807,877	\$ 7,494,748	

## **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**

Expenditures have decreases 72.81%, based on the numbers provided by LJFD.

## **Budget Summary**

Function: Public Safety

Department: Public Safety Capital Equipment

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b><u>Revenue</u></b>							
Total Miscellaneous	47,190	44,334	41,000	41,000	27,842	42,000	2.44%
Transfer	-	-	-	-	-	-	0.00%
Total Revenues	\$ 47,190	\$ 44,334	\$ 41,000	\$ 41,000	\$ 27,842	\$ 42,000	2.44%
<b><u>Expenditures</u></b>							
Capital Outlay	91,579	169,894	181,252	181,252	170,511	49,280	-72.81%
Department Total	\$ 91,579	\$ 169,894	\$ 181,252	\$ 181,252	\$ 170,511	\$ 49,280	-72.81%
Fund Balance - January 1	530,306	485,917	431,575	360,356	360,356	220,104	
Excess Revenue Over Expenditure	(44,389)	(125,561)	(140,252)	(140,252)	(142,669)	(7,280)	
Fund Balance - December 31	\$ 485,917	\$ 360,356	\$ 291,323	\$ 220,104	\$ 217,687	\$ 212,824	

## **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 2014.

## **Budget Summary**

Function: Parks and Recreation

Department: Park Fund

Activity	Appropriation Detail							% Change 13 vs 14
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014		
<b>Revenues</b>								
Intergovernmental	119,647	24,285	-	-	-	-	-	0.00%
Miscellaneous	133,248	-	-	-	(30,000)	-	-	0.00%
Other Financing Sources	-	188,893	-	70,126	70,126	-	-	-100%
Total Revenues	\$ 252,895	\$ 213,178	\$ -	\$ 70,126	\$ 40,126	\$ -	-	-100.00%
<b>Expenditures</b>								
Other Services and Charges	32,686	22,505	-	-	17,269	-	-	0.00%
Capital Outlay	32,170	62,837	-	-	21,224	-	-	0.00%
Total Expenditures	\$ 64,923	\$ 94,411	\$ -	\$ -	\$ 38,492	\$ -	-	0.00%
Fund Balance - January 1	(376,799)	(188,826)	(70,060)	(70,060)	(70,060)	66	-	
Excess Revenue Over Expenditure	187,973	118,767	-	70,126	1,634	-	-	
Fund Balance - December 31	\$ (188,826)	\$ (70,060)	\$ (70,060)	\$ 66	\$ (68,426)	\$ 66	-	

## **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 2014 expenses included the replacement of the 1997 Dump Truck, 2002 Grounds master, and 2002 F450. The plan also calls for the purchase of a new Vehicle for general City Staff use and Building inspections. The current truck will be transfer to public works for seasonal use.

## **Budget Summary**

Function: General Government

Department: Equipment Building and Replacement

Activity	Appropriation Detail							% Change 13 vs 14
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014		
<b><u>Revenues</u></b>								
Transfers	229,712	189,716	270,765	270,765	282,537	310,765		14.77%
Department Total	\$ 229,712	\$ 189,716	\$ 270,765	\$ 270,765	\$ 282,537	\$ 310,765		14.77%
<b><u>Expenditures</u></b>								
Capital Outlay	672,233	57,902	204,000	204,000	113,150	340,000		66.67%
Department Total	\$ 672,233	\$ 68,028	\$ 204,000	\$ 204,000	\$ 113,150	\$ 340,000		66.67%
Fund Balance - January 1	88,593	(353,928)	(232,240)	(232,240)	(232,240)	(165,475)		
Excess Revenue Over Expenditure	(442,521)	121,688	66,765	66,765	169,387	(29,235)		
Fund Balance - December 31	\$ (353,928)	\$ (232,240)	\$ (165,475)	\$ (165,475)	\$ (62,853)	\$ (194,710)		



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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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.00%
Licenses and Permits	4,666	2,074	4,000	4,000	5,099	4,000	0.00%
Intergovernmental	161,274	45,308	20,000	20,000	19,694	19,500	-2.50%
Special Assessment	1,070	10,258	2,500	2,500	70,567	2,500	0.00%
Miscellaneous	124,266	68,423	64,000	64,000	51,332	63,000	-1.56%
Charges for Services	4,429,253	4,679,967	4,535,897	4,535,897	4,632,914	4,705,044	3.73%
<b>Total Revenues</b>	<b>4,720,529</b>	<b>4,806,029</b>	<b>4,626,397</b>	<b>4,626,397</b>	<b>4,779,607</b>	<b>4,794,044</b>	<b>3.62%</b>
<b>Expenditures</b>							
Personal Services	761,932	814,151	849,081	849,081	868,080	860,418	1.34%
Materials and Supplies	91,977	73,311	6,050	6,050	61,363	6,050	0.00%
Other Services and Charges	2,646,909	3,223,580	3,161,137	3,161,137	3,424,263	3,176,557	0.49%
Capital Outlay	444	12,654	2,619,000	2,619,000	2,070,672	1,344,860	-48.65%
Transfers	143,000	143,000	230,765	230,765	230,765	230,765	0.00%
<b>Total Expenditures</b>	<b>3,644,262</b>	<b>4,266,697</b>	<b>6,866,033</b>	<b>6,866,033</b>	<b>6,655,143</b>	<b>5,618,650</b>	<b>-18.17%</b>
Fund Balance - January 1	1,682,054	2,758,765	3,310,752	3,310,752	3,310,752	1,071,116	
Excess Revenue Over Expenditures	1,076,267	539,333	(2,239,636)	(2,239,636)	(1,875,536)	(824,606)	
Fund Balance - December 31	\$ 2,758,321	\$ 3,298,097	\$ 1,071,116	\$ 1,071,116	\$ 1,435,216	\$ 246,510	
Balance Without Capital Outlay	\$ 2,758,765	\$ 3,310,752	\$ 3,690,116	\$ 3,690,116	\$ 3,505,888	\$ 1,591,370	

(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 2014 rate increase is 2% and the overall revenue increase budgeted in the fund for 2014 is 1.92% over 2013.

The 2014 operating budget is an increase of .35% from the previous year's budget and decrease if 27.61% overall with capital outlay. Capital Outlay costs include 2013 PMP – Ridgewood Asbury neighborhoods, West Round Lake Road PMP, Co Rd E improvement between Hwy 51 and Lexington Ave, Valve replacement program. 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Licenses and Permits	2,892	60	2,000	2,000	3,514	2,000	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Special Assessment	326	4,768	2,000	2,000	29,284	2,000	0.00%
Miscellaneous	42,100	29,371	30,000	30,000	24,426	30,000	0.00%
Charges for Services	1,946,667	2,280,025	2,175,213	2,175,213	2,186,606	2,217,709	1.95%
Total Revenues	1,991,985	2,314,224	2,209,213	2,209,213	2,243,831	2,251,709	1.92%
<b>Expenditures</b>							
Total Personal Services	262,964	268,299	283,446	283,446	284,971	286,808	1.19%
Total Materials and Supplies	53,448	23,970	800	800	50,991	800	0.00%
Other Services and Charges	1,271,404	1,692,874	1,648,312	1,648,312	1,782,244	1,644,883	-0.21%
Capital Outlay	444	12,654	1,214,500	1,214,500	1,044,172	68,396	-73.09%
Transfers	43,000	43,000	68,396	68,396	68,396	68,396	0.00%
Total Expenditures	1,631,260	2,040,797	3,215,454	3,215,454	3,230,773	2,327,687	-27.61%
Fund Balance - January 1	1,140,679	1,501,847	1,787,928	1,787,928	1,787,928	781,687	
Excess Revenue Over Expenditures	360,724	273,427	(1,006,241)	(1,006,241)	(986,943)	(75,978)	
Fund Balance - December 31	\$ 1,501,403	\$ 1,775,274	\$ 781,687	\$ 781,687	\$ 800,986	\$ 705,709	
Balance Without Capital Outlay	\$ 1,501,847	\$ 1,787,928	\$ 1,996,187	\$ 1,996,187	\$ 1,845,158	\$ 774,105	

(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 2014 rate increase is 2%, the overall revenue budgeted for 2014 is an increase of 1.96% over 2013.

The 2014 operating budget is an increase of 1.15% from the previous year's budget and an overall decrease of 10.70% with Capital Outlay. Capital Outlay costs include sewer lining/rehabilitation, Co Rd E improvement between Hwy 51 and Lexington Ave, and the 2013 PMP – Ridgewood Asbury neighborhood, West Round Lake Road PMP. 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b><u>Revenues</u></b>							
Licenses and Permits	1,774	2,014	2,000	2,000	1,585	2,000	0.00%
Special Assessments	340	4,571	400	400	36,389	400	0.00%
Miscellaneous	15,982	3,853	5,000	5,000	510	5,000	0.00%
Charges for Services	1,850,250	1,732,538	1,687,750	1,687,750	1,735,495	1,721,005	1.97%
Total Revenues	1,998,477	1,768,483	1,695,150	1,695,150	1,773,980	1,728,405	1.96%
<b><u>Expenditures</u></b>							
Total Personal Services	296,774	327,665	338,279	338,279	355,432	340,755	0.73%
Total Materials and Supplies	28,968	48,037	3,500	3,500	3,376	3,500	0.00%
Other Services and Charges	1,096,307	1,219,677	1,174,509	1,174,509	1,268,379	1,189,409	1.27%
Capital Outlay	-	-	850,000	850,000	696,694	569,060	-33.05%
Transfers	62,000	62,000	96,870	96,870	96,870	96,870	0.00%
Total Expenditures	1,484,050	1,657,379	2,463,158	2,463,158	2,420,752	2,199,594	-10.70%
Fund Balance - January 1	(29,997)	484,430	595,534	595,534	595,534	(172,474)	
Excess Revenue Over Expenditures	514,427	111,103	(768,008)	(768,008)	(646,773)	(471,189)	
Fund Balance - December 31	484,430	595,534	(172,474)	(172,474)	(51,239)	(643,663)	
Balance Without Capital Outlay	484,430	595,534	677,526	677,526	645,455	(74,603)	

(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 2014 is increasing by 1.99%. This is a result of increase in rates for the Recycling service fee. Revenues are expected to closely match expenses.

The 2014 operating budget is an increase of 2.05% 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 13 vs 14
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014		
<b>Revenues</b>								
Intergovernmental	20,846	19,802	20,000	20,000	19,694	19,500		-2.50%
Special Assessments	353	349	-	-	1,216	-		0.00%
Miscellaneous	43,360	22,428	21,000	21,000	16,224	16,000		-23.81%
Charges for Services	100,542	100,612	106,480	106,480	106,146	114,908		7.92%
Total Revenues	\$ 165,101	\$ 143,191	\$ 147,480	\$ 147,480	\$ 143,280	\$ 150,408		1.99%
<b>Expenditures</b>								
Total Personal Services	17,980	21,031	17,533	17,533	19,830	17,759		1.29%
Other Services and Charges	119,439	120,857	129,037	129,037	124,819	131,815		2.15%
Total Expenditures	\$ 137,622	\$ 142,113	\$ 146,570	\$ 146,570	\$ 144,873	\$ 149,574		2.05%
Fund Balance - January 1	51,462	78,940	80,018	80,018	80,018	80,928		
Excess Revenue Over Expenditures	27,478	1,077	910	910	(1,593)	834		
Fund Balance - December 31	\$ 78,940	\$ 80,018	\$ 80,928	\$ 80,928	\$ 78,425	\$ 81,762		

## **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 2014 is 15%. The overall revenue increase for the fund is 15.48% over 2013.

The 2014 operating budget is an increase of 1.53% from the previous year's budget and a decrease of 9.52% 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 County Road E improvements between Highway 51 and Lexington Avenue, West Round Lake Road PMP, 2013 PMP – Ridgewood Asbury neighborhoods, and Glenview Neighborhood – 2015 PMP. An operating transfer has also been budgeted to the Equipment, Building, and Replacement Fund which has been revised and updated.

