



City of Arden Hills Minnesota

2017 Adopted Budget



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www.cityofardenhills.org**



**CITY OF ARDEN HILLS
MINNESOTA**

2017 ADOPTED BUDGET

2017 CITY OFFICIALS

**TERM OF OFFICE EXPIRES
DECEMBER 31ST**

Mayor.....David Grant	2018
Councilperson.....Brenda Holden	2020
Councilperson.....Fran Holmes	2018
Councilperson.....David McClung	2020
Councilperson.....Steve Scott	2018
City Administrator.....William Joynes	
City Clerk.....Julie Hanson	
Director of Finance and Administrative Services/Treasurer.....Susan Iverson	

CITY OF ARDEN HILLS, MINNESOTA 2017 BUDGET

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Guide to the Document

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

Document Organization

Pertinent Information on Arden Hills

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

Budget Message

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

Strategic Plan

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

Summary Information

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

General Fund

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

Guide to the Document

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

Other Funds

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

Staffing

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

Policies

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

Capital Improvement Plan

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

Long Term Financial Forecasting

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

Appendix

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

Glossary

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

Pertinent Information on the City of Arden Hills



VISION

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

CORE VALUES

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

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

A Brief History

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

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

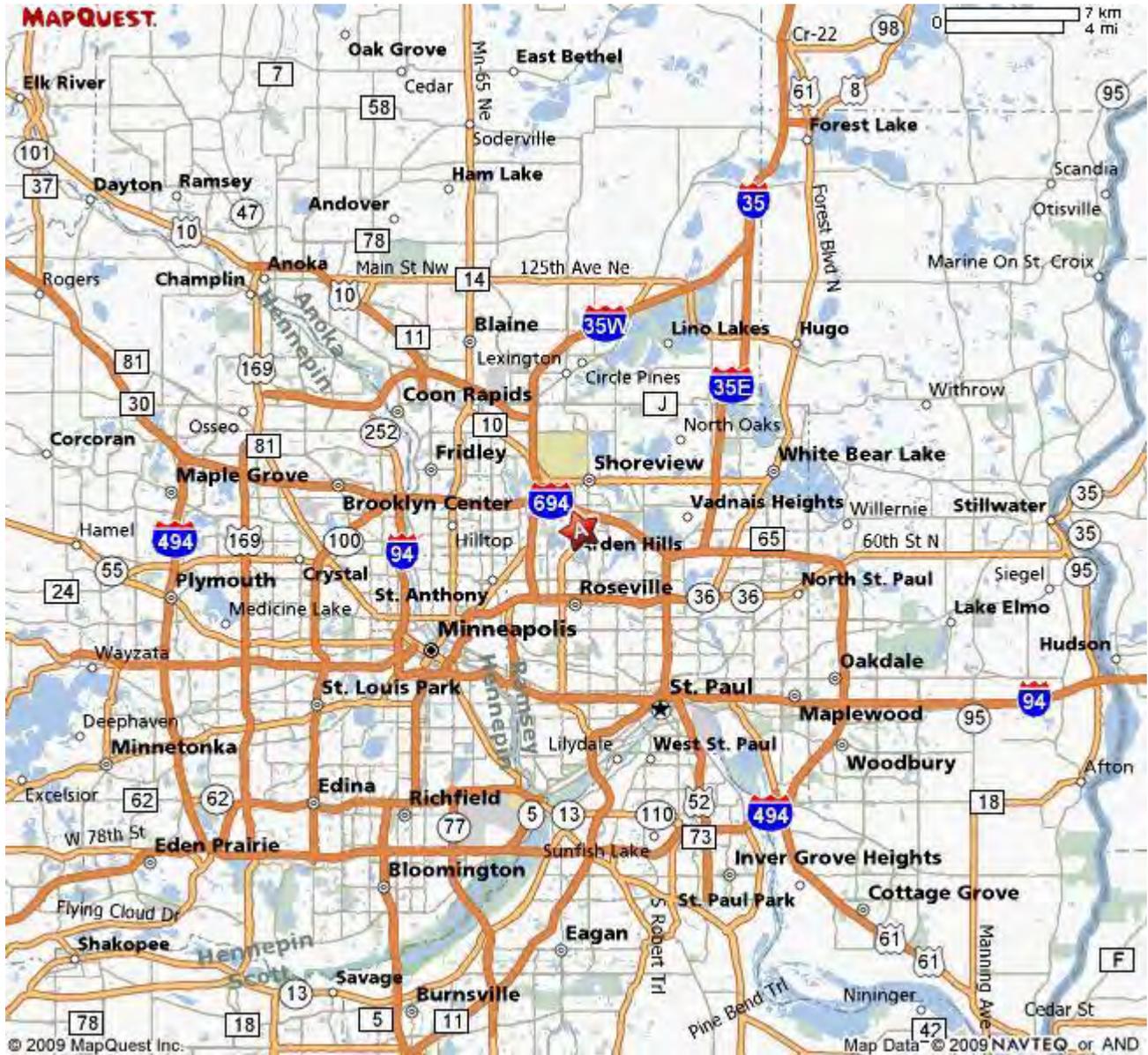
The city was originally part of the Mounds View Township. When the township was organized, it included the present Shoreview, Arden Hills, New Brighton, Mounds View, and parts of North Oaks and St. Anthony. Arden Hills was incorporated on February 14, 1951, in response to New Brighton's request for annexation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

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

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

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

MAP OF ARDEN HILLS AND SURROUNDING AREA





Zoning Map

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

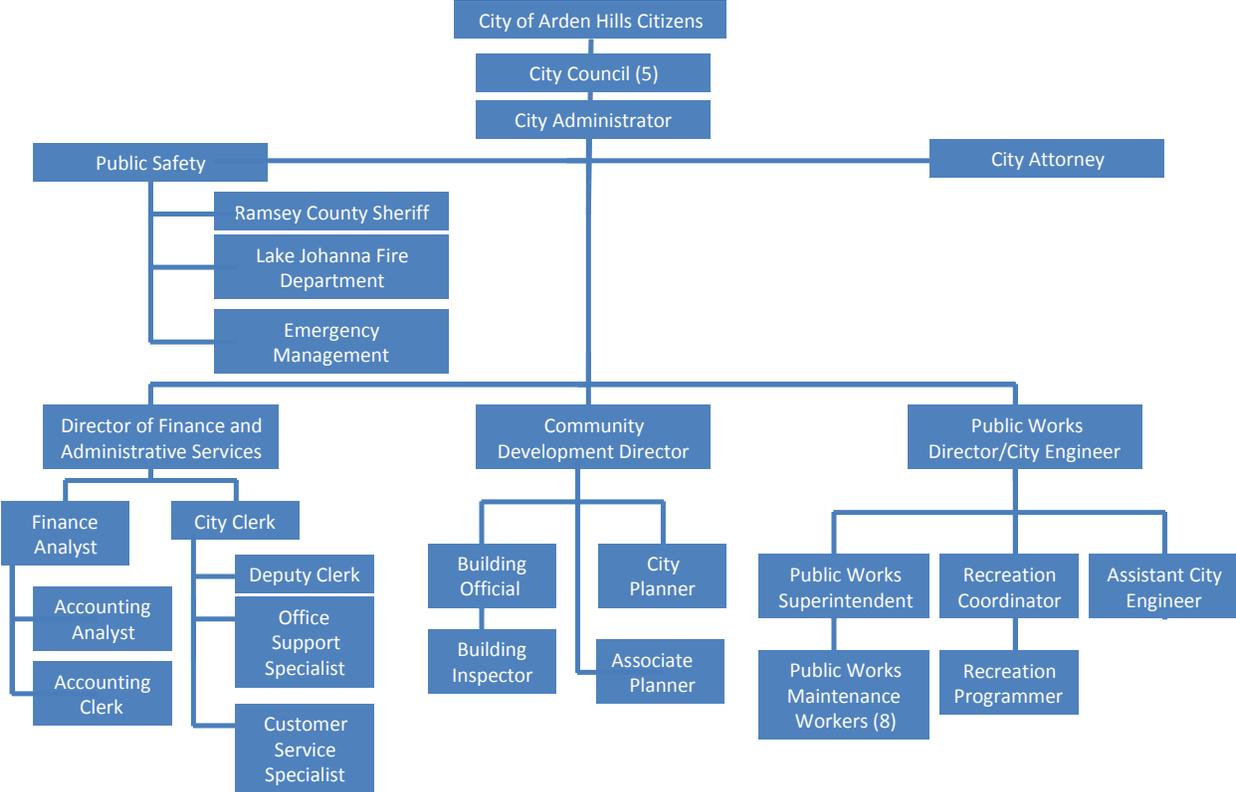


The zoning district designations represented on this map correspond to the City of Arden Hills official Zoning Map. Questions concerning the Zoning Map should be directed to City Hall. Zoning designations are subject to change. Please refer to the Zoning Code for complete information.