## **Budget Summary**

Function: Public Works

Department: Surface Water Management

Activity	Appropriation Detail						% Change 13 vs 14
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	
<b><u>Revenues</u></b>							
Taxes	-	-	-	-	-	-	0.00%
Intergovernmental	10,297	-	-	-	-	-	0.00%
Special Assessments	51	569	100	100	3,677	100	0.00%
Miscellaneous	22,824	12,771	8,000	8,000	10,172	12,000	50.00%
Charges for Services	531,794	566,792	566,454	566,454	604,667	651,422	15.00%
<b>Total Revenues</b>	<b>\$ 564,967</b>	<b>\$ 580,132</b>	<b>\$ 574,554</b>	<b>\$ 574,554</b>	<b>\$ 618,516</b>	<b>\$ 663,522</b>	<b>15.48%</b>
<b><u>Expenditures</u></b>							
Total Personal Services	184,215	197,157	209,823	209,823	207,847	215,096	2.51%
Total Materials and Supplies	9,357	1,078	1,750	1,750	6,771	1,750	0.00%
Other Services and Charges	159,758	190,172	209,279	209,279	248,821	210,450	0.56%
Capital Outlay	-	-	554,500	554,500	329,806	449,000	-19.03%
Transfers	38,000.00	38,000.00	65,499	65,499	65,499	65,499	0.00%
<b>Total Expenditures</b>	<b>\$ 391,330</b>	<b>\$ 426,407</b>	<b>\$ 1,040,851</b>	<b>\$ 1,040,851</b>	<b>\$ 858,744</b>	<b>\$ 941,795</b>	<b>-9.52%</b>
Fund Balance - January 1	519,912	693,548	847,274	847,274	847,274	380,977	
Excess Revenue Over Expenditures	173,636	153,726	(466,297)	(466,297)	(240,228)	(278,273)	
<b>Fund Balance - December 31</b>	<b>\$ 693,548</b>	<b>\$ 847,274</b>	<b>\$ 380,977</b>	<b>\$ 380,977</b>	<b>\$ 607,046</b>	<b>\$ 102,704</b>	
Balance Without Capital Outlay	\$ 693,548	\$ 847,274	\$ 935,477	\$ 935,477	\$ 936,852	\$ 551,704	

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



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## **Internal Service Fund Summary**

## INTERNAL SERVICE FUNDS

### Description

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

### Budget Issues

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

### Budget Summary

Activity	Appropriation Detail						
	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenue</b>							
Charges for Services	-	710,745	840,154	840,154	811,479	882,762	5.07%
Micellaneous	49,996	39,582	23,276	23,276	41,957	23,280	0.02%
Total Revenues	\$ 49,996	\$ 750,327	\$ 863,430	\$ 863,430	\$ 853,436	\$ 906,042	4.94%
<b>Expenditures</b>							
Personal Services	-	112,553	133,897	133,897	145,006	163,893	22.40%
Materials and Supplies	-	137,385	142,370	142,370	167,912	157,370	10.54%
Other Services and Charges	8,896	476,841	600,654	600,654	482,097	597,822	-0.47%
Capital Outlay	-	-	-	-	11,773	-	0.00%
Total Expenditures	\$ 8,896	\$ 726,779	\$ 876,921	\$ 876,921	\$ 795,014	\$ 919,085	4.81%
Fund Balance - January 1	336,671	377,771	401,319	401,319	401,319	387,828	
Excess Revenue Over Expenditure	41,100	23,547	(13,491)	(13,491)	58,422	(13,043)	
Fund Balance - December 31	377,771	401,319	387,828	387,828	459,741	374,785	



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## **RISK MANAGEMENT**

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

### **Activity Scope**

This Fund was established to pool dividends received from the League of Minnesota Cities for positive claims experience. This fund tracks dividend revenues and deductible costs for claims. The goal of this fund is to build a fund balance that would allow the City to increase deductible limits in order to reduce premium costs. 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					
		Appropriation Detail					
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Charges for Services	-	341,347	369,940	369,940	292,092	377,153	1.95%
Miscellaneous	49,996	39,582	23,276	23,276	40,746	23,280	0.02%
Total Revenues	\$ 49,996	\$ 380,929	\$ 393,216	\$ 393,216	\$ 332,838	\$ 400,433	1.84%
<b>Expenditures</b>							
Personal Services	-	5,644	6,157	6,157	6,477	10,859	76.37%
Materials and Supplies	-	746	-	-	-	-	0.00%
Other Services and Charges	8,896	362,450	400,550	400,550	283,377	403,073	0.48%
Total Expenditures	\$ 8,896	\$ 368,840	\$ 406,707	\$ 406,707	\$ 289,854	\$ 413,932	1.63%
Fund Balance - January 1	336,671	377,771	389,861	389,861	389,861	376,370	
Excess Revenue Over Expenditure	41,100	12,089	(13,491)	(13,491)	42,984	(13,499)	
Fund Balance - December 31	377,771	389,861	376,370	376,370	432,844	362,871	

## **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 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 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Charges for Services	-	131,863	124,647	124,647	145,145	143,313	14.98%
Miscellaneous	-	-	-	-	1,212	-	0.00%
Operating Revenues	\$ -	\$ 131,863	\$ 124,647	\$ 124,647	\$ 146,357	\$ 143,313	14.98%
<b>Expenditures</b>							
Personal Services	-	90,143	110,023	110,023	120,800	128,516	16.81%
Materials and Supplies	-	204	250	250	-	250	0.00%
Other Services and Charges	-	12,834	14,374	14,374	5,257	14,601	-0.95%
Capitol Outlay	-	-	-	-	902	-	-
Total Expenditures	\$ -	\$ 103,181	\$ 124,647	\$ 124,647	\$ 126,959	\$ 143,367	14.73%
Fund Balance - January 1	-	-	28,682	28,682	28,682	28,682	
Excess Revenue Over Expenditure	-	28,682	-	-	19,398	(54)	
Fund Balance - December 31	-	28,682	28,682	28,682	48,080	28,628	

## **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					
		Appropriation Detail					
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenues</b>							
Charges for Services	-	175,958	224,770	224,770	205,614	226,319	0.69%
Miscellaneous	-	-	-	-	-	-	0.00%
Operating Revenues	\$ -	\$ 175,958	\$ 224,770	\$ 224,770	\$ 205,614	\$ 226,319	0.69%
<b>Expenditures</b>							
Personal Services	-	16,766	17,717	17,717	17,528	18,418	3.96%
Materials and Supplies	-	133,951	142,120	142,120	144,486	142,120	0.00%
Other Services and Charges	-	42,465	64,933	64,933	59,799	65,306	-0.27%
Capitol Outlay	-	-	-	-	3,445	-	0.00%
Total Expenditures	\$ -	\$ 193,182	\$ 224,770	\$ 224,770	\$ 225,258	\$ 225,844	0.23%
Fund Balance - January 1	-	-	(17,224)	(17,224) <sup>█</sup>	(17,224)	(17,224)	
Excess Revenue Over Expenditure	-	(17,224)	-	-	(19,644)	475	
Fund Balance - December 31	-	(17,224)	(17,224)	(17,224)	(36,868)	(16,749)	

## TECHNOLOGY

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

### Activity Scope

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

### Objectives

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

### Issues

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

### Measurable Workload Data

None developed at this time.

### Budget Commentary

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

## **Budget Summary**

General Government		Department: Technology					
		Appropriation Detail					
Activity	Actual FY 2011	Actual FY 2012	Budget FY 2013	Amended FY2013	Projected FY 2013	Adopted FY 2014	% Change 13 vs 14
<b>Revenue</b>							
Charges for Services	-	61,576	120,797	120,797	168,628	135,977	12.57%
Miscellaneous	-	-	-	-	-	-	0.00%
Operating Revenues	\$ -	\$ 61,576	\$ 120,797	\$ 120,797	\$ 168,628	\$ 135,977	12.57%
<b>Expenditures</b>							
Personal Services	-	-	-	-	201	6,100	0.00%
Materials and Supplies	-	2,484	-	-	23,426	15,000	0.00%
Other Services and Charges	-	59,092	120,797	120,797	133,663	114,842	-4.96%
Capitol Outlay	-	-	-	-	7,427	-	0.00%
Total Expenditures	\$ -	\$ 61,576	\$ 120,797	\$ 120,797	\$ 164,716	\$ 135,942	12.50%
Fund Balance - January 1	-	-	-	-	-	-	
Excess Revenue Over Expenditure	-	-	-	-	3,911.44	35	
Fund Balance - December 31	-	-	-	-	(3,911.44)	(35)	



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# Staffing

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

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

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Adopted</u>	2013 <u>Projected</u>	2014 <u>Adopted</u>
<b>Administration</b>					
Administrator	1.00	1.00	1.00	1.00	1.00
Assistant City Administrator	-	-	-	-	-
Assistant to the City Administrator	-	-	-	-	-
Deputy Clerk	1.00	1.00	1.00	1.00	1.00
FTE's	2.00	2.00	2.00	2.00	2.00
<b>Finance &amp; Administrative Services</b>					
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	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	7.00	7.00	7.00	7.00	7.00
<b>Community Development</b>					
Comm. Dev Director	1.00	1.00	1.00	1.00	1.00
Bldg Official	1.00	1.00	1.00	1.00	1.00
Bldg Inspector	1.00	1.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00	1.00
Assistant Planner	-	-	-	-	1.00
FTE's	4.00	4.00	4.00	4.00	5.00
<b>Public Works</b>					
Public Works Director	1.00	1.00	1.00	1.00	1.00
Assistant City Engineer	-	1.00	1.00	1.00	1.00
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	13.00	13.00	13.00	13.00
<b>Seasonal and Interns</b>					
Public Works	1.85	1.48	2.00	2.00	2.00
Parks and Rec.	2.05	1.80	2.00	2.00	2.00
Interns	1.41	1.53	2.00	1.50	0.50
FTE's	5.31	4.81	6	5.5	4.5
<b>Total FTE's</b>	<b>30.31</b>	<b>30.81</b>	<b>32.00</b>	<b>31.50</b>	<b>31.50</b>

In comparison to the chart above, the chart below shows the total number of employees hired to work for the City, that compose of the FTE's listed above.

**Head Count of Total Number of Employees**

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Projected</u>	2014 <u>Proposed</u>
<b>Full Time Employees</b>	25	27	28	27
<b>Part Time Employees</b>	-	-	-	-
<b>Public Works Seasonal</b>	8 *	7	8	8
<b>Parks &amp; Recreation Seasonal</b>	36	37	36	36
<b>Interns</b>				
<i>Administration</i>	3	1	-	-
<i>Community Development</i>	1	2	1	-
<i>Engineering</i>	-	1	1	1
<i>Finance</i>	1	2	1	-
<i>Pubic Works</i>	1	-	-	-
<b>Total Employees</b>	75	77	75	72

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

(Council Members were omitted)

\* 1 Seasonal was Sump Pump Inspector

The following page shows the 2014 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.

**2014 Payroll Allocation**

	Admin	TCAAP	Planning	Emergency Mgmt	Prot Inspect	Govt Bldg	Finance	Streets	Parks	Rec	Cable	Tech	Water	Sewer	Recycling	Storm Wtr Mgmt	EDA	Engr	Risk Mgmt	Central Garage	Total	FTE
Administration	41300	41600	41910	2012	2012	2012	41500	43100	45200	42120	41960	49900	49440	49490	49520	49550	47300	49600	49800	49700		
Administrator	50.25%	10.00%	3.50%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	10.00%	1.75%	1.75%	1.75%	1.75%	1.00
Assistant City Administrator	60.00%												10.00%	10.00%	10.00%	10.00%						0.00
FTE's	0.5025	0.1	0.035	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0	0.0175	0.0175	0.0175	0.0175	0.1	0.0175	0.0175	0.0175	1.00	1.00

	Finance Director	Accounting Analyst	Finance Analyst	Accounting Clerk	Deputy Clerk	CS Off SupSpec	O&M Off SupSpec	CSR I
Finance & Support Services	10.00%					20.00%	5.00%	
Finance Director	15.00%							
Accounting Analyst	19.00%							
Finance Analyst	19.00%							
Accounting Clerk	6.50%							
Deputy Clerk					42.50%			
CS Off SupSpec					0.00%			
O&M Off SupSpec					5.00%			
CSR I					0.475			
FTE's	0.9	0	0.25	0	0.0175	0.0175	0.0175	0.0175

	Comm Dev Director	Bldg Official	Bldg Inspector	Planner	Assistant Planner
Community Development	15.00%	30.00%	25.00%		
Comm Dev Director	15.00%				
Bldg Official		95.00%			
Bldg Inspector		100.00%			
Planner				90.00%	
Assistant Planner					90.00%
FTE's	0.2	0.3	1.15	0	2.1

	Public Works Director	Public Works Superintendent	Assistant Engineer	Parks & Rec Manager	Recreation Programmer	PW Maint Workers (8)
Public Works	3.00%	0.00%	0.00%	0.00%	0.00%	
Public Works Director	3.00%					
Public Works Superintendent		10.00%				
Assistant Engineer		20.00%				
Parks & Rec Manager		0.00%		60.00%		
Recreation Programmer		5.00%		5.00%		
PW Maint Workers (8)		18.75%	25.00%	18.75%	25.00%	
FTE's	0	0.03	0	0.2	0	0

**Total FTE's** 1.6025 0.43 1.435 0.0175 2.5925 0.3175 0.6625 2.0125 2.9925 1.7175 0.56 0.0625 3.305 3.805 0.2025 2.555 0.36 1.11 0.1 0.16 26.00 26.00

	Admin	TCAAP	Planning	Emergency Mgmt	Prot Inspect	Govt Bldg	Finance	Streets	Parks	Rec	Cable	Tech	Water	Sewer	Recycling	Storm Wtr Mgmt	EDA	Engr	Risk Mgmt	Central Garage	Total	FTE
Administration Admin Chg	41300	41600	41910	42300	42400	41940	41500	43100	45200	42120	41960	49900	49440	49490	49520	49550	47300	49600	49800	49700		
Administration Admin Chg	0.5025	0.1	0.035	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0	0.0175	0.0175	0.0175	0.1	0.0175	0.0175	0.0175	0.0175	1
Administration Admin Chg	50.25%	10.00%	3.50%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	0.00%	1.75%	1.75%	1.75%	1.75%	10.00%	1.75%	1.75%	1.75%	1.75%	100.00%
Administration Admin Chg	60.00%												10.00%	10.00%	10.00%	10.00%						100.00%
FTE's	0.5025	0.1	0.035	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0	0.0175	0.0175	0.0175	0.0175	0.1	0.0175	0.0175	0.0175	0.0175	100.00%

**Finance Admin Charges** 0.9 0 0.25 0 0.475 0.05 0.645 0.125 0.025 0.5 0.5425 0.0625 1.3375 1.3375 1.3375 1.3375 1.3375 0.11 0.0425 0.0825 0.0425 8 8

	Admin	TCAAP	Planning	Emergency Mgmt	Prot Inspect	Govt Bldg	Finance	Streets	Parks	Rec	Cable	Tech	Water	Sewer	Recycling	Storm Wtr Mgmt	EDA	Engr	Risk Mgmt	Central Garage	Total	FTE
Govt Buildings Admin Charges	0.5025	0.1	0.035	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0.0175	0	0.0175	0.0175	0.0175	0.0175	0.1	0.0175	0.0175	0.0175	0.0175	1
Administration	0.9	0	0.25	0	0.475	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	0.11	0.0425	0.0825	0.0425	8	
Finance & Support Serv	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Community Development	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works	0.2	0.3	1.15	0	2.1	0.05	0.645	0.125	0.025	0.5	0.5425	0.0625	1.3375	1.3375	1.3375	1.3375	1.38%	0.53%	1.03%	0.53%	100.00%	
Public Works																						

## **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, 2014, and a contingency has been set up in the General Fund and Utility Funds. The assumed salary and benefit increases for budgeting purposes are as follows:

Salary increases throughout the budget include step increases for employees and a 1.5% COLA for union employees and a 2.0% COLA for non-union employees. The City pays \$699.61 toward health insurance premiums and dental.

Health	0.0%
Dental	3.7%
Life	0.0%
Disability	0.0%

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



## **Fiscal Policies**

### **Financial Management Policies**

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

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

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

# **Fiscal Policies**

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

## **Operating Budget Policies**

### **Purpose**

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

### **Goals**

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

### **Policy**

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

# **Fiscal Policies**

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

## **Revenue Policies**

### **Purpose**

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

### **Goals**

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

### **Policy**

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

# **Fiscal Policies**

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

## **Expenditure Policies**

### **Purpose**

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

### **Goals**

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

### **Policy**

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

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

### **Purpose**

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

## **Fiscal Policies**

### **Goals**

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

### **Policy**

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

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

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

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

## **Reserve Policies**

### **Purpose**

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

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

### **Goals**

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

### **Policy**

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

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

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

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

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

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

## **Investment Policies**

### **Purpose**

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

# **Fiscal Policies**

## **Goals**

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

## **Policy**

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

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

## **Debt Policies**

### **Purpose**

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

### **Goals**

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

### **Policy**

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

## **Fiscal Policies**

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

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

### **Capital Asset Policies**

#### **Purpose**

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

#### **Goals**

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

#### **Policy**

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

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

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

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

## **Capital Improvement Program Policies**

### **Purpose**

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

### **Goals**

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

### **Policy**

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

## **Fiscal Policies**

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

### **Risk Management Policies**

#### **Purpose**

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

#### **Goals**

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

#### **Policy**

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

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



## **Capital Improvement Plan**

Included in the budget are capital expenditures and capital improvements. The following information is the City of Arden Hills' Capital Improvement Plan for 2014.

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 2014 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 170 through 204

Capital Equipment is listed on pages 205 through 231

City of Arden Hills, Minnesota

*Capital Improvement Plan*

2014 thru 2018

**PROJECTS BY CATEGORY**

Category	Project#	Priority	2014	2015	2016	2017	2018	Total
<b>Building Repair &amp; Maint</b>								
Central File Storage System	14-Bldg-004	2	25,000					25,000
<b>Building Repair &amp; Maint Total</b>			<b>25,000</b>					<b>25,000</b>
<b>Economic Devl Improvement</b>								
Gateway Signs	16-EDA-001	n/a	40,000	40,000	0	0	0	80,000
<b>Economic Devl Improvement Total</b>			<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,000</b>
<b>Equipment: Office</b>								
Springbrook Software Upgrades	12-Tec-001	n/a	10,000	10,000	10,000	10,000	10,000	50,000
Technology and Office Equipment	12-Tec-002	n/a	13,000	10,000	10,000	10,000	10,000	53,000
Communications Equipment	12-Tec-003	n/a	7,500	7,500	7,500	7,500	7,500	37,500
City Website	12-Tec-004	n/a	9,545					9,545
New Voting System	14-Tec-005	1		26,925				26,925
Audio Visual Equipment	16-Tec-001	n/a			10,000			10,000
<b>Equipment: Office Total</b>			<b>40,045</b>	<b>54,425</b>	<b>37,500</b>	<b>27,500</b>	<b>27,500</b>	<b>186,970</b>
<b>Park Capital Equipment</b>								
Playground Structure Replacement	11-Park-003	n/a			75,000	65,000	125,000	265,000
<b>Park Capital Equipment Total</b>					<b>75,000</b>	<b>65,000</b>	<b>125,000</b>	<b>265,000</b>
<b>Park Capital Improvements</b>								
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	5,000	5,000	5,000	35,000
Freeway Park Enhancements	13-park-014	n/a		65,000				65,000
Perry #3 Fencing	14-Park-009	n/a	22,000					22,000
Perry #4 Field Renovation	14-Park-010	n/a	20,000					20,000
Floral Park Hard Court Reconstruction	18-Park-001	n/a					40,000	40,000
<b>Park Capital Improvements Total</b>			<b>52,000</b>	<b>75,000</b>	<b>45,000</b>	<b>165,000</b>	<b>45,000</b>	<b>382,000</b>
<b>Public Safety</b>								
Lake Johanna Fire Dept Equipment	09-Pub-001	n/a	49,280	39,053	20,890	213,760	13,824	336,807

Category	Project#	Priority	2014	2015	2016	2017	2018	Total
<b>Public Safety Total</b>			<b>49,280</b>	<b>39,053</b>	<b>20,890</b>	<b>213,760</b>	<b>13,824</b>	<b>336,807</b>
<b>Sanitary Sewer Maintenance</b>								
Sewer Lining/Rehabilitation	09-Sew-002	n/a	0	400,000	0	400,000	0	800,000
<b>Sanitary Sewer Maintenance Total</b>			<b>0</b>	<b>400,000</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>800,000</b>
<b>Storm Water Maintenance</b>								
Storm Pond Maintenance	09-Storm-001	n/a	0	50,000	0	50,000	0	100,000
Storm Water Inlet/Outlet Repairs	13-Storm-XXX	3	0	25,000	0	25,000	0	50,000
<b>Storm Water Maintenance Total</b>			<b>0</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>150,000</b>
<b>Streets: Reconstruction</b>								
Ridgewood Asbury --2013 PMP	13-Str-064	n/a	200,000					200,000
West Round Lake Road PMP	14-Str-042	n/a	2,627,650					2,627,650
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	880,000	1,860,000
<b>Streets: Reconstruction Total</b>			<b>3,456,150</b>	<b>2,636,000</b>	<b>485,500</b>	<b>30,000</b>	<b>880,000</b>	<b>7,487,650</b>
<b>Streets:Misc</b>								
Regulatory Street Sign Replacement Program	11-Str-001	n/a	5,000	15,000	10,000			30,000
Lexington Avenue Improvement (I-694 to CR F)	14-Str-001	n/a	100,000					100,000
Hwy 96 Sidewalk Improvement	14-Str-002	3	350,000					350,000
I-694/TH 10 Landscaping	14-Str-062	n/a	5,000					5,000
MnDOT Bridge Projects	15-Str-061	3		600,000	300,000	100,000		1,000,000
County Road E Trail	16-Str-001	4			350,000			350,000
<b>Streets:Misc Total</b>			<b>460,000</b>	<b>615,000</b>	<b>660,000</b>	<b>100,000</b>		<b>1,835,000</b>
<b>Utility Improvements</b>								
Reconstruct Lift Stations 11	10-Sew-003	n/a	18,100	200,000	10,000			228,100
<b>Utility Improvements Total</b>			<b>18,100</b>	<b>200,000</b>	<b>10,000</b>			<b>228,100</b>
<b>Utility Maintenance</b>								
Water Towers Repair and Repainting	12-W-001	3		550,000				550,000
Valve Replacement Program	13-W-XX1	n/a	30,000	30,000	30,000	30,000	35,000	155,000
Hydrant Replacement Program	15-W-XXX	n/a		40,000		40,000		80,000
<b>Utility Maintenance Total</b>			<b>30,000</b>	<b>620,000</b>	<b>30,000</b>	<b>70,000</b>	<b>35,000</b>	<b>785,000</b>
<b>GRAND TOTAL</b>			<b>4,170,575</b>	<b>4,754,478</b>	<b>1,363,890</b>	<b>1,146,260</b>	<b>1,126,324</b>	<b>12,561,527</b>

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

2014 *thru* 2018

**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: \$91,074**

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 estimated. Actual costs may be more or less depending on the amount of site improvements and/or landscaping that are necessary in a specific location.

In 2013, estimated costs include \$20,000 for the corner of Lexington/County Road E (of which \$5,050 will be paid through a grant/donation) and \$33,000 for Lake Johanna Boulevard/County Road D (of which approximately \$5,500 will be paid through grants/donations). The City paid \$5,050 in 2012 towards the cost of the sign at Lake Johanna Boulevard/County Road D.

Two additional signs are included for each of years 2014 and 2015. The City Council will be asked to identify sign locations for 2014 and 2015. Six total signs are included in the CIP.

**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.

<b>Prior</b>	<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
11,074	Construction/Maintenance	40,000	40,000	0	0	0	80,000
<b>Total</b>	<b>Total</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,000</b>

<b>Prior</b>	<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
11,074	EDA Revenues	40,000	40,000				80,000
<b>Total</b>	<b>Total</b>	<b>40,000</b>	<b>40,000</b>				<b>80,000</b>

**Budget Impact/Other**

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

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Annual Maintenance Charge	1,000	2,000	3,000	3,000	3,000	12,000
<b>Total</b>	<b>1,000</b>	<b>2,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>12,000</b>

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

2014 *thru* 2018

**Department** Government Buildings  
**Contact** Finance Director  
**Type** Administration  
**Useful Life** 20  
**Category** Building Repair & Maint  
**Priority** 2 Very Important

**Project #** 14-Bldg-004  
**Project Name** Central File Storage System

**Description** **Total Project Cost: \$25,000**  
 Lateral file system for the fire proof vault in the basement that will hold all city records we are required to keep in an organized, efficient manner.

**Justification**  
 Currently there are files all around the storage areas of the basement and many that are not in the fire proof vault room. A lateral file system that is capable of holding multiple files and is space efficient to ensure the privacy and safety of these documents. It is also in disarray and difficult to search for any old records at this time, by improving the system and actually creating a central file system staff will become more productive and valuable city documents can be located when needed.  
 While the City moved into the building 2001, the filing system was completed and moved into the vault room. This is also part of the Council goals.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	25,000					25,000
<b>Total</b>	<b>25,000</b>					<b>25,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	25,000					25,000
<b>Total</b>	<b>25,000</b>					<b>25,000</b>

**Budget Impact/Other**  
 None except for the initial outlay for the system. Will actually be a savings of staff time and free up room for storage or other uses in the long run.

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

2014 *thru* 2018

**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, tentatively scheduled for 2016, 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 the future. The County prefers a bituminous path since this will be part of the ELA trail.

Staff has moved this project back to 2015.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Planning/Design			40,000			40,000
Construction/Maintenance				160,000		160,000
<b>Total</b>			<b>40,000</b>	<b>160,000</b>		<b>200,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Capital Improvement Funds (PI)			40,000			40,000
State Aid Funds				160,000		160,000
<b>Total</b>			<b>40,000</b>	<b>160,000</b>		<b>200,000</b>

**Budget Impact/Other**

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

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Future</b>
Maintenance of Parks and Trail		2,500	2,500	2,500	2,500	10,000	2,500
<b>Total</b>		<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>10,000</b>	<b>Total</b>

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

2014 *thru* 2018

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

**Justification**  
 Perry Park - 2016. This structure was last replaced in 1996. (\$75,000)  
 Hazelnut Park - 2017. This structure was last replaced in 1997. (\$65,000)  
 Freeway Park (\$45,000) & Cummings Park - 2018 (\$80,000). These structures were last replaced in 1998.  
 Arden Manor (\$75,000) & Arden Oaks (\$45,000) - 2019, These structures were last replaced in 1999.  
 Ingerson Park (\$45,000) - 2020, This structure was last replaced in 2000.  
 Includes removal of wood curbing and replacement with concrete curbing.