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

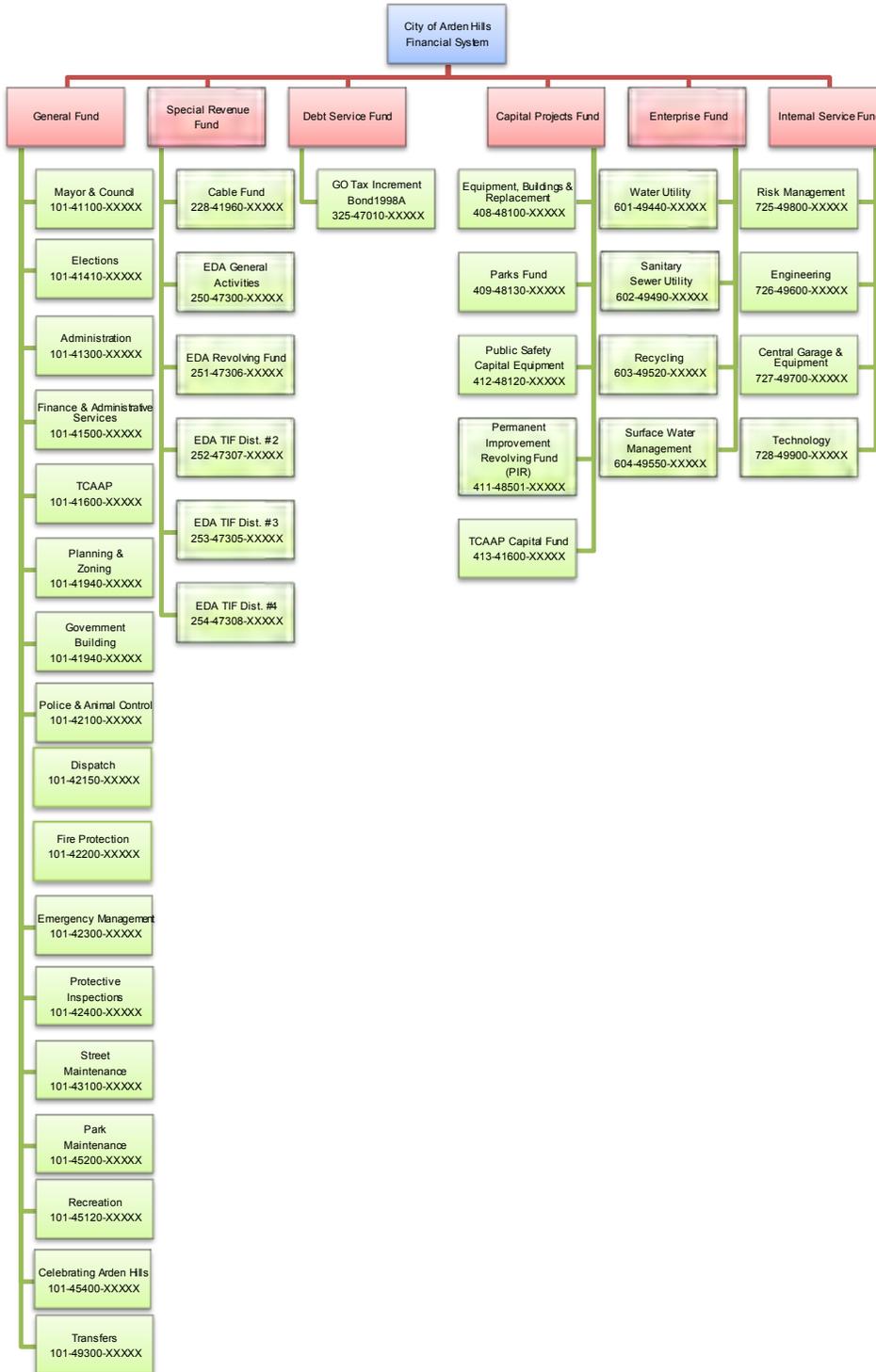


City of Arden Hills Organizational Chart



City of Arden Hills Fund Structure

City of Arden Hills Fund Structure



Budget Message

Honorable Mayor and Council Members:

Annually, the City Administrator must prepare a budget and present it to the City Council. The following budget report represents a summary of the adopted proposals for all services to be provided by the City in 2017. The adopted 2017 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 12, 2016, the City Council adopted the preliminary property tax levy. The proposed 2017 budget and final property tax levy were adopted at the December 12, 2016 City Council Meeting. The final property tax levy was submitted to Ramsey County on December 29, 2016.

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 2017 and beyond. The following segments will serve to highlight the focal points of these plans for the 2017 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 2017 and beyond. It includes priorities and initiatives for the current year, as well as a focus for the future. The following represents the main ongoing priorities of the City:

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

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

The one of the biggest challenges the City faced in 2016 was continuing to working with Ramsey County through a Joint Development Authority (JDA) to manage the redevelopment of the old Twin Cities Army Ammunition Plan (TCAAP), producing zoning and land use regulations for the property through the TCAAP Redevelopment Code (TRC) and a Comprehensive Plan Amendment or Master Plan. A developer was chosen in June of 2016. The Council then worked with the developer on a further amendment to the TRC and a Comprehensive Plan which was approved in December 2016. Another area of challenge is staffing. As the City Administrator and the Public Works Director both retired in October 2, 2015, and the death of one Councilmember occurred on that same day, a search for replacements were unsuccessful in 2015 and was deferred until 2016. The Council vacancy was filled in January of 2016, but the search for a new City Administrator was deferred until summer of 2016. During this time there were vacancies created by the departure of several key employees: City Clerk, City Planner, Community Development Director and Assistant City Engineer. All but the City Administrator position remained vacant as of December 31, 2016. A new City Administrator was hired effective January 3, 2017.

Strategic planning and goal setting was again pushed off as work on the TCAAP planning took on the major focus for 2016. This coupled with the staff vacancies led the City Council to hold off on holding a session until a new City Administrator was hired. A session is being planned for late March of 2017. The last strategic planning session was held in 2011 as it had not been formally done with Council and staff since late 2008 and early 2009. In 2011 City found itself needing to step back and redefine what priorities were and what direction needed to be taken. The City hired a facilitator at that time who met individually with each Council member and the upper management staff. This document was/is intended to be a Guiding Plan and outlines work goals and projects for the next few years which is still being used through 2017, but with the TCAAP project many of the goals have been put on hold. The plan reflects the collective decision of the City Council on the ranking of their goals. The Guiding Plan is a flexible plan that can be changed by the City Council as priorities for projects and goals change, TCAAP being one of them. This plan can be found on pages 21 to 30 in the Strategic Planning section of this document.

Since multi-year goals were developed, no new goal setting was done in 2016 because of the TCAAP project. It was discussed that there are limited amounts of City resources (staff time and money) available to accomplish all of the 18 goals that were identified. It was noted that “we

cannot do it all at once”. The plan helps everyone understand the City Council’s priorities, activities, and projects that staff should be spending time on. Everyone realized that all of the goals are important and will get worked on, but some will need to be worked on later depending on workloads. The plan helps identify the “pecking order” for work projects and one can almost look at this document as a resource allocation plan for staff time. Due to some of the challenges faced in 2013 and 2014, some of these goals were redefined and changed in meetings with the City Council. It should also be noted that TCAAP was not listed in the original Guiding Plan as a priority project which it has now become. The Council will have a goal setting session in early 2017 to define new goals and priorities. For progress on the previous 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. The City had been pursuing a negotiated sale from the Army through the early transfer process. In order to control the development of this property, the City had partnered with a development partner. In April of 2009, due to economic conditions, the development partner pulled out of the project and the early transfer process with the Army was terminated. Ramsey County has now acquired the property from the Army and it has now been cleaned to residential standards. A search for a Master Developer was completed in 2016.

As previously mentioned, the City has and is working extensively with Ramsey County on issues with the TCAAP property. TCAAP dates back to the 1940’s and is currently a Federal Superfund Site that was surplus property. 427 acres is available for redevelopment and required major clean-up which the County completed to residential standards, the City has completed a study and master plan of the area. There were over 110 substandard buildings, miles of existing roads, railroad tracks, and utility lines that needed to be removed. Many of the buildings required hazardous materials abatement prior to demolition. A Certificate of Completion was received in 2016 and was approved by the MPCA for residential/commercial use.

Impact of Legislation

The 2016 legislature did not enact levy limits for 2017. However, the minimum wage was increased effective August 1, 2016 to \$9.50 an hour. This impacts Personal Services in some areas, mainly seasonal employees in public works, parks and recreation, and election judges.

Highlights of the Past Year

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

- Received award for Distinguished Budget Presentation.
- Received Certificate of Achievement for Excellence in Financial Reporting.
- Received award for Outstanding Achievement in Popular Annual Financial Reporting.
- Completed numerous Public Works projects, both planned and emergency, including I&I reduction projects.
- Completed an amendment to the TCAAP Redevelopment Code (TRC).

- Completed an amended Master Plan for the TCAAP Property and received Metropolitan Council Approval to the Comprehensive Plan Amendment.

Budget Initiatives

The 2017 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 2017 budget was established for the City:

Funds	Revenue		Expenditures	
	2016	2017	2016	2017
General	\$4,510,291	\$4,860,297	\$5,235,738	\$5,056,253
Special Revenue	329,100	421,250	393,046	474,807
Debt Service	0	0	0	0
Capital Project	1,964,561	1,615,765	330,336	2,458,063
Enterprise	4,986,943	6,246,369	4,754,453	9,790,470
Internal Service	933,670	1,006,158	953,898	998,288
Total	\$12,730,770	\$14,149,839	\$11,667,470	\$18,777,880

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 2017, the City's property tax levy will be \$3,641,290, an increase of 4.7% from 2016. Historically, the City does not use reserves to balance the City's budget; however, reserves have been proposed to be used to balance the 2017 budget in the amount of \$195,956 to minimize the tax burden on property owners. The following table provides a historical view of the City's property tax levies:

Year	Tax Levy	% Change
2006	2,537,520	3.98%
2007	2,688,944	5.97%
2008	2,797,348	4.03%
2009	2,948,646	5.41%
2010	3,016,465	2.30%
2011	3,040,964	0.81%
2012	3,096,994	1.84%
2013	3,191,230	3.04%
2014	3,257,456	2.08%
2015	3,359,775	3.10%
2016	3,478,775	3.54%
2017	3,641,290	4.70%

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 2017 at \$12,410,418, which is a

2.03% 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 2017, the City's tax rate is expected to increase slightly from 26.54% to 27.21%.

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

Personal Services

The City's 2017 budget includes a 2.75% cost-of-living (COLA) increase for union employees and a 2.50% COLA increase for non-union City staff. The City's Public Works employees are union employees.

The City's health insurance premium did increase for 2017 by 14.7%, and our health insurance carrier did give the City a dividend check in 2016 as a result of our claims history for 2015. Dental insurance premiums increased 5.6% over 2016. The City contribution did change and is at \$781.46 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 2017 the employee contributions rate will be 6.50% of wages, while the employer contribution rate will be 7.50%.

The remainder of this letter will describe the major initiatives for 2017 for each of the fund types and their activities.

General Fund

Expenditures

The overall General Fund budget is decreasing 3.43% over the 2016 budget. The General Fund expenditure budget consists of the following departments:

	Amended FY2016	Adopted FY 2017	% Change 16 vs 17
<u>Expenditures by Department</u>			
Mayor & Council	\$ 67,070	\$ 66,409	-0.99%
Elections	23,000	23,000	0.00%
Administration	293,870	307,915	4.78%
Finance & Administrative Services	180,530	185,676	2.85%
TCAAP	173,858	187,153	7.65%
Planning & Zoning	217,788	327,335	50.30%
Government Buildings	235,134	241,857	2.86%
Police & Animal Services	1,107,562	1,179,773	6.52%
Dispatch	67,780	68,832	1.55%
Fire Protection	495,216	514,468	3.89%
Emergency Management	13,638	13,729	0.67%
Protective Inspections	312,087	323,578	3.68%
Street Maintenance	530,443	538,749	1.57%
Park Maintenance	453,895	441,311	-2.77%
Recreation	288,745	296,468	2.67%
Celebrating Arden Hills	-	-	0.00%
Reserves/Contingency	-	-	0.00%
Transfers	775,121	340,000	-56.14%
Capital Outlay	-	-	0.00%
Total Expenditures	\$ 5,235,738	\$ 5,056,253	-3.43%

The largest percentage of change in the budget are increases to Planning and Zoning, 50.30%, and decreases to transfers, 56.14%. Planning and Zoning increased due to anticipated expenses relating to an increase in Planning resources and the Comprehensive Plan Amendment. Transfers in 2016 were higher due to higher than expected cost savings, which are not anticipated in 2017. There was no contingency budgeted for 2017.

Public Safety is the largest area in terms of budgeted expenditures. The City contracts police services and animal control from the Ramsey County Sheriff and fire services from the Lake Johanna Fire Department. Contract policing costs increased 6.52% over 2017. Contracted fire service costs reflect a 3.89% increase over 2016. 911 dispatch services decreased by 1.55% as the new consolidated dispatch center is in the sixth year of fully charging the participating agencies (there were no increases for 2008 and 2009).

Revenues

The revenues to support these expenditures are classified as follows:

Revenues	2016	2017	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Taxes	3,508,875	3,671,390	4.63%
Licenses and Permits	265,530	347,330	30.81%
Intergovernmental	147,864	145,788	-1.40%
Charges for Service	476,303	573,865	20.48%
Fines & forfeits	34,569	36,500	5.59%
Special Assessments	3,000	3,000	0.00%
Miscellaneous	80,355	82,424	2.57%
Transfers	-	-	0.00%
Total Revenues	<u>\$ 4,516,496</u>	<u>4,860,297</u>	<u>7.61%</u>

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

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

Special Revenue Funds

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

Debt Service Fund

The City of Arden Hills currently has no outstanding debt, any remaining debt was paid off in 2015. Arden Hills maintains an "AA+" rating from Standard & Poor's and Fitch and an "Aa" rating from Moody's for general obligation debt. The City issued G.O. Tax Increment bonds in

1998, which are budgeted to be paid in full the 2015 fiscal year. In 2004, the City decided to refinance its debt because of lower interest rates.

Capital Project Funds

The budget for the capital project funds is based on the 2017 project expenditures listed in the City's five-year capital improvement plan. The City maintains five Capital Funds; Permanent Improvement Revolving (PIR), TCAAP Capital, Public Safety Capital, Parks Fund, and Equipment, Buildings and Replacement. The revenue source for 2017 is transfers from other City funds, special assessments, Park Dedication Fees, and interest revenue.

The City has a successful program for maintaining the life of Arden Hills' streets. The Pavement Management Program (PMP) identifies, inventories, and tracks street conditions to ensure that the proper maintenance is done at the appropriate time. The results are prolonged pavement life and reduced overall costs to property owners. The Permanent Improvement Revolving Fund funds the PMP program. The primary projects for 2017 are the completion Playground Structure Replacement, Street and Road Improvements, and MnDOT Bridge Projects.

The Lake Johanna Fire Department provides fire services to the cities of Arden Hills, Shoreview, and North Oaks. The Public Safety Capital Fund is used to accumulate reserves to pay for the City's share of capital costs. Arden Hills' estimated cost for capital to Lake Johanna Fire is \$248,063 in 2017.