Expenditures	2014	2015	2016	2017	2018	Total	Future
Construction/Maintenance			75,000	65,000	125,000	265,000	165,000
<b>Total</b>			<b>75,000</b>	<b>65,000</b>	<b>125,000</b>	<b>265,000</b>	<b>Total</b>

Funding Sources	2014	2015	2016	2017	2018	Total	Future
Capital Improvement Funds (PI)			75,000	65,000	125,000	265,000	165,000
<b>Total</b>			<b>75,000</b>	<b>65,000</b>	<b>125,000</b>	<b>265,000</b>	<b>Total</b>

**Budget Impact/Other**  
 Replacement Part Costs

Prior	Budget Items	2014	2015	2016	2017	2018	Total
-400	Maintenance of Parks and Trail	-200	-200	-200	-200		-800
<b>Total</b>	<b>Total</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>		<b>-800</b>

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

2014 *thru* 2018

**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: \$80,000**  
 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. Roseville found EAB in Langton Park and Northwestern has positive finds on both the Roseville and Arden Hills portion of campus. 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	2014	2015	2016	2017	2018	Total
45,000	Construction/Maintenance	10,000	10,000	5,000	5,000	5,000	35,000
<b>Total</b>	<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>35,000</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total
45,000	Capital Improvement Funds (PI	10,000	10,000	5,000	5,000	5,000	35,000
<b>Total</b>	<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>35,000</b>

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

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

2014 *thru* 2018

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

**Project #** 13-park-014  
**Project Name** Freeway Park Enhancements

**Description** **Total Project Cost: \$65,000**

The PTRC has identified Freeway Park as needing enhancements to help the park look aesthetically pleasing. The top part of the park does not look nice from the road. The PTRC would like to beautify the park. Public Works Staff reviewed suggestions from the PTRC and recommended the following improvements:

- \*Remove fencing along perimeter of park
- \*Remove gate and fencing between parking lot and pleasure rink - The fencing and gates will no longer be necessary with the addition of curb and gutter.
- \*Increase parking lot area, pave, stripe and add curb and gutter (including trail to warming house)- The curb will provide the proper drainage and eliminate the need for the gate and chain link fence.
- \*Move outdoor bathroom enclosure south to accommodate parking lot expansion.
- \*Water Quality Treatment (Rain garden around park sign) - In conjunction with the parking lot improvements, the drainage will need to be treated and a rain garden added to the north of the hockey rink, surrounding the park sign.

**Justification**

The upper portion of Freeway Park is only used during the winter months for ice skating/hockey skating. The park is not aesthetically pleasing and the PTRC recommends that landscaping and enhancements be added to help beautify the park. Parking has been at a shortage in the winter during skating season. If the hockey rink is converted to an off leash dog area in the summer, parking will need to be improved.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance		65,000				65,000
<b>Total</b>		<b>65,000</b>				<b>65,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Capital Improvement Funds (PI)		65,000				65,000
<b>Total</b>		<b>65,000</b>				<b>65,000</b>

**Budget Impact/Other**

Paving the parking area should improve access to the site, saving staff time.

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

2014 *thru* 2018

**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: \$22,000**  
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 - \$14,000  
6 foot sideline fence - 8,000

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance	22,000					22,000
<b>Total</b>	<b>22,000</b>					<b>22,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Capital Improvement Funds (PI)	22,000					22,000
<b>Total</b>	<b>22,000</b>					<b>22,000</b>

**Budget Impact/Other**  
Adult Softball is difficult to play without sideline fencing and outfield fencing. The addition of fencing will help maintain current teams and potentially draw new teams.

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**City of Arden Hills, Minnesota**

2014 *thru* 2018

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

**Project #** 14-Park-010  
**Project Name** Perry #4 Field Renovation

**Description** **Total Project Cost: \$20,000**  
 Perry #4 does not have drain tile and is in poor shape. The infield is in poor shape and water does not drain off the field. The field becomes unavailable with even the smallest of rain falls.

**Justification**  
 The City has most of the ball field infields graded every year to help with drainage. Perry # 4 is in need of the following work:  
 \*Survey of existing field  
 \*Strip existing ag lime off of infield  
 \*Strip exiting infield grass root zone and export off site  
 \*Add drain tile  
 \*Subcut and subgrade entire infield ares and export soils off site  
 \*Reinstall salvaged aglime and topsoil.  
 \*Expose and reset irrigation heads to finish grade elevations.  
 \*Level the outfield - filling in low areas  
 The City has approached the Shoreview Area Youth Baseball Association to see if they would donate 50 % of the cost for this. They will be meeting in September to discuss.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance	20,000					20,000
<b>Total</b>	<b>20,000</b>					<b>20,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Capital Improvement Funds (PI	10,000					10,000
Donations/Developer Reimburs	10,000					10,000
<b>Total</b>	<b>20,000</b>					<b>20,000</b>

**Budget Impact/Other**  
 Staff time on this field is triple any other field due to the inability for the field to drain. We spend time grading and putting diamond dry to get the field playable. These repairs will save significant staff time.

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**City of Arden Hills, Minnesota**

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

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

**Description** **Total Project Cost: \$40,000**  
 The Maintenance Plan has placed the City's hard court play area's on a 5-7 year resurface schedule. Floral Park was last replaced in 2012. At that time, it was recommended that the City reconstruct that court in 5-6 years. There are structural cracks that cannot be corrected with a basic resurface.

**Justification**  
 The cracks at Floal Park cannot be resolved through a basic resurface. The court is surrounded by trees and roots are intruding into the playing surface. The City did root curring around the entire court in 2012. This will help to keep the roots from continuing into the court area. Staff does not know the exact date the court was built but estimates in the early 1980's. The court life is usally 25-30 years. The constant leaves on the court and root intrusion reduces the life of this court.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance					40,000	40,000
<b>Total</b>					<b>40,000</b>	<b>40,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Capital Improvement Funds (PI)					40,000	40,000
<b>Total</b>					<b>40,000</b>	<b>40,000</b>

**Budget Impact/Other**

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**City of Arden Hills, Minnesota**

2014 *thru* 2018

**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: \$336,807**  
 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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	49,280	39,053	20,890	213,760	13,824	336,807
<b>Total</b>	<b>49,280</b>	<b>39,053</b>	<b>20,890</b>	<b>213,760</b>	<b>13,824</b>	<b>336,807</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Public Safety Capital Fund	49,280	39,053	20,890	213,760	13,824	336,807
<b>Total</b>	<b>49,280</b>	<b>39,053</b>	<b>20,890</b>	<b>213,760</b>	<b>13,824</b>	<b>336,807</b>

**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.

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

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

**Description** **Total Project Cost: \$4,100,000**  
 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	2014	2015	2016	2017	2018	Total	Future
800,000	Construction/Maintenance	0	400,000	0	400,000	0	800,000	2,500,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>800,000</b>	<b>Total</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total	Future
800,000	Sanitary Sewer Utility Fund	0	400,000	0	400,000	0	800,000	2,500,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>800,000</b>	<b>Total</b>

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

Prior	Budget Items	2014	2015	2016	2017	2018	Total
-20,000	Surcharge	-5,000	-5,000	-5,000			-15,000
<b>Total</b>	<b>Total</b>	<b>-5,000</b>	<b>-5,000</b>	<b>-5,000</b>			<b>-15,000</b>

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

2014 *thru* 2018

**Department** Sanitary Sewer Department  
**Contact** Public Works Director  
**Type** Improvement  
**Useful Life**  
**Category** Utility Improvements  
**Priority** n/a

**Project #** 10-Sew-003  
**Project Name** Reconstruct Lift Stations 11

**Description** **Total Project Cost: \$228,100**

Project to replace lift stations 11 (1861 Highway 96) . The average life expectancy for a lift station is 25 years. New pumps and electrical panels would be installed. The new pumps and panels would be compatible with the other 14 lift stations located throughout the City.

Engineering/Design already completed, however, a review should be completed to ensure no design modifications are needed.

Note: Due to the 10/96 interchange construction LS 11 was not rebuilt, only LS 13 was authorized. It was designed in 2011 and will be built in 2012. Funding has been changed to reflect the change in project scope and LS 11 reconstruction will be added back into a later year. 5/21/12 TJM

Lift Station #11 may be impacted by the Highway 10/County Rd 96 improvement project, scheduled for 2011.

**Justification**

The lift stations are over 40 years old and in need of replacement.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Planning/Design	18,100					18,100
Construction/Maintenance		200,000	10,000			210,000
<b>Total</b>	<b>18,100</b>	<b>200,000</b>	<b>10,000</b>			<b>228,100</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Sanitary Sewer Utility Fund	18,100	200,000				218,100
Surface Water Mgmt Utility Fu			10,000			10,000
<b>Total</b>	<b>18,100</b>	<b>200,000</b>	<b>10,000</b>			<b>228,100</b>

**Budget Impact/Other**

Pump repair costs should decrease as a result of this project.

**Prior**  
  
**Total**

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

2014 *thru* 2018

**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.

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

<b>Prior</b>	<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
20,000	Equip/Vehicles/Furnishings	5,000	15,000	10,000			30,000
<b>Total</b>	<b>Total</b>	<b>5,000</b>	<b>15,000</b>	<b>10,000</b>			<b>30,000</b>

<b>Prior</b>	<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
20,000	Capital Improvement Funds (PI)	5,000	15,000	10,000			30,000
<b>Total</b>	<b>Total</b>	<b>5,000</b>	<b>15,000</b>	<b>10,000</b>			<b>30,000</b>

**Budget Impact/Other**

Increased costs for more frequent replacement to meet new retroreflectivity standards

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

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**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	2014	2015	2016	2017	2018	Total
1,553,000	Construction/Maintenance	200,000					200,000
<b>Total</b>	<b>Total</b>	<b>200,000</b>					<b>200,000</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total
1,553,000	Capital Improvement Funds (PI)	200,000					200,000
<b>Total</b>	<b>Total</b>	<b>200,000</b>					<b>200,000</b>

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

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

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**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**

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance	100,000					100,000
<b>Total</b>	<b>100,000</b>					<b>100,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
State Aid Funds	100,000					100,000
<b>Total</b>	<b>100,000</b>					<b>100,000</b>

**Budget Impact/Other**

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**Department** Street Department  
**Contact** Public Works Director  
**Type** Improvement  
**Useful Life** 30  
**Category** Streets:Misc  
**Priority** 3 Important

**Project #** 14-Str-002  
**Project Name** Hwy 96 Sidewalk Improvement

**Description** **Total Project Cost: \$350,000**  
 In 2013 Ramsey County and MnDOT are completing Hwy 96 from approximately North Heights Church westerly to Round Lake Road. That improvement will have a bituminous trail on the south side and a concrete sidewalk on the north side. The previous Hwy 96 improvement did not extend sidewalk on the north side west of Hamline Avenue. Therefore, when the 2013 improvement is complete there will be a gap in the sidewalk on the north side from Hamline Avenue to approximately the entrance to North Heights Church (3600 Feet)

**Justification**  
 Completing the sidewalk on the north side of Hwy 96 will make a continuous trail on the north side of Hwy 96 from West Round Lake Road easterly to the City of White Bear Lake.  
 The Ramsey County Cost Participation Policy states that the County will pay half the construction cost on new sidewalk along their roadways with the City paying the other half plus overhead costs.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance	350,000					350,000
<b>Total</b>	<b>350,000</b>					<b>350,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Ramsey County-CSAH	150,000					150,000
State Aid Funds	200,000					200,000
<b>Total</b>	<b>350,000</b>					<b>350,000</b>

**Budget Impact/Other**

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

**Project #** 14-Str-042  
**Project Name** West Round Lake Road PMP

**Description** **Total Project Cost:** \$2,627,650  
 From 1029' south of CSAH 96 to 13th St NE  
 This segment of Round Lake Rd is in poor condition. 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**  
 History of watermain breaks and needs upsizing from 8" to 12"  
 By extending sanitary sewer from LS #11, along Hwy 96 and south on Round Lake Rd may be able to eliminate LS #11 (needs to cost effective)  
 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  
 NOTE: This project has been moved back to 2014 due to the need to use the excess TIF funds and the potential that this improvement will provide the opportunity to serve the south end of TCAAP.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Land Acquisition	365,000					365,000
Construction/Maintenance	2,262,650					2,262,650
<b>Total</b>	<b>2,627,650</b>					<b>2,627,650</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Sanitary Sewer Utility Fund	500,000					500,000
State Aid Funds	1,401,669					1,401,669
Surface Water Mgmt Utility Fu	365,000					365,000
TIF District	159,481					159,481
Water Utility Funds	201,500					201,500
<b>Total</b>	<b>2,627,650</b>					<b>2,627,650</b>