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 2017 budget includes transfers from the General Fund, Water Fund, Sanitary Sewer Fund, and the Surface Water Management Fund in the amount of \$280,765. The 2017 budget includes expenditures from included the replacement of a Pick-up, a One-Ton Truck, and a Dump Truck.

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 2016.

The rate increases for 2017 are 2% for water, 2% for Sanitary Sewer, and 3% for Surface Water Management. Utility revenues levels are not sufficient to cover both the operating and capital

expenses in 2017. Utility rate studies are planned in 2017 and 2018. The rate structure will generate sufficient revenues over time to cover these expenses. Water revenues are budgeted at \$2,329,368 while the operating expense budget, including depreciation, is \$2,039,181. Sanitary Sewer revenues are \$3,027,214 compared to operating expenses, including depreciation, of \$1,669,348. Surface Water revenues are \$727,027 compared to operating expenses, including depreciation, of \$519,035. The 2017 CIP projects impact the Water, Sanitary Sewer and Surface Water Management funds with capital outlay of \$3,370,000, \$1,610,000, and \$200,000 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 \$162,760 while the expense budget is \$152,141.

Fund Balances

The 2017 budget proposes that expenses are to exceed revenues by \$4,628,041. 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 2017 General Fund budget is not a balanced budget; meaning revenues, including operating transfers in from other funds, do not equal expenditures including any operation transfers out to other funds. The 2017 budget includes the use of \$195,956 in reserves. The General Fund's fund balance is projected at 42% of 2017 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 2017 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 2017, 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, 2016. 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 2017, the City continues to face many challenges in maintaining its current service level to its citizens as well as keeping taxes manageable. Actions at the State Legislature continue to play a part in municipal finances. The City is committed to continuing its capital improvement program to improve its infrastructure and equipment. In addition, the City will continue to review its current level and mix of services on an on-going basis.

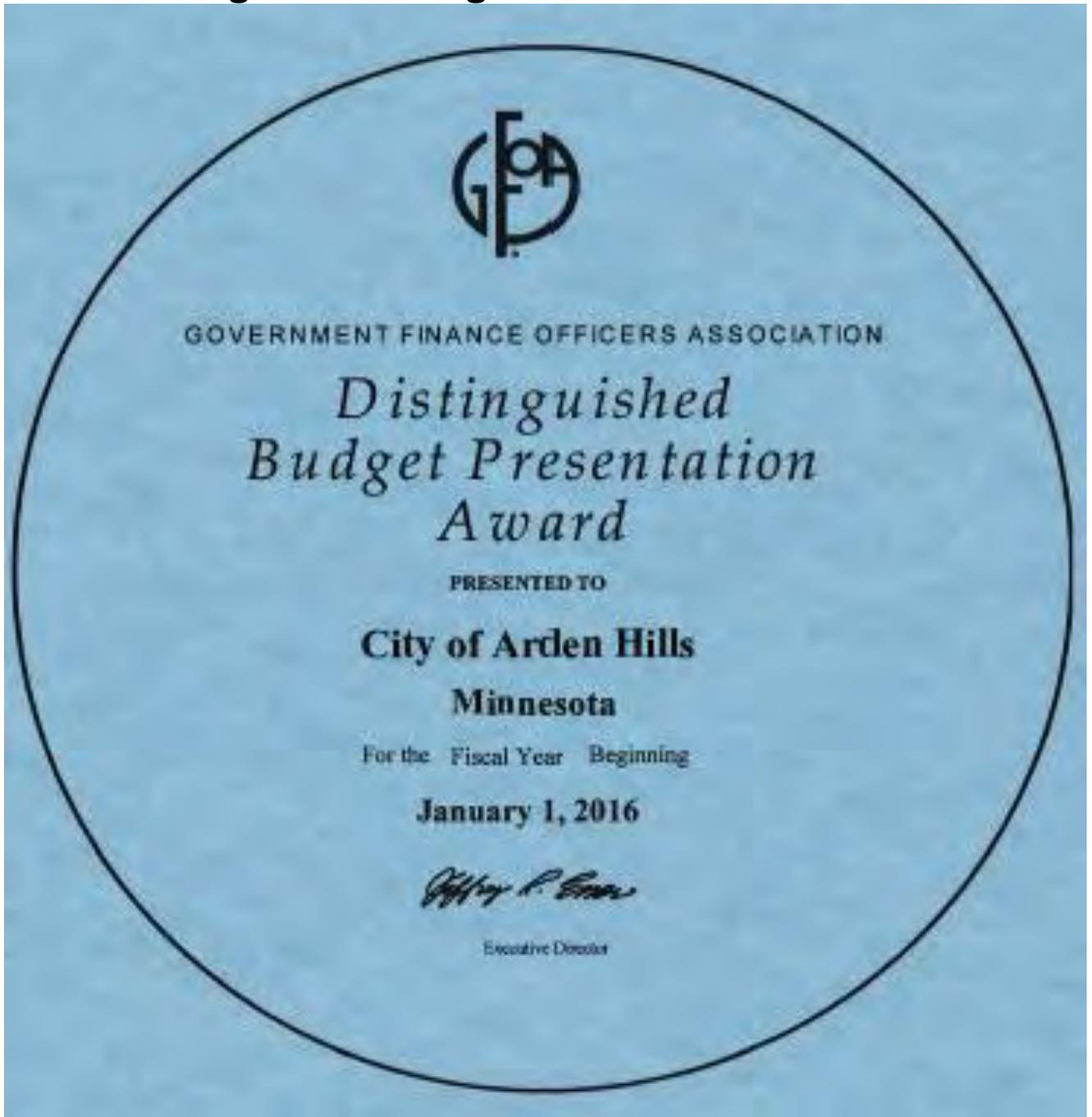
We would like to recognize the efforts of the City Council, and City Staff for their contributions to the budget process. The City will continue to assure the citizens of Arden Hills get the best value for their tax dollar.

Respectfully Submitted,



Susan Iverson
Interim City Administrator
Director of Finance and Administrative Services

Distinguished Budget Presentation Award



Strategic Planning

The City of Arden Hills has experienced staff turnover in a number of management positions over last year. In 2015, the City Administrator and the Public Works Director/City Engineer retired. A search was conducted for the City Administrator position, but due to market conditions, a viable candidate was not found. The City again conducted a search in 2016 and hired a City Administrator that will come onboard January 3, 2017. Over the last year, all but one of the management team positions changed including the City Administrator, Community Development Director, and the Public Works Director. As of January 2017, there are vacancies in the following positions: Community Development Director, Public Works Director/City Engineer, Assistance City Engineer, and City Planner. The City Clerk position changed as did a number of Administrative support positions during 2016. Strategic planning has been challenging as these turnovers/changes have occurred. A strategic planning session was held in May of 2016 and it was decided to continue with the goals set in 2011 and wait until the new City administrator was onboard before holding any further strategic planning as TCAAP was the primary focus in 2016.

Strategic Planning

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

Finance and Administrative Services:

Sue Iverson, Director of Finance and
Administrative Services

Administration:

William Joynes, City Administrator

Community Development:

Vacant, Community Development Director

Public Works:

Sue Polka, Public Works Director, City Engineer

The City Council last held a strategic planning session in May of 2016.

					Estimated Length to Complete		
ADMINISTRATION		Staff	Priority			Year Initiated	Time Frame
6	Establish guidelines for how Council Liaisons interact with Commissions and Committees	CA					
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	2012	Q1 2012
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	2012	Q1 2013
	Communications Committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q1 2013
	Parks, Trails, and Recreation Committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q1 2013
	Economic Development Commission		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q1 2013
	Financial Planning and Analysis Committee		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q1 2013
	Karth Lake Improvement District		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q1 2013
6c	Draft Council Liaison Policy		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q2 2013
6d	Adopt Council Liaison Policy		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q2 2013
7	Review Police Contract and increase public awareness of public safety/crime issues	CA					
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	2011	Q4 2012
	City Council to review options for increasing services		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q4 2012
	City Council to review options for reducing expenses		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q4 2012
	City Council to discuss options for changing providers of police services		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q4 2012
	City Council decides on direction to take regarding police services		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q4 2012
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	2011	Q4 2012
	Promote participation in public awareness and crime prevention programs		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q4 2012
	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	2011	Q4 2012
8	Review Fire Joint Powers Agreement	CA					
8a	Invite Fire Chief to City Council work session to discuss JPA and the Lake Johanna Fire Department (LJFD) capital and operating budgets		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low	2014	Q2 2014
8b	City Council to review options for increasing services		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low	2014	Q2 2014
8c	City Council to review options for reducing expenses		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low	2014	Q2 2014
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	2014	Q2 2014
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	2014	Q2 2014
9	Clarify City Council position on various communication issues	CA					
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	2011	Q4 2012
	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	2011	Q4 2012
	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	2013	Q2 2013
	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	2013	Q4 2013
9b	Staff drafts policies per direction of the Council		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q4 2013
9c	Council adopts policies on communication issues		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q4 2013

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

FINANCE AND ADMINISTRATIVE SERVICES		Staff	Priority			Year Initiated	Time Frame
1	Maintain City Records	FIN					
1a	Develop policies and procedures for records management including Central files		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q1 2014
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	2011	Q3 2012
1c	Train staff on records retention		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2014
1d	Develop policy for storing records on laserliche		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q1 2014
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	2012	Q4 2013
2	Establish and refine Human Resource functions within the City	FIN					
2a	Draft operating procedures, forms, and policies		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2014
2b	Train all supervisors on proper procedures		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2014
2c	Organize employee files		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q2 2013
2d	Review/update personnel policy		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q4 2014
2e	Provide staff and Council training on:						
	Sexual Harassment		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q2 2013
	Hostile Work Environment		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q2 2013
	Technology Use		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2014
3	Enhance employee relations and development	FIN					
3a	Establish Safety Committee		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low	2011	Q2 2011
3b	Establish Wellness Committee		<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low	2012	Q2 2014
4	Use current technology to further enhance efficiencies and communications	FIN					
4a	Complete employee intranet (SharePoint) set-up		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q3 2013
4b	Draft procedures on use of technology		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2014
5	Provide training to staff and Council on technology use	FIN					
5a	Train staff and Council on use of intranet (SharePoint)		<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	2011	Q3 2014
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	2012	Q3 2013
	Forms		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2013
	Information		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2013
	Resources		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2013
	Departments uses		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2012	Q3 2013
	Office		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q3 2014
	Office Applications						
	Excel		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q3 2014
	Word		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q3 2014
	Access		<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	2013	Q3 2014

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

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

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

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

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

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 153 through 162.

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

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

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

**CITY OF ARDEN HILLS
2017 BUDGET CALENDAR**

April 25, 2016	City Council Approval of Budget Calendar.
April 26, 2016 – June 03, 2016	Department Heads Prepare 2017-2021 CIP requests and background material.
June 03, 2016	Department head Submit CIP Requests to Finance Department.
June 6, 2016 – June 10, 2016	City Administrator and Finance Director review Department CIP Requests and confer with Departments.
June 17, 2016	2017-2021 CIP is drafted and distributed to City Council for review.
June 20, 2016	City Council Work Session to discuss 2017 Operating Budget parameters and 2017-2021 CIP.
June 21, 2016	Forms Distributed to all Department Heads for 2017 Operating Budget.
June 21, 2016 – July 15, 2016	Department Heads Prepare Budgets and Background Material.
July 15, 2016	Department Heads Submit Budget Requests to Finance Department.
July 18, 2016 – August 5, 2016	City Administrator and Finance Director review Department Budgets and Confer with Departments.
August 12, 2016	Finance Department completes Preliminary Revenue Estimates.
August 19, 2016	City Administrator Budget is drafted for Presentation to Council at Work Session.
August 29, 2016	City Council Work Session to discuss Preliminary 2017 Budget.
September 9, 2016	City Administrator’s recommended Preliminary 2017 Budget distributed to the City Council.
September 12, 2016	City Council adopts the Preliminary 2016 Property Tax Levy (Payable 2017)
September 12, 2016	Council Certifies date for public (TNT) hearing and continuation hearing (if necessary) to county.
September 30, 2016	Finance Director submits preliminary 2016 Property Tax Levy (Payable 2017) 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

Purpose and Accounting Basis

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

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

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

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

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

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

Fund Structure

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

General Fund

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

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

Special Revenue Funds

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

Capital Project Funds

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

Proprietary (Enterprise) Funds

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

Fund Structure

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

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

Proprietary (Internal Service) Funds

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

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

Debt Service Funds

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

Fiduciary Fund Types

Fund Structure

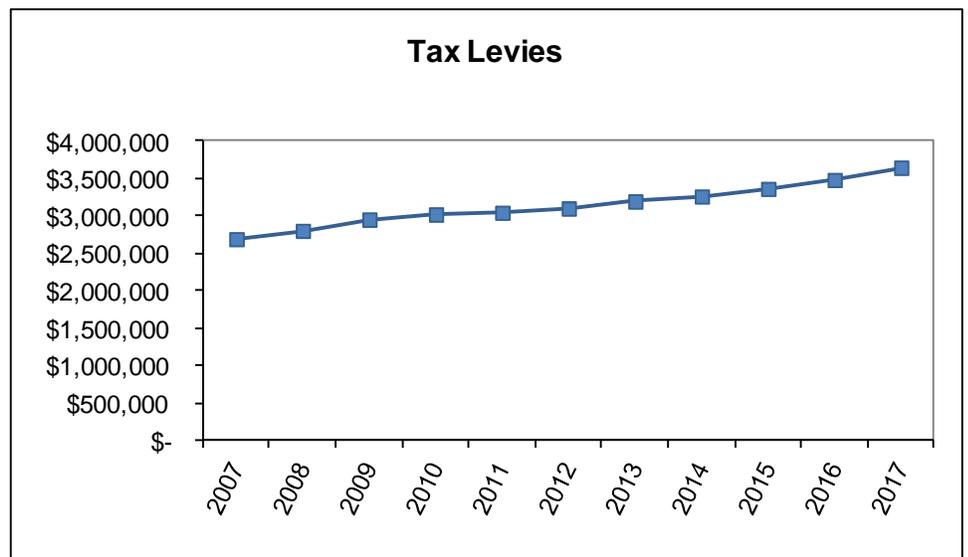
Trust and Agency Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, other governments and/or funds. These include Agency and Expendable Trust Funds. Agency funds are custodial in nature (assets and liabilities) and do not involve Measurement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

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

Property Taxes

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

Revenues

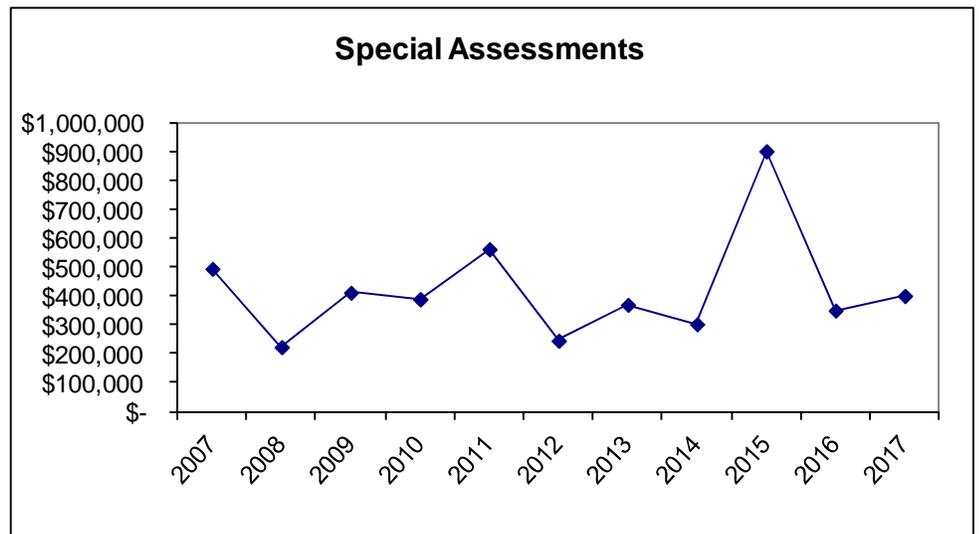


Trends: Property tax levies have been increasing due to cuts in State Aid that began in 2001. A more in depth discussion of the Property Tax Levies is found on page 46.