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

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**City of Arden Hills, Minnesota**

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**Department** Street Department  
**Contact** Public Works Director  
**Type** Improvement  
**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Other	5,000					5,000
<b>Total</b>	<b>5,000</b>					<b>5,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Capital Improvement Funds (PI)	5,000					5,000
<b>Total</b>	<b>5,000</b>					<b>5,000</b>

**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**

2014 *thru* 2018

**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	
<p>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</p>	

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
<p>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.</p> <p>Improvements will be made to the sanitary sewer system as needed to correct any I&amp;I deficiencies.</p> <p>There is a significant history of watermain breaks in the neighborhood, therefore it is anticipated that all watermain needs to be replaced.</p>

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Planning/Design	600,000					600,000
Construction/Maintenance		1,800,000	400,000			2,200,000
<b>Total</b>	<b>600,000</b>	<b>1,800,000</b>	<b>400,000</b>			<b>2,800,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
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
<b>Total</b>	<b>600,000</b>	<b>1,800,000</b>	<b>400,000</b>			<b>2,800,000</b>

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

2014 *thru* 2018

**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	2014	2015	2016	2017	2018	Total	Future
50,000	Planning/Design	28,500			30,000		58,500	90,000
<b>Total</b>	Construction/Maintenance		836,000	85,500		880,000	1,801,500	<b>Total</b>
	<b>Total</b>	<b>28,500</b>	<b>836,000</b>	<b>85,500</b>	<b>30,000</b>	<b>880,000</b>	<b>1,860,000</b>	

Prior	Funding Sources	2014	2015	2016	2017	2018	Total	Future
50,000	Capital Improvement Funds (PI)	10,240	161,300	85,500	30,000	880,000	1,167,040	90,000
<b>Total</b>	Sanitary Sewer Utility Fund	3,960	16,000				19,960	<b>Total</b>
	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	
	<b>Total</b>	<b>28,500</b>	<b>836,000</b>	<b>85,500</b>	<b>30,000</b>	<b>880,000</b>	<b>1,860,000</b>	

**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	2014	2015	2016	2017	2018	Total	Future
0	Annual Maintenance Charge	0		10,000	10,000		20,000	10,000
<b>Total</b>	<b>Total</b>	<b>0</b>		<b>10,000</b>	<b>10,000</b>		<b>20,000</b>	<b>Total</b>

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

2014 *thru* 2018

**Department** Street Department  
**Contact** Public Works Director  
**Type** Improvement  
**Useful Life** 30  
**Category** Streets:Misc  
**Priority** 3 Important

**Project #** 15-Str-061  
**Project Name** MnDOT Bridge Projects

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

Mn/DOT has programmed the replacement of several bridges within or on the border of Arden Hills. These include the following bridges with the MnDOT plan year of construction.

2015 County Road E bridge over TH 51  
 2015 TH 96 Interchange at 35W  
 2015 County Road F (Lake Valentine Rd) bridge over 35W  
 2016 County Road E2 interchange at 35W  
 2016 County Road H Interchange at 35W

Generally MnDOT'd policy is to provide pedestrian facilities on one side of new bridges. If the City(s) and/or County request pedestrian facilities on both sides on the bridge that cost is paid by the City and County. The County's cost participation policy states that for these types of projects the cost is split 50% County and 50% City(s)

**Justification**

Since these bridge projects are built for 50 to 75 years it may be prudent to carefully consider the addition of pedestrian facilities on both sides of the bridge.

Estimated City share for each of these bridge s is listed below. The estimates are based on the County cost participation policy of 50% County and 50% City(s). These estimates can be further refined as each structure goes through the layout phase to determine the style of interchange and the length of bridge. The estimates are as follows:

County Road E Bridge over TH 51	\$250,000
Hwy 96 Interchange at 35W	\$250,000
County Road F Bridge over 35W	\$250,000
County Raod E2 Interchange with 35W	\$250,000
County Road H Interchange with 35W	\$250,000

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance		600,000	300,000	100,000		1,000,000
<b>Total</b>		<b>600,000</b>	<b>300,000</b>	<b>100,000</b>		<b>1,000,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
State Aid Funds		600,000	300,000	100,000		1,000,000
<b>Total</b>		<b>600,000</b>	<b>300,000</b>	<b>100,000</b>		<b>1,000,000</b>

**Budget Impact/Other**

When the bridge is reconstructed with pedestrian facilities the City may be responsible for snow removal activities for the these facilities.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Annual Maintenance Charge	200		200			400
<b>Total</b>	<b>200</b>		<b>200</b>			<b>400</b>

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

2014 *thru* 2018

**Department** Street Department  
**Contact** Public Works Director  
**Type** Improvement  
**Useful Life** 15-17  
**Category** Streets:Misc  
**Priority** 4 Less Important

**Project #** 16-Str-001  
**Project Name** County Road E Trail

**Description** **Total Project Cost: \$350,000**  
 In 2014 the B-2 district improvements will provide pedestrian facilities between Lexington Avenue and the TH 51 Bridge. In 2015 MnDOT plans to replace the TH 51 Bridge with pedestrian facilities on one side. There currently are no pedestrian facilities along County Road E between the TH 51 Bridge and Oldd Hwy 10. This CIP item would construct a pedestrian facility (bituminous trail or concrete sidewalk) on one side in this area.

**Justification**  
 Pedestrians need a facility to get from Old Hwy 10 to the new bridge over TH 51 and into the B-2 district and visa versa.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Construction/Maintenance			350,000			350,000
<b>Total</b>			<b>350,000</b>			<b>350,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
State Aid Funds			350,000			350,000
<b>Total</b>			<b>350,000</b>			<b>350,000</b>

**Budget Impact/Other**  
 Staff will continue to seek grant opportunities for this item but without a grant the funding source would either be Municipal State Aid and/or PIR

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

2014 *thru* 2018

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

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

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

<b>Prior</b>	<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
100,000	Construction/Maintenance	0	50,000	0	50,000	0	100,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>100,000</b>

<b>Prior</b>	<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
100,000	Surface Water Mgmt Utility Fu	0	50,000	0	50,000	0	100,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>100,000</b>

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

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

2014 *thru* 2018

**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: \$75,000**  
 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.

Prior	Expenditures	2014	2015	2016	2017	2018	Total
25,000	Construction/Maintenance	0	25,000	0	25,000	0	50,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>50,000</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total
25,000	Surface Water Mgmt Utility Fu	0	25,000	0	25,000	0	50,000
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>50,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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: \$50,000**  
 The Finance Suite was upgraded in 2010 to the .Net version of the software. The City purchased Springbrook software in 2001-2002. In 2011-2014 we have been 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. As new technology becomes available - we need to update our systems to be able to function as the old software does not run on the older versions of operating systems and they are not supported. Updates were done in 2010 and we are still implementing some of those updates as they were not completely finished by the vendor.  
 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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Technology	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>50,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>50,000</b>

**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.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Annual Maintenance Charge	2,265	2,332	2,400	2,700	2,880	12,577
<b>Total</b>	<b>2,265</b>	<b>2,332</b>	<b>2,400</b>	<b>2,700</b>	<b>2,880</b>	<b>12,577</b>

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

2014 *thru* 2018

**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: \$53,000**  
 Equipment replacement of copiers, computers, and other various equipment and software.

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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	13,000	10,000	10,000	10,000	10,000	53,000
<b>Total</b>	<b>13,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>53,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	13,000	10,000	10,000	10,000	10,000	53,000
<b>Total</b>	<b>13,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>53,000</b>

**Budget Impact/Other**  
 None

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

2014 *thru* 2018

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

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

**Description** **Total Project Cost:** \$37,500  
 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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Technology	7,500	7,500	7,500	7,500	7,500	37,500
<b>Total</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>37,500</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Special Revenue Cable Fund	7,500	7,500	7,500	7,500	7,500	37,500
<b>Total</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>37,500</b>

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

<b>Prior</b>	<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
0	Annual Maintenance Charge	0	0	0	0		0
<b>Total</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

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

2014 *thru* 2018

**Department** Technology  
**Contact** Finance Director  
**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	2014	2015	2016	2017	2018	Total
19,090	Technology	9,545					9,545
<b>Total</b>	<b>Total</b>	<b>9,545</b>					<b>9,545</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total
19,090	Special Revenue Cable Fund	9,545					9,545
<b>Total</b>	<b>Total</b>	<b>9,545</b>					<b>9,545</b>

**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	2014	2015	2016	2017	2018	Total	Future
Annual Maintenance Charge		4,614	4,845	5,087	5,341	19,887	5,608
<b>Total</b>		<b>4,614</b>	<b>4,845</b>	<b>5,087</b>	<b>5,341</b>	<b>19,887</b>	<b>Total</b>

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

2014 *thru* 2018

**Department** Technology  
**Contact** Finance Director  
**Type** Technology  
**Useful Life**  
**Category** Equipment: Office  
**Priority** 1 Urgent

**Project #** 14-Tec-005  
**Project Name** New Voting System

**Description** **Total Project Cost:** \$26,925  
 New voting system that provides for an assistive ballot marking device for each polling place.

**Justification**  
 Congress at the Federal level has mandated that an assistive ballot marking device be present in all polling places and in-person absentee voting locations. Additionally, Minnesota's Legislature mandated uniform state laws and procedures for central counting of absentee ballots. These requirements are mandating that we update our voting system equipment and procedures.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings		26,925				26,925
<b>Total</b>		<b>26,925</b>				<b>26,925</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem		26,925				26,925
<b>Total</b>		<b>26,925</b>				<b>26,925</b>

**Budget Impact/Other**  
 Increased capital costs for acquisition, slight to no increase in maintenance costs and some staff time savings as the county will now be processing all absentee ballots.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Annual Maintenance Charge		2,113	2,113	2,113	2,113	8,452
<b>Total</b>		<b>2,113</b>	<b>2,113</b>	<b>2,113</b>	<b>2,113</b>	<b>8,452</b>

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

2014 *thru* 2018

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

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

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

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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Special Revenue Cable Fund			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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	2014	2015	2016	2017	2018	Total
907,000	Construction/Maintenance		550,000				550,000
<b>Total</b>	<b>Total</b>		<b>550,000</b>				<b>550,000</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total
907,000	Water Utility Funds		550,000				550,000
<b>Total</b>	<b>Total</b>		<b>550,000</b>				<b>550,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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**

Prior	Expenditures	2014	2015	2016	2017	2018	Total	Future
30,000	Construction/Maintenance	30,000	30,000	30,000	30,000	35,000	155,000	565,000
<b>Total</b>	<b>Total</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>35,000</b>	<b>155,000</b>	<b>Total</b>

Prior	Funding Sources	2014	2015	2016	2017	2018	Total	Future
30,000	Water Utility Funds	30,000	30,000	30,000	30,000	35,000	155,000	565,000
<b>Total</b>	<b>Total</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>35,000</b>	<b>155,000</b>	<b>Total</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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**

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Future</b>
Construction/Maintenance		40,000		40,000		80,000	320,000
<b>Total</b>		<b>40,000</b>		<b>40,000</b>		<b>80,000</b>	<b>Total</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Future</b>
Water Utility Funds		40,000		40,000		80,000	320,000
<b>Total</b>		<b>40,000</b>		<b>40,000</b>		<b>80,000</b>	<b>Total</b>

**Budget Impact/Other**

City of Arden Hills, Minnesota

*Capital Improvement Plan*

2014 thru 2018

**PROJECTS BY CATEGORY**

Category	Project#	Priority	2014	2015	2016	2017	2018	Total
<b>Equipment: Public Works</b>								
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
621 Tractor w/Plow	13-Eqp-002	n/a					175,000	175,000
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
Upgrade Camera System for Sewer Televising	14-Eqp-XXX	n/a	37,000					37,000
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
<b>Equipment: Public Works Total</b>			<b>109,000</b>	<b>258,000</b>	<b>137,000</b>	<b>24,000</b>	<b>175,000</b>	<b>703,000</b>
<b>Vehicles</b>								
Replace Jetter and Vactor Truck with Combo Machine	11-EqpV-004	n/a				330,000		330,000
Replace 1997 Dump Truck w/Plow/Wing Plow/Sander	12-EqpV-002	n/a	140,000					140,000
Replace 2002 F450 One-Ton w/Dump/Plow/Sander	14-EqpV-001	n/a	60,000					60,000
Building Inspector Vehicle	14-EqpV-002	n/a	20,000					20,000
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
Replace 2006 One Ton Truck (Unit 402)	18-EqpV-XXX	n/a					60,000	60,000
<b>Vehicles Total</b>			<b>220,000</b>	<b>40,000</b>	<b>95,000</b>	<b>376,000</b>	<b>60,000</b>	<b>791,000</b>
<b>GRAND TOTAL</b>			<b>329,000</b>	<b>298,000</b>	<b>232,000</b>	<b>400,000</b>	<b>235,000</b>	<b>1,494,000</b>