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.

Revenues



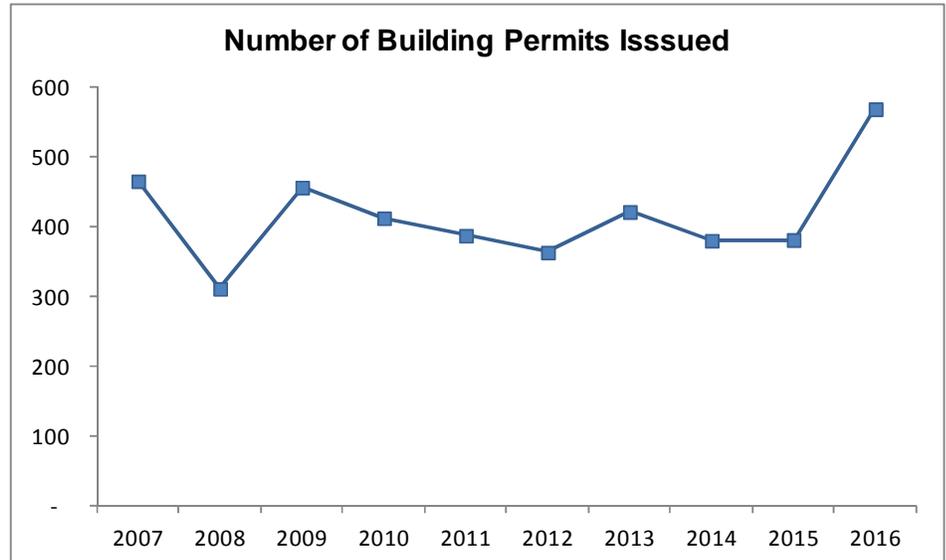
Trends: Special Assessment Revenues fluctuate due to the timing of Pavement Management Plan (PMP) projects. The 2006 and 2011 PMP projects were larger than average and there were more prepaid special assessments. There was no PMP project in 2008 or 2012. 2014 included Round Lake Road which had some assessments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

Licenses & Permits

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

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

Revenues



Trends: License revenue is expected to remain static. Building permit revenue is expected to decrease as the City is primarily built out but commercial activity will cause fluctuations as seen in 2016 as existing facilities go through upgrades. 2007 and 2009 numbers reflect construction activities for additions at the two colleges located in the City. 2016 numbers reflect a major renovation at the Land O'Lakes headquarters facility.

Intergovernmental

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

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

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

Revenues

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.

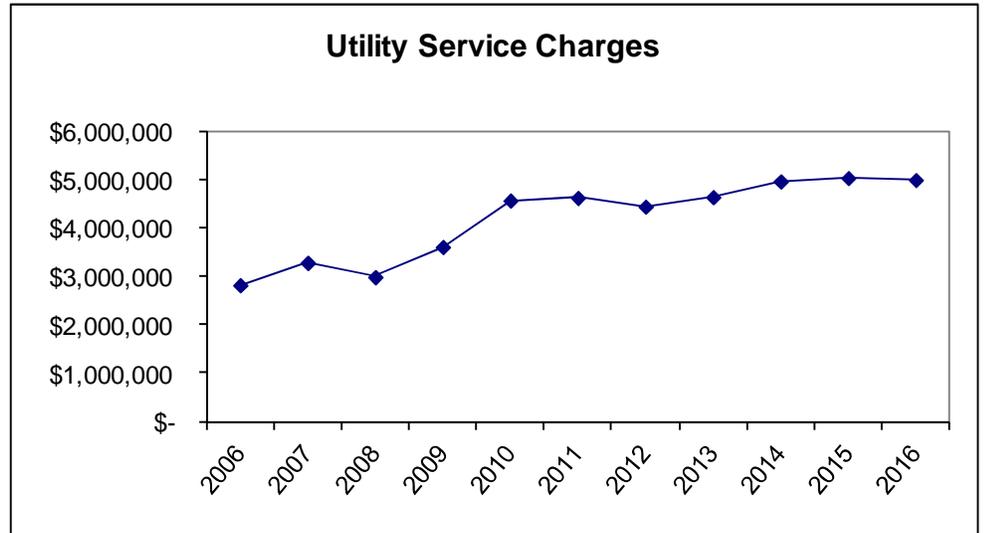
Trends: MSA Maintenance dollars have remained relatively static over the last six years and are expected to remain so. Police Aid has also remained fairly static over the last six years and is also expected to remain so. Since the MVHC program is no longer in existence, future intergovernmental revenues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

Charges for Services

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

- General Fund charges for services include contractual and service fee services related to general government, public safety, and recreation (see page 69 for more detail).
- Services to property (Utility Fees) – are collected by the utility funds from customers (Residents and business within the City) for services. See page 126 for more information on these fees.

Revenues



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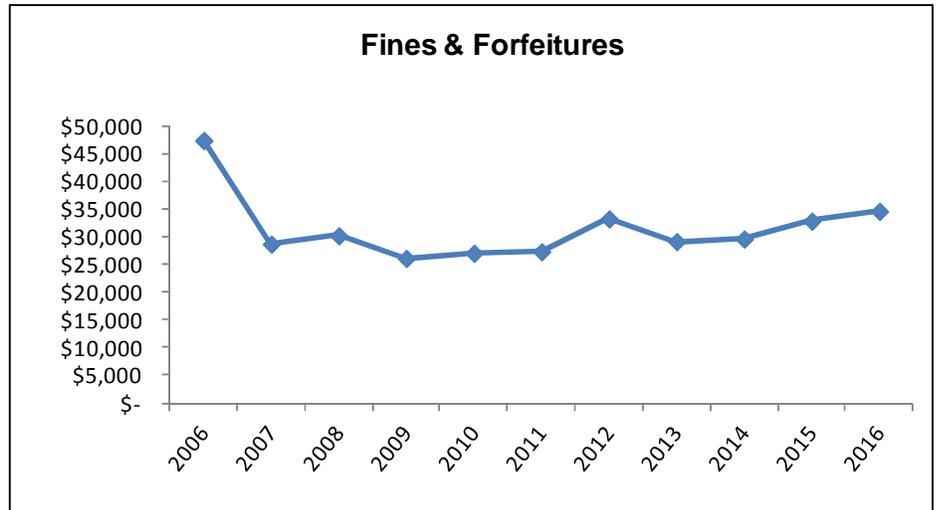
Trends: Charges for Services have been increasing as a whole. This is in part due to rising utility fees to help pay for needed infrastructure improvements. (See the Capital Improvement Plan section). The General Fund fees appear to be static, with no significant changes foreseen.

Fines and Forfeitures

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

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

Revenues



Trends: Fines and Forfeiture revenue shows slight increases as major road projects are coming to an end and highways are now open as seen in the trend lines between 2009 through 2011.

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 County has purchased the TCAAP property. Once plans and phasing have been determined, estimates can be made on developer reimbursements and expenditures for the property. A Development Agreement will be made to in which the City is reimbursed for its expenses incurred with this acquisition.

Revenues

Trends: No revenues have been budgeted at this time but once plans and phasing have been determined, significant revenues are expected to offset costs incurred in connection with this project. (This will happen as part of the new Joint Development Authority with Ramsey County).

Investment Earnings

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

Trends: Investment earnings are subject to the interest rate, economy and are dependent on what rates are available at the time investments were made. Overall interest earnings are projected to increase slightly over 2016 levels, with a flat trend for 2017. As always, investment earnings are subject to sudden shifts in the economy.

Other Revenues

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

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

Property Tax

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

Property Tax Reform

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

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

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

The 2011 legislature eliminated the MVHC program for 2012, thus taking local governments out of the equation. A new

Property Tax

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 \$29 million or 3% to \$1.14 billion. From this, the Tax Capacity is calculated (for residential properties it equates to 1% of Taxable Market Value, and varies by property type for all others). The City's Tax Capacity for calculating taxes was projected to increase by 1.6% to \$12.3 million. This increased the City's tax rate from 26.54% to 27.21%.

Median Valued Home

Due to current economic conditions, the Taxable Market Value of the median valued home within the City is projected to increase 2.0% from \$300,300 to \$306,350. The overall City Tax burden decrease on the median valued home is projected to be approximately 4% or \$35.72.

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 \$3,641,290. This represents a \$162,515 or 4.7% increase over the 2016 levy of \$3,478,775.

Anoka County sets the Fiscal Disparities levy for the entire Seven County Metropolitan Area. This was established by the legislature in the 1970's as a means to more evenly distribute the property tax benefit derived by commercial properties. Cities are either a "net" gainer or a "net" contributor. Arden Hills is a "net" gainer and will collect \$290,710 in 2017 as opposed to \$264,113 in 2016, which is an increase of 1.9%. More information on this can be found in the Appendix on page 234.

Property Tax

City Tax Rate

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

Net Tax Capacity Based Rate

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

Market Value based rate

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

Market Value Determination

The county Assessor determines the market value of properties through assessment, the use of actual sales data, and economic trends. The taxes that are collected in 2017 are based on the assessment of market values for 2016, which are certified to the County Assessor on January 2, 2016 and relate to sales and data information from 2016. All assessments are subject to review by the Minnesota Department of Revenue. The State requires that property values be within 90% to 105% of actual sales overall.

Truth-In-Taxation Public Hearing

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

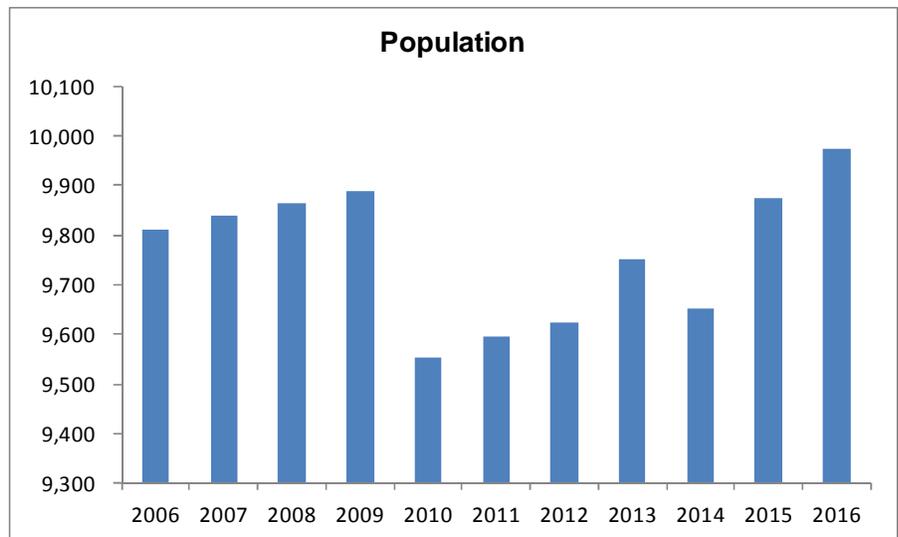
Budget Assumptions

Taxation notice which shows the impacts of the proposed levies on their individual property. The public hearing is set as a forum for citizens to come and discuss their views on the proposed budget and property tax levies with the public officials of each jurisdiction. The City held the Truth-In-Taxation Public Hearing on Monday, December 12, 2016.

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.

2017 Assumptions

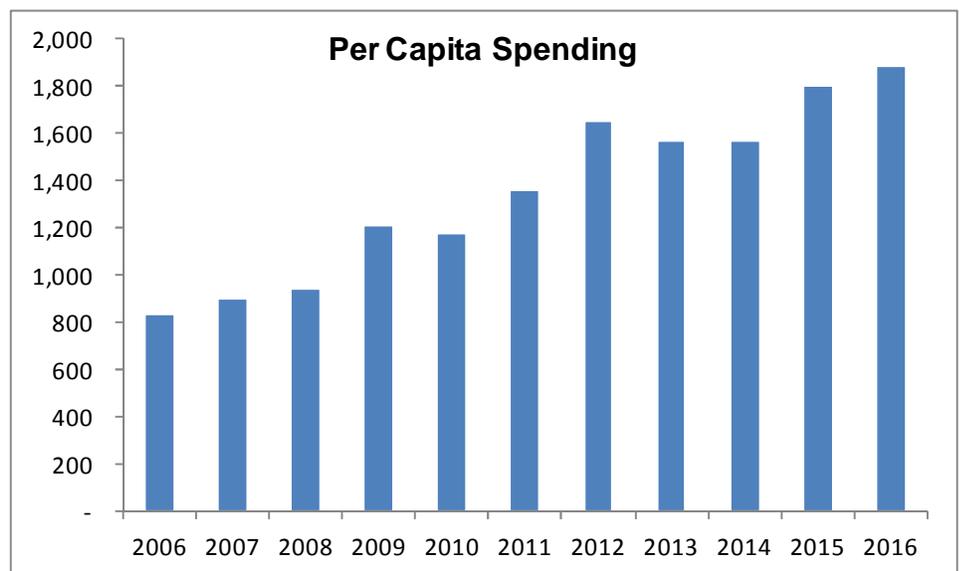
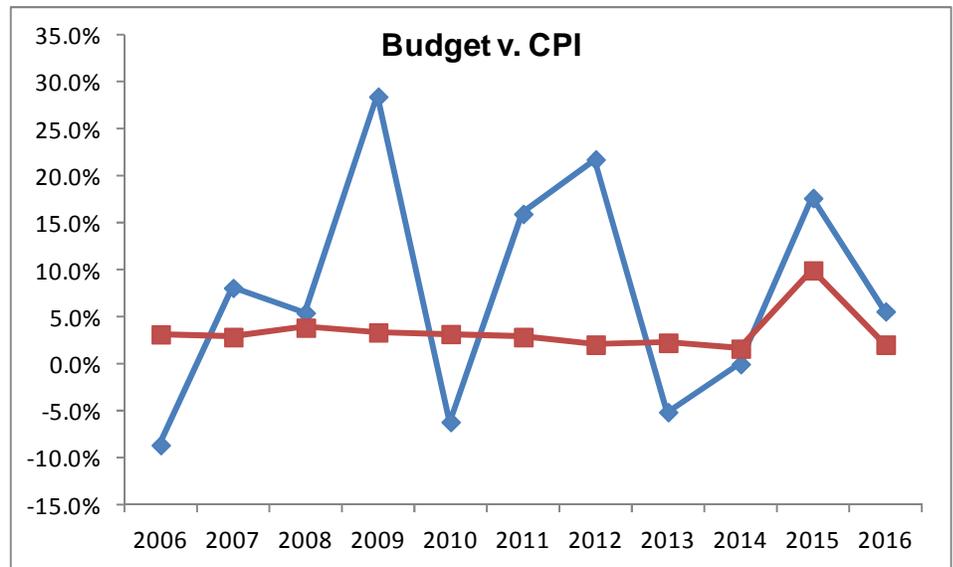
Since 2000 the city has assumed a population growth of about 0.3% a year. The City expects the population growth to continue below 1% in the future until the TCAAP development occurs. The Chart below demonstrates the City's population growth over the last eleven years. After the 2010 Census the City's 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 2017, 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

Budget Assumptions

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.)