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

2014 *thru* 2018

**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: \$330,000
<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	2014	2015	2016	2017	2018	Total
Equip/Vehicles/Furnishings				330,000		330,000
<b>Total</b>				<b>330,000</b>		<b>330,000</b>

# Capital Improvement Plan

2014 *thru* 2018

Department Equipment

## City of Arden Hills, Minnesota

Contact Public Works Director

Funding Sources	2014	2015	2016	2017	2018	Total
Equipment/Building Replacem				300,000		300,000
Trade-In Value				30,000		30,000
<b>Total</b>				<b>330,000</b>		<b>330,000</b>

### Budget Impact/Other

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

Prior	Budget Items	2014	2015	2016	2017	2018	Total
-1,000	Equipment and Vehicle repair	-1,000	-2,000	-2,000	-2,000		-7,000
<b>Total</b>	<b>Total</b>	<b>-1,000</b>	<b>-2,000</b>	<b>-2,000</b>	<b>-2,000</b>		<b>-7,000</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	30,000					30,000
Estimated Trade-In Value	-3,500					-3,500
<b>Total</b>	<b>26,500</b>					<b>26,500</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	26,500					26,500
<b>Total</b>	<b>26,500</b>					<b>26,500</b>

**Budget Impact/Other**  
 Reduce repair costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair		-200	-200			-400
<b>Total</b>		<b>-200</b>	<b>-200</b>			<b>-400</b>

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

2014 *thru* 2018

**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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			5,000			5,000
<b>Total</b>			<b>5,000</b>			<b>5,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			5,000			5,000
<b>Total</b>			<b>5,000</b>			<b>5,000</b>

**Budget Impact/Other**  
 Reduced repair costs.

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	10,000					10,000
<b>Total</b>	<b>10,000</b>					<b>10,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	10,000					10,000
<b>Total</b>	<b>10,000</b>					<b>10,000</b>

**Budget Impact/Other**  
 Reduced equipment repair costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Future</b>
Equipment and Vehicle repair		-150	-150	-150	-150	-600	-150
<b>Total</b>		<b>-150</b>	<b>-150</b>	<b>-150</b>	<b>-150</b>	<b>-600</b>	<b>Total</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	160,000					160,000
Estimated Trade-In Value	-20,000					-20,000
<b>Total</b>	<b>140,000</b>					<b>140,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	140,000					140,000
<b>Total</b>	<b>140,000</b>					<b>140,000</b>

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

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair		-1,500	-1,500	-2,000		-5,000
<b>Total</b>		<b>-1,500</b>	<b>-1,500</b>	<b>-2,000</b>		<b>-5,000</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

**Budget Impact/Other**  
 Reduced repair costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair			-500			-500
<b>Total</b>			<b>-500</b>			<b>-500</b>

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

2014 *thru* 2018

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

**Project #** 13-Eqp-002  
**Project Name** 621 Tractor w/Plow

**Description** **Total Project Cost: \$175,000**  
 Replace Equipment #103 - 1993 Case 621 front loader with wing and plow  
 VIN # 2AK0028312  
 Hours 2514 (2009)  
 Used all year  
 #85103

**Justification**  
 Equipment will be 20 years old in 2013 - See explanation for replacement options.  
 Repair costs for parts and labor:  
 2006 - \$815.76  
 2007 -\$0  
 2008 - \$162.51  
 2009 - \$1,313.36 to date  
  
 Staff believes this vehicle has 7 - 10 years of useful life left if it is removed from the snow plow fleet and used as a reserve plow only. It is recommended that this vehicle be replaced with a single axle dump truck with plow, wing, and sander which is identified as a new equipment purchase with an unassigned year. If the replacement dump truck is purchased, this tractor's useful life will be extended to 25-30 years.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings					175,000	175,000
<b>Total</b>					<b>175,000</b>	<b>175,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Future</b>
Equipment/Building Replacem					87,500	87,500	87,500
<b>Total</b>					<b>87,500</b>	<b>87,500</b>	<b>Total</b>

**Budget Impact/Other**  
 Reduce repair and maintenance costs on equipment.  
 Build in a reserve vehicle to minimize lost time due to break downs during plow season.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair					-400	-400
<b>Total</b>					<b>-400</b>	<b>-400</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	39,000					39,000
Estimated Trade-In Value	-3,500					-3,500
<b>Total</b>	<b>35,500</b>					<b>35,500</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	35,500					35,500
<b>Total</b>	<b>35,500</b>					<b>35,500</b>

**Budget Impact/Other**  
 Reduced repair and maintenance costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair		-1,500	-1,500	-1,500		-4,500
<b>Total</b>		<b>-1,500</b>	<b>-1,500</b>	<b>-1,500</b>		<b>-4,500</b>

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

2014 *thru* 2018

**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 receives limited use 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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings		200,000				200,000
Estimated Trade-In Value		-12,000				-12,000
<b>Total</b>		<b>188,000</b>				<b>188,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem		188,000				188,000
<b>Total</b>		<b>188,000</b>				<b>188,000</b>

**Budget Impact/Other**  
 Reduce repair and maintenance costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair		-300	-300			-600
<b>Total</b>		<b>-300</b>	<b>-300</b>			<b>-600</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	70,000					70,000
Estimated Trade-In Value	-10,000					-10,000
<b>Total</b>	<b>60,000</b>					<b>60,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	60,000					60,000
<b>Total</b>	<b>60,000</b>					<b>60,000</b>

**Budget Impact/Other**  
 Replacing vehicle will reduce repair costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair		-1,000	-1,000			-2,000
<b>Total</b>		<b>-1,000</b>	<b>-1,000</b>			<b>-2,000</b>

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

2014 *thru* 2018

**Department** Equipment  
**Contact** City Administrator  
**Type** Equipment  
**Useful Life** 20  
**Category** Vehicles  
**Priority** n/a

**Project #** 14-EqpV-002  
**Project Name** Building Inspector Vehicle

**Description** **Total Project Cost: \$20,000**  
 Purchase a new 2014 Ford Escape

**Justification**  
 First, the Building Inspector does not need a large truck for inspections; and using the truck wastes money on gas. Next, a multipurpose vehicle like an Escape will serve other City employees when they want to use a City vehicle to attend meetings and conferences - especially when they are out of town. Right now, using the existing Blazer is the only option as the City employees are not likely to take the truck to a meeting/conference. Finally, the Public Works Department could put the truck to good use - especially during the summer when the extra summer workers are on staff.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	20,000					20,000
<b>Total</b>	<b>20,000</b>					<b>20,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem	20,000					20,000
<b>Total</b>	<b>20,000</b>					<b>20,000</b>

**Budget Impact/Other**  
 Cost of Maintenance.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair	500	500	500	500	500	2,500
<b>Total</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			18,000			18,000
<b>Total</b>			<b>18,000</b>			<b>18,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			18,000			18,000
<b>Total</b>			<b>18,000</b>			<b>18,000</b>

**Budget Impact/Other**  
 Reduced maintenance costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair			-500			-500
<b>Total</b>			<b>-500</b>			<b>-500</b>

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

2014 *thru* 2018

**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	2014	2015	2016	2017	2018	Total
Equip/Vehicles/Furnishings			35,000			35,000
<b>Total</b>			<b>35,000</b>			<b>35,000</b>

Funding Sources	2014	2015	2016	2017	2018	Total
Equipment/Building Replacem			35,000			35,000
<b>Total</b>			<b>35,000</b>			<b>35,000</b>

**Budget Impact/Other**  
 Reduced maintenance costs.

Budget Items	2014	2015	2016	2017	2018	Total
Equipment and Vehicle repair			-200			-200
<b>Total</b>			<b>-200</b>			<b>-200</b>

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

2014 *thru* 2018

**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 electronically rather than the current system where the vidio is written to a disc, brought to the office and saved to an external hard drive.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings	37,000					37,000
<b>Total</b>	<b>37,000</b>					<b>37,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Sanitary Sewer Utility Fund	37,000					37,000
<b>Total</b>	<b>37,000</b>					<b>37,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings		40,000				40,000
<b>Total</b>		<b>40,000</b>				<b>40,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem		40,000				40,000
<b>Total</b>		<b>40,000</b>				<b>40,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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**

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			20,000			20,000
Estimated Trade-In Value			-2,000			-2,000
<b>Total</b>			<b>18,000</b>			<b>18,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			18,000			18,000
<b>Total</b>			<b>18,000</b>			<b>18,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings		75,000				75,000
Estimated Trade-In Value		-5,000				-5,000
<b>Total</b>		<b>70,000</b>				<b>70,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem		70,000				70,000
<b>Total</b>		<b>70,000</b>				<b>70,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			45,000			45,000
<b>Total</b>			<b>45,000</b>			<b>45,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			45,000			45,000
<b>Total</b>			<b>45,000</b>			<b>45,000</b>

**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**

2014 *thru* 2018

**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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			10,000			10,000
<b>Total</b>			<b>10,000</b>			<b>10,000</b>

**Budget Impact/Other**  
 Reduce repair costs.

<b>Budget Items</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment and Vehicle repair			-200			-200
<b>Total</b>			<b>-200</b>			<b>-200</b>

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

2014 *thru* 2018

**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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			30,000			30,000
Estimated Trade-In Value			-5,000			-5,000
<b>Total</b>			<b>25,000</b>			<b>25,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			25,000			25,000
<b>Total</b>			<b>25,000</b>			<b>25,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			48,000			48,000
Estimated Trade-In Value			-6,000			-6,000
<b>Total</b>			<b>42,000</b>			<b>42,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			42,000			42,000
<b>Total</b>			<b>42,000</b>			<b>42,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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**

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings			26,000			26,000
Technology			-2,000			-2,000
<b>Total</b>			<b>24,000</b>			<b>24,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem			24,000			24,000
<b>Total</b>			<b>24,000</b>			<b>24,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

**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

<b>Description</b>	<b>Total Project Cost: \$24,000</b>
Replace two 2011 Toro Z Mowers	

<b>Justification</b>
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.

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings				32,000		32,000
Estimated Trade-In Value				-8,000		-8,000
<b>Total</b>				<b>24,000</b>		<b>24,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem				24,000		24,000
<b>Total</b>				<b>24,000</b>		<b>24,000</b>

<b>Budget Impact/Other</b>

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

2014 *thru* 2018

**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

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings				50,000		50,000
Estimated Trade-In Value				-4,000		-4,000
<b>Total</b>				<b>46,000</b>		<b>46,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem				46,000		46,000
<b>Total</b>				<b>46,000</b>		<b>46,000</b>

**Budget Impact/Other**

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

2014 *thru* 2018

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

**Project #** 18-EqpV-XXX  
**Project Name** Replace 2006 One Ton Truck (Unit 402)

**Description** **Total Project Cost: \$60,000**  
 Replace Unit 402 a 2006 F450 one ton truck

**Justification**

<b>Expenditures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equip/Vehicles/Furnishings					70,000	70,000
Estimated Trade-In Value					-10,000	-10,000
<b>Total</b>					<b>60,000</b>	<b>60,000</b>

<b>Funding Sources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equipment/Building Replacem					60,000	60,000
<b>Total</b>					<b>60,000</b>	<b>60,000</b>

**Budget Impact/Other**



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# Future Financial Forecasting

As discussed earlier in this document, the City of Arden Hills has been focusing on the financial well being of the community, and in doing so has completed a preliminary ten-year forecast for the City. The purpose of a ten-year forecast is to provide a long-term view of General Fund revenues, expenditures, and the assessment districts in the City. A rate analysis was completed in 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% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00%  
 Expenses Inflation Rate 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00% 3.00% 5.00%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual	Budget	Budget	Budget	Budget	Budget	Projected	Budget	Budget	Budget	Budget	Budget
<b>REVENUE</b>												
1 GENERAL PROPERTY TAX AND FISCAL DISPARITIES	2,834,330	2,984,343	3,051,108	3,256,515	3,593,607	3,640,277	4,004,639	4,064,584	4,458,657	4,533,674	4,960,135	5,052,227
2 Adjust for fiscal disp	252,829	236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448
3 LICENSE AND PERMIT	415,070	260,625	259,873	267,669	275,699	283,970	292,489	301,264	310,302	319,611	329,199	339,075
4 INTERGOVERNMENTAL	118,800	164,447	138,100	138,100	138,100	138,100	138,100	138,100	138,100	138,100	138,100	138,100
5 CHARGES FOR SERVICES	526,334	417,481	417,568	430,095	442,998	456,288	469,976	484,076	498,598	513,556	528,963	544,832
6 FINES/FOREFEITS	33,192	40,301	31,900	32,857	33,843	34,858	36,981	36,981	39,233	39,233	40,410	41,622
7 INTEREST EARNINGS	63,151	35,000	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810
8 MISC. (See note 1 below)	65,920	40,442	25,672	26,442	27,235	28,052	28,894	29,761	30,654	31,573	32,521	33,496
9 SALE OF ASSETS	0	0	0	0	0	0	0	0	0	0	0	0
<b>10 TOTAL REVENUE</b>	<b>4,309,626</b>	<b>4,178,987</b>	<b>4,225,669</b>	<b>4,455,076</b>	<b>4,816,889</b>	<b>4,889,021</b>	<b>5,279,609</b>	<b>5,366,566</b>	<b>5,788,462</b>	<b>5,892,137</b>	<b>6,348,116</b>	<b>6,470,611</b>
<b>11 EXPENDITURES</b>												
12 GENERAL GOVERNMENT	960,036	1,411,160	1,323,302	1,389,467	1,458,940	1,531,887	1,608,482	1,688,906	1,773,351	1,862,019	1,955,120	2,052,876
13 PUBLIC SAFETY	1,728,669	1,778,420	1,825,882	1,917,176	2,013,035	2,113,687	2,219,371	2,330,340	2,446,857	2,569,199	2,697,659	2,832,542
15 PUBLIC WORKS	377,101	318,834	469,593	334,776	493,073	351,514	517,726	369,090	543,613	387,545	570,793	406,922
16 CULTURE AND RECREATION	679,282	702,275	727,293	763,658	801,841	841,933	884,029	928,231	974,642	1,023,374	1,074,543	1,128,270
17 ECONOMIC DEVELOPMENT	0	4,354	0	0	0	0	0	0	0	0	0	0
18 MISCELLANEOUS	0	0	0	0	0	0	0	0	0	0	0	0
19 CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0	0	0	0
20 GENERAL GOVERNMENT	0	0	0	0	0	0	0	0	0	0	0	0
21 PUBLIC SAFETY	0	0	0	0	0	0	0	0	0	0	0	0
22 PUBLIC WORKS	0	0	0	0	0	0	0	0	0	0	0	0
23 CULTURE AND RECREATION	0	0	0	0	0	0	0	0	0	0	0	0
24 TRANSFER OUT	0	0	0	0	0	0	0	0	0	0	0	0
25 CAPITAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
26 1998 GO BONDS	0	0	0	0	0	0	0	0	0	0	0	0
27 TCAAP	0	8,750	15,000	0	0	0	0	0	0	0	0	0
28 STREET RECONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0
<b>30 TOTAL EXPENDITURES</b>	<b>3,745,088</b>	<b>4,223,793</b>	<b>4,361,070</b>	<b>4,405,077</b>	<b>4,766,889</b>	<b>4,839,021</b>	<b>5,229,608</b>	<b>5,316,566</b>	<b>5,738,463</b>	<b>5,842,137</b>	<b>6,298,115</b>	<b>6,420,610</b>
<b>31 REVENUE OVER (UNDER) EXPENSES</b>	<b>564,538</b>	<b>(44,806)</b>	<b>(135,401)</b>	<b>50,000</b>								
<b>32 BEGINNING FUND BALANCE</b>	<b>2,151,335</b>	<b>2,350,878</b>	<b>2,036,072</b>	<b>1,850,671</b>								
36 Transfer In												
37 Transfers Out												
<b>38 ENDING FUND BALANCE</b>	<b>364,995</b>	<b>270,000</b>	<b>50,000</b>									
<b>39</b>	<b>2,350,878</b>	<b>2,036,072</b>	<b>1,850,671</b>									
40												
41												
42												
43 GENERAL FUND OPERATING TAX LEVY	3,096,994	3,191,230	3,257,456	3,492,963	3,830,055	3,876,725	4,241,087	4,301,032	4,695,105	4,770,122	5,196,583	5,288,675
44 ANNUAL INCREASE		3.0%	2.1%	7.2%	9.7%	1.2%	9.4%	1.4%	9.2%	1.6%	8.9%	1.8%

**CITY OF ARDEN HILLS  
Financial Management Plan Summary DRAFT ONLY**

	2012 Actual	2013 Budget	2014 Budget	2015 3.00% 5.00%	2016 3.00% 5.00%	2017 3.00% 5.00%	2018 Projected 3.00% 5.00%	2019 3.00% 5.00%	2020 3.00% 5.00%	2021 3.00% 5.00%	2022 3.00% 5.00%	2023 3.00% 5.00%
45 OTHER GENERAL LEVIES												
46												
47												
48 TOTAL OTHER GENERAL LEVIES	0	0	0	0	0	0	0	0	0	0	0	0
49												
50 DEBT SERVICE LEVIES												
51												
52 TOTAL DEBT SERVICE LEVIES	0	0	0	0	0	0	0	0	0	0	0	0
53												
54												
55 TOTAL EXISTING TAX LEVIES	3,096,994	3,191,230	3,257,456	3,492,963	3,830,055	3,876,725	4,241,087	4,301,032	4,695,105	4,770,122	5,196,583	5,288,675
56												
57 NEW ADDITIONS TO LEVY												
58 NEW PERSONNEL												
59 NEW OPERATING COSTS												
60 STREET RECONSTRUCTION (see Exhibit C)												
61 FIRE SAFETY (see Exhibit D)												
62 OTHER												
63												
64 TOTAL NEW TAX LEVY	0	0	0	0	0	0	0	0	0	0	0	0
65												
66 GROSS LEVY TO TAXPAYERS	3,087,159	3,220,791	3,287,556	3,256,515	3,593,607	3,640,277	4,004,639	4,064,584	4,458,657	4,533,674	4,960,135	5,052,227
67 FISCAL DISPARITIES	-252,829	-236,448	-236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448	236,448
68 NET LEVY TO TAXPAYERS	2,834,330	2,984,343	3,051,108	3,492,963	3,830,055	3,876,725	4,241,087	4,301,032	4,695,105	4,770,122	5,196,583	5,288,675
69												
70 EXISTING TAX BASE	11,097,287	10,597,521	10,741,749	10,741,749	10,741,749	10,741,749	10,741,749	11,088,435	11,088,435	11,088,435	11,088,435	11,127,498
71 NEW CONSTRUCTION TAX CAP (from lines 88-92)												
72 DECELFIFIED TIF DISTRICT												
73 TOTAL TAX CAPACITY	11,097,287	10,597,521	10,741,749	10,741,749	10,741,749	10,741,749	11,088,435	11,088,435	11,088,435	11,088,435	11,127,498	11,127,498
74												
75 TAX RATE ON TAX CAPACITY	22.647%	24.180%	27.954%	32.518%	35.656%	36.090%	38.248%	38.788%	42.342%	43.019%	46.700%	47.528%
76 TAX RATE % CHANGE	6.77%	6.77%	15.61%	16.33%	9.65%	1.22%	5.98%	1.41%	9.16%	1.60%	8.55%	1.77%
77												
78 City Taxes (with inflation on value/prior to homestead credit)		677	703	861	944	955	1,012	1,027	1,121	1,139	1,236	1,258
79 Percentage City tax increase in home (\$264,700 inflated from 2014)		677	3.84%	22.44%	9.65%	1.22%	5.98%	1.41%	9.16%	1.60%	8.55%	1.77%
80												
81 Existing Tax Base Inflation				2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
82 Total Tax Base Increase				1.7%	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	0.4%	0.0%
83 % from New Growth				0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
84												
85 New tax capacity assumptions												
86 Residential units completed in beginning of year		0	0	0	0	0	0	0	0	0	0	0
87 New home average value (\$300,000 in 2005 inflated)		0	0	0	0	0	0	0	0	0	0	0
88 Commercial - New construction (15,000 s.f./year)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
89 New Home Value Construction Inflation												
90												
91 Existing \$264,700 home Market Value (inflated by line 84)	272,800	257,400	264,700	264,700	264,700	264,700	264,700	264,700	264,700	264,700	264,700	264,700
92												
93 Note 1: Other taxes besides Levy included												
93 Percentage of Tax Levy for Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
94												
95 Decertified TIF District	346,686	346,686	346,686	346,686	346,686	346,686	346,686	346,686	346,686	346,686	346,686	346,686
96 CTC Old 4C - decertifies 12/31/2015	39062	39063	39063	39063	39063	39063	39063	39063	39063	39063	39063	39063
97 CTC Old 2H - decertifies 12/31/2019												



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## APPENDIX

### SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

The following is a summary of certain statutory provisions effective 2005 relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Chapter 21, Laws of Minnesota Special Session 2003-1 was passed by the 2003 Minnesota Legislature and signed by the Governor on June 8, 2003. The enactment of this legislation caused changes for payable years 2003 and thereafter. These changes are incorporated in the following discussions.

#### **Property Valuations (Chapter 273, Minnesota Statutes)**

##### Assessor's Estimated Market Value

Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2, of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value."

##### Indicated Market Value

Because the Estimated Market Value as determined by an assessor may not represent the price of real property in the marketplace, the "Indicated Market Value" is generally regarded as more representative of full value. The Indicated Market Value is determined by dividing the Estimated Market Value of a given year by the same year's sales ratio determined by the State Department of Revenue. The sales ratio represents the overall relationship between the Estimated Market Value of property within the taxing unit and the actual selling price.

##### Net Tax Capacity

The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Estimated Market Value. Class rate percentages vary depending on the type of property as shown on page 250 of the Appendix. The formulas and class rates for converting Estimated Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature.

Property taxes are determined by multiplying the Net Tax Capacity by the tax capacity rate, expressed as a percentage.

**Property Tax payments and Delinquencies  
(Chapters 276, 279-282 and 549, Minnesota Statutes)**

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year proceeding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty which, depending on the type of property, increases from 2% to 4% on the day after the due date. In the case of the first installment of real property taxes due May 15, the penalty increases to 4% or 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property owned by a tax-exempt entity, but which is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection, all delinquencies are subject to an additional 2% penalty; those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the clerk of court files a publication of legal action and a mailing notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks, but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have five years (5) in the case of all property located outside of cities or in the case of residential homestead, agricultural homestead and seasonal residential recreational property located within cities or three (3) years with respect to other types of property to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county – 40%; Township or City – 20%; and school district – 40%.

## **Property Tax Credits (Chapter 273, Minnesota Statutes)**

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the circuit breaker credit, which relates property taxes to income and provides relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The circuit breaker credit and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, market value homestead credit and disparity reduction aid.

Beginning in 2012 the State has eliminated the market value homestead credit (MVHC) program and replaced it with a market value exclusion (MVE) program. Under the MVHC, local governments levied the amount needed in property taxes to operate their jurisdiction. The State then provided residential property owners a credit of \$304 on homes valued \$76,000 or less in market value and decreased the credit by 9% of market value until \$0 credit was provided on homes valued \$413,800 or above. The State then reimbursed the local government for the total credit amount. However the State only fully funded the program twice in the ten years the program existed.

The MVE will exclude a portion of a homestead market value from taxation. The exclusion equals 40% of the first \$76,000 in market value and is reduced by 9% of the market value over \$76,000 until it hits \$0 at \$413,800 of market value.

## **Levy Limitations for Counties and Cities (M.S. 275.70 to 275.74)**

The 2008 State Governor and Legislature re-imposed levy limits for the budget years 2009, 2010, and 2011. Tax increases are limited to 3.9% or the increase in the implicit price deflator – whichever is less but cannot go below 0%. The tax levy can also be increased by 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 15<sup>th</sup> in the year in which the levy is to be made for collection in the following year. The Department of Revenue has the authority to approve, reduce or deny a special levy request. Home-rule charter cities are authorized to exceed any levy limits and referendum requirements contained in their city charters and increase their property tax levies if such increases are necessary to offset the 2004 LGA reductions. Final adjustments to all levies must be made to the Department of Revenue on or before December 10<sup>th</sup>.

Levy limits were removed for taxes payable beginning in 2012, but could be reinstated in future years.

## **Debt Limitations**

All Minnesota municipalities (county, cities, townships and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregation of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.
6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provision of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.

## **Levies for General Obligation Debt (Sections 475.61 and 475.74, Minnesota Statutes)**

Any municipality which issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

## **Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes) “Fiscal Disparities Law”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota excluding the City of

Northfield, Hennepin, Ramsey, Scott excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULA CONVERSION OF ESTIMATED MARKET VALUE  
(EMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY  
CLASSIFICATIONS**

<u>General Classification</u>	<u>Net Tax Capacity Levy Year 1999</u>	<u>Net Tax Capacity Levy Year 2000 &amp; 2001</u>	<u>Net Tax Capacity Levy Year 2002 – 2012</u>
Residential Homestead	First \$75,000 of EMV at 1%. EMV in excess of \$75,000 at 1.7%.	First \$76,000 of EMV at 1%. EMV in excess of \$76,000 at 1.65%.	First \$500,000 of EMV at 1%. Over \$500,000 at 1.25%.
Residential Non-Homestead	2.5% of EMV.	2.4% of EMV.	1.8% of EMV.
Agricultural Land Homestead	First \$115,000 of EMV on first 320 acres at .35%. EMV in excess of \$115,000 on first 320 acres at .8%. EMV in excess of \$115,000 over 320 acres at 1.25%.	First \$115,000 of EMV on first 320 acres at .35%. EMV in excess of \$115,000 on first 320 acres at .8%. EMV in excess of \$115,000 over 320 acres at .80%.	First \$600,000 of EMV at .55%. Over \$600,000 at 1%.
Agricultural Land Non-Homestead	1.25% of EMV.	1.20% of EMV.	1.00% of EMV.
Commercial/ Industrial/Utility	First \$150,000 of EMV at 2.45%. EMV in excess of \$150,000 at 3.5%.	First \$150,000 of EMV at 2.40%. EMV in excess of \$150,000 at 3.4%.	First \$150,000 of EMV at 1.5%. EMV in excess of \$150,000 at 2.0%.

The City has the following Major Funds

General Fund	Page	61
EDA Operating Fund	Page	104
Tax Increment Bonds	Page	114
Permanent Improvement Revolving Fund	Page	122
Equipment, Building, and Replacement Fund	Page	124



# Glossary of Budget Terms

## **Account**

A term used to identify an individual asset, liability, expenditure controls, revenue control, or fund balance.

## **Accounts Payable**

Amounts owed to others for goods or services received.

## **Accounts Receivable**

Amounts due from others for goods furnished or services rendered.

## **Accounting System**

The total set of records and procedures which are used to record, classify and report information on financial status and operations of an entity.

## **Accrual Basis of Accounting**

The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

## **Activity**

A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. For example, "Code Enforcement" is an activity performed in the discharge of the "Public Safety" function.

## **Adoption**

The formal action taken by the City Council to authorize or approve the budget.

## **Ad Valorem**

In proportion to value, a basis for levying taxes upon property.

## **Agency Fund**

A fund consisting of resources received and held by the governmental unit as an agent for others or other funds of the governmental unit.

## **Appropriation**

An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

# Glossary of Budget Terms

## **Assessed Valuation**

Value placed upon real estate or other property as a basis for levying taxes.

## **Assessments**

Charges made to parties for actual services or benefits received.

## **Assets**

Property owned by a governmental unit, which has a monetary value.

## **Audit**

The examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

- a) To ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principles applicable to governmental units and on a basis consistent with that of the preceding year.
- b) To determine the propriety, legality, and mathematical accuracy of a governmental unit's financial transactions.
- c) To ascertain whether all financial transactions have been properly recorded.
- d) To ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

## **B2 District**

Zoning District, which only exists in the vicinity of County Road E between Lexington Avenue and Minnesota Highway 51.

## **Balanced Budget**

A budget in which estimated revenues equal estimated expenditures.

## **Bond**

A written promise, generally under seal, to pay a specified sum of money, called the face value or principal amount, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.

# Glossary of Budget Terms

## **Bonded Indebtedness**

Outstanding debt by issues of bonds, which is paid by ad valorem or other revenue.

## **Budget**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

## **Budget Document**

The official written statement prepared by the Administrator and Finance Director of the City which presents the proposed budget to the City Council.

## **Budget Body Message**

A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Administrator and Finance Director.

## **Budget Calendar**

The schedule of key dates, which a government follows in the preparation and adoption of the budget.

## **Budgetary Control**

The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

## **Capital Assets**

Assets with a value of \$5,000 or more.

## **Capital Expenditures**

Capital expenditures are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

## **Capital Improvement Budget**

A plan of proposed capital expenditures and a means of financing them. The capital budget is enacted as part of the complete annual budget.

# Glossary of Budget Terms

## **Capital Program**

A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

## **Capital Projects Funds**

To account for financial resources to be used for the acquisition or construction of major capital facilities.

## **Cash Basis**

The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

## **Certified Levy**

Total tax levy of a jurisdiction, which is certified to the County Auditor.

## **Charges for Services**

Charges for current services rendered.

## **Chart of Accounts**

The classification system used by a City to organize the accounting for various funds.

## **Consumer Price Index (CPI)**

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation.)

## **Contingency**

Budget for expenditures which cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. The contingency also serves as a hedge against shortfalls in revenues or unexpected expenditures.

## **Current**

A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods.

# Glossary of Budget Terms

## **Debt**

An obligation resulting from the borrowing of money or from the purchase of goods and services.

## **Debt Limit**

The maximum amount of gross or net debt, which is legally permitted.

## **Debt Margin**

The amount of available debt, which may be issued by a governmental unit before reaching its debt limit.

## **Debt Service Funds**

To account for the accumulation of resources for payment of general long-term debt.

## **Department**

Basic organizational unit of government, responsible for carrying out related functions.

## **Depreciation**

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

## **Distinguished Budget Presentation Awards Program**

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

## **Effective Buying Income (EBI)**

A statistical measure of buying power of an area or group of individuals.

## **Enterprise Funds**

To account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost of providing services are to be recovered primarily on a user-charged basis to the general public.

## **Estimated Market Value**

Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

# Glossary of Budget Terms

## **Expenditure**

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payment have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

## **Fines**

Revenues from penalties imposed for violation of laws or regulations.

## **Fiscal Disparities**

A Minnesota law enacted in 1975 which provides for the pooling or 40 percent of all new commercial and industrial property valuation in the seven county metropolitan area and then redistributed to taxing jurisdictions according to specific criteria.

## **Fiscal Policy**

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal Policy provides an agreed-upon set of principles for the planning and programming of budgets and their funding.

## **Fiscal Year**

The budget and accounting year that begins on the first day of January and ends on the last day of December of each year.

## **Fixed Assets**

Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

## **Full Time Equivalent (FTE)**

The number of employee hours (2080) needed to be equal to one full-time employee. Several part-time employees may be combined to make one full-time equivalent.

## **Function**

A group of related activities aimed at accomplishing a major service or regulatory program for which the government unit is responsible.

# Glossary of Budget Terms

## **Fund**

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

## **Fund Balance**

The difference between a funds assets and liabilities (the equity) in governmental funds.

## **General Fund**

Accounts for the general operation of the City and all financial resources except those to be accounted for in another fund.

## **General Government**

Expenditures, which represents a set of accounts, to which are charged the expenditures for operating the City.

## **General Obligation Bonds**

When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds.

## **Goal**

A statement of broad direction, purpose, or intent based on the need of a community. A goal is general and timeless; that is it is not concerned with a specific achievement in a given period.

## **Governmental Accounting**

The composite of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

## **Governmental Fund Types**

Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregation of financial resources. Under current GAAP, there are four governmental funds types: general, special revenue, debt service, and capital projects.

## **Grant**

A contribution of assets by one governmental unit or other organization to another. Grants are usually made for specified purposes.

# Glossary of Budget Terms

## **Homestead and Agricultural Credit (HACA)**

A form of state paid property tax relief for farm property and owner occupied homes.

## **Improvement Bonds**

Bonds payable from the proceeds of special assessments from properties benefiting from an improvement.

## **Improvements**

Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drains, and sewers.

## **Inflow/Infiltration (I&I)**

The term used to describe clean water entering into the sanitary sewer system.

## **Interfund Transfers**

Amounts transferred from one fund to another.

## **Infrastructure**

Assets which are immovable and of value only to the governmental unit (i.e., roads, gutters, sewer lines).

## **Intergovernmental Revenues**

Revenues from other governments in the form of grants, entitlement, or shared revenues.

## **Investments**

Securities held for the production of income in the form of interest.

## **Levy**

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities.

(Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental unit.

## **Licenses**

Revenues received from the sale of business and non-business licenses.

# Glossary of Budget Terms

## **Limited Market Value**

The amount the market value of a property can increase from one year to the next for calculating property taxes. The limited market value system is currently being phased-out by the State of Minnesota.

## **Line Item**

A specific item or group of similar items defined by detail in a unique account in the financial records.

## **Local Government Aid (LGA)**

Intergovernmental revenue from the State to municipalities to help fund general expenditures.

## **Long-Term Debt**

Debt with a maturity of more than one year after the date of issuance.

## **Maintenance**

The upkeep of physical properties in condition for use or occupancy.

## **Market Value Homestead Credit (MVCH)**

State paid property tax reduction on owner occupied homes based on the property's market value.

## **Miscellaneous**

Revenues or expenditures not classified in any other revenue or expenditure category.

## **Modified Accrual Basis**

The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the tax levied and revenue earned.

## **Object of Expenditure**

Expenditure classifications based upon the types or categories of goods and services purchased.

## **Objective**

Desired output oriented accomplishments, which can be measured and achieved within a given time frame.

# Glossary of Budget Terms

## **Operating Budget**

A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them.

## **Operating Expense**

The cost for personnel, material and equipment required for a department to function.

## **Operating Revenue**

Funds that the government receives as income to pay for ongoing operations. Operating revenues are used to pay for day-to-day services.

## **Operating Transfers**

Amounts transferred from one fund to another, shown as an expenditure in the originating fund and revenue in the receiving fund.

## **Ordinance**

A formal legislative enactment by the City Council.

## **Pay-As-You-Go Basis**

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

## **Performance Measure**

See Service Levels.

## **Personal Services**

Expenditures for salaries, wages, and fringe benefits of employees.

## **Program**

A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the governmental unit is responsible.

## **Project**

A plan of work, job assignment, or task.

# Glossary of Budget Terms

## **Proprietary Accounts**

Those accounts which show actual financial position and operation, such as actual assets, liabilities, reserve, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

## **Public Safety**

To account for expenditures related to the protection of persons and property.

## **Public Works**

To account for expenditures for the maintenance of City property and infrastructure.

## **Purpose**

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

## **Refunding Bonds**

Bonds issued to retire bonds already outstanding.

## **Reimbursement**

Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

## **Reserve**

An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

## **Resolution**

A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

## **Resources**

The actual assets of a governmental unit, such as cash, plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected, and bonds authorized and not issued.

# Glossary of Budget Terms

## **Revenue**

The term designates an increase to a fund's assets which: 1) does not increase a liability; 2) does not represent a repayment of an expenditure already made; 3) does not represent a cancellation of certain liabilities; and 4) does not represent an increase in contributed capital.

## **Revenue Bond**

A bond that is backed by a particular revenue source such as water user fees.

## **Service Levels**

Data to determine how effective or efficient a program is in achieving its objective.

## **Special Assessment**

A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to such properties.

## **Special Revenue Fund**

To account for revenue derived from specific revenue sources that are legally restricted for specific purposes.

## **SY**

Abbreviation for square yard, which is how seal coating and street overlay projects are measured.

## **Tax Capacity**

An amount determined by a percentage of a property's market value, which is then applied to the tax rates of taxing jurisdictions affecting the property to determine the amount of property taxes owed. The current tax rates and property classifications can be found on page 36.

## **Tax Capacity Rate**

Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

## **Tax Classification Rate**

Rate at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial, farm, etc.) and, in some cases, there are tow tiers of classification rates, with the rate increasing as the estimated market values increases.

# Glossary of Budget Terms

## **Tax Increment Financing (TIF)**

Financing tool originally intended to combat severe blight in areas, which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

## **Tax Levy**

The total amount to be raised by general property taxes for the purpose stated in the resolution certified to the County Auditor.

## **Tax Rate**

The amount applied to properties tax capacity to determine the taxes generated by the property.

## **Taxes**

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

## **Trust and Agency Funds**

Funds used to account for assets held by a government in a trust capacity or as an agent for individuals, private organizations, other governments and/or other funds.

## **Trust Fund**

A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of the trust.

## **Unbalanced Budget**

A budget which undesignated fund balance or reserves are used or increased, in order to balance estimated revenues to estimated expenditures or expenses.

## **Unreserved Fund Balance**

The portion of a fund’s balance that is not restricted for a specific purpose and is available for general appropriation.

## **User Fees**

The payment of a charge for direct receipt of a public service by the party benefiting from the service.

## **Utility Valuation Transition Aid (UVTA)**

A State financial aid program for 2009 and 2010 paid to local governments to offset the reduced property tax revenue generated by utility properties due to the State reducing the tax rate paid on utility property.

# Glossary of Budget Terms

## Workload Data

A unit of work to be done.

## Acronyms

ACS	Animal Control Services
CAFR	Comprehensive Annual Financial Report
CD	Certificate of Deposit
CIP	Capital Improvement Plan
CP	Commercial Paper
CPI	Consumer Price Index
HACA	Homestead and Agricultural Credit Aid
EBI	Effective Buying Income
EDA	Economic Development Authority
EMV	Estimated Market Value
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GO	General Obligation
I&I	Inflow & Infiltration
JDA	Joint Development Authority
LGA	Local Government Aid
MCES	Metropolitan Council Environmental Services
MVHC	Market Value Homestead Credit
SAC	Sewer Availability Charge
SCBA	Self-contained Breathing Apparatus
SY	Square Yard
TCAAP	Twins Cities Army Ammunition Plant
TIF	Tax Increment Financing
UVTA	Utility Valuation Transition Aid
WAC	Water Availability Charge