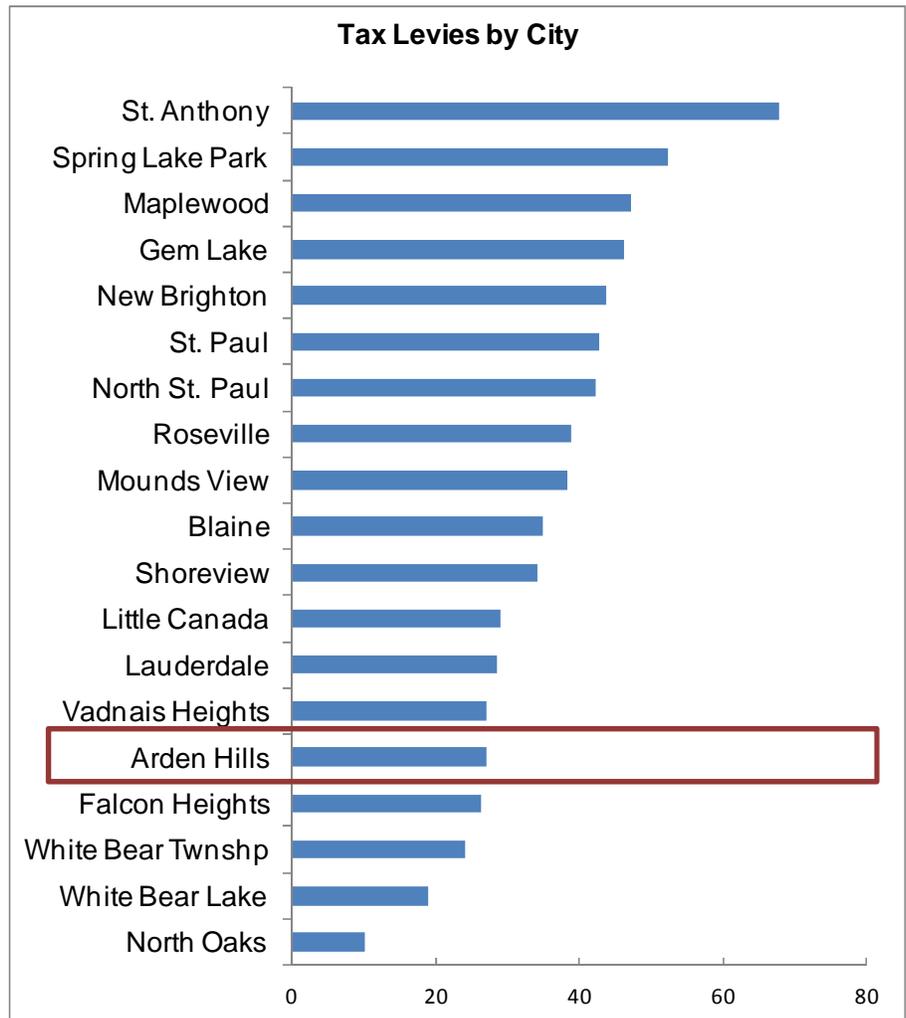


As the City becomes more developed and has less land available for new residential development, the City's operating expenditures should increase with increases in the

Budget Assumptions

CPI with the exception of a “catch-up” in infrastructure improvements.

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

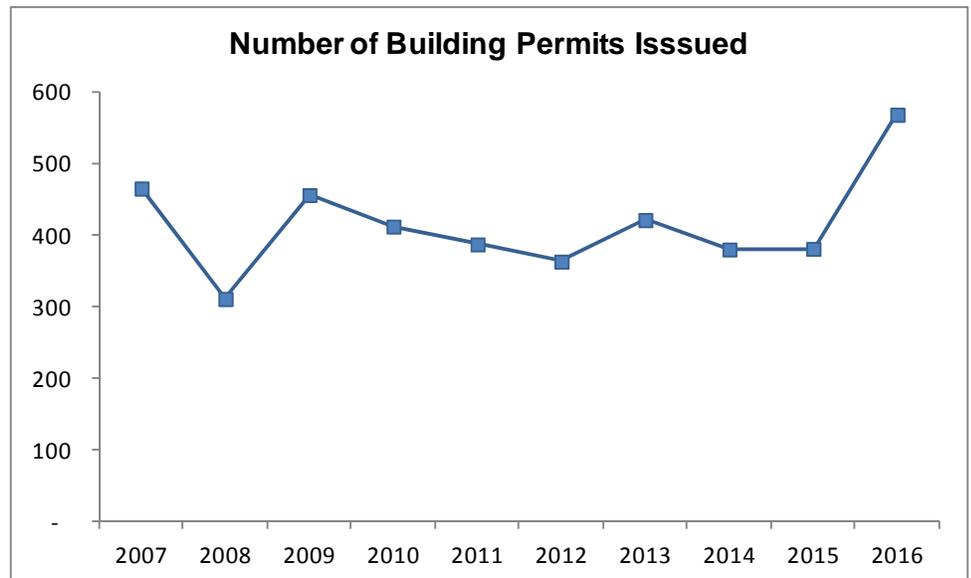
As other revenue sources decrease or remain at past levels, the City becomes more reliant on property taxes as its main revenue source. The following table summarizes the City's property tax levy over the last ten years.

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

Minnesota property tax system is described in more detail on pages 234 through 238. (Note: the Minnesota State Legislature enacted Market Value Homestead Credit reductions to property owners in 2003-2004. This credit was not reimbursed to local governments, which in effect reduced tax revenues so local governments did not receive the full amount of their certified levies. In 2005 the legislature reinstated these credit reductions for 2005 and 2006.) The credits were reinstated in 2007. However, due to the current economic conditions, the second half payment for 2008 and all of the 2009 and 2010 payments were unallotted by the Governor. All of the 2011 payments were unallotted. The 2011 legislature eliminated the program for 2012 and replaced it with the Market Value Exclusion program previously discussed, taking local governments out of the formula. The City will receive its full levy in 2012, however, the full effect was seen in 2013 as Fiscal Disparities caught up with the formula change.

Currently there is little land available for residential development and new home construction within the City except with the addition of the TCAAP property. Most development is commercial/industrial and as these areas are developed there will be a decline of permit revenues in the future. This is expected to increase in the future depending on the timing of how the TCAAP property develops.

Budget Assumptions



The City pools its cash reserves for investment purposes. This is described in more detail in the investment policy on page 158 of this document.

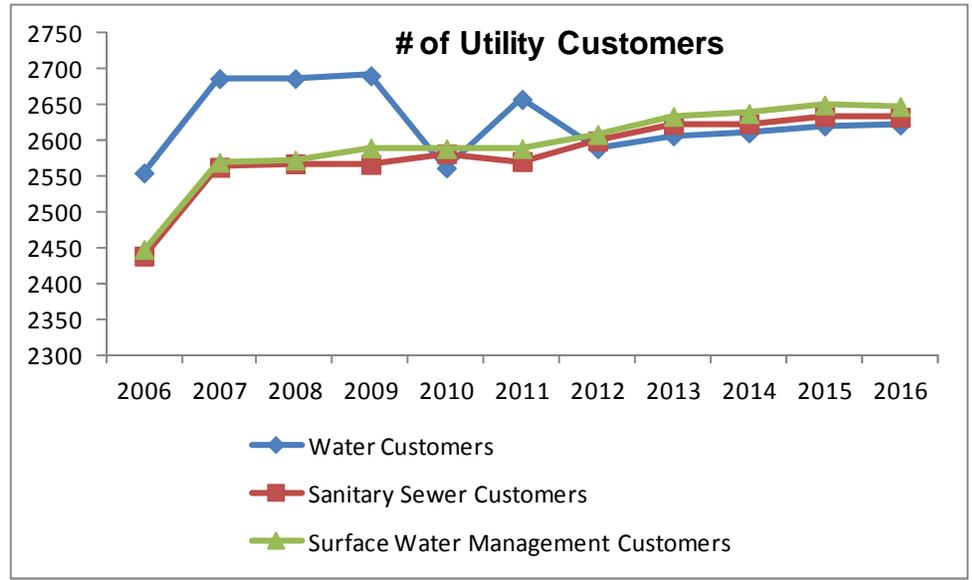
The City's largest expenditure classification is personal services. Personal services include salaries and fringe benefits for all employees. For 2017, the salaries have been budgeted at a 2.5% increase for COLA for non-union employees and 2.75% increase for COLA for union employees.

The City received a 15% increase in its health insurance premium for 2017 and dental insurance premiums increased by 3.0%. Currently, the City pays \$781.46 per month toward health benefits for each employee. The City has removed the Co-Pay Plan and added an additional "high deductible" medical plan (this one with an embedded deductible), with a health savings account (HSA) which has been successful in managing rising health costs.

The City's staffing levels are detailed on pages 148 - 152.

Budget Assumptions

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



Budget Summary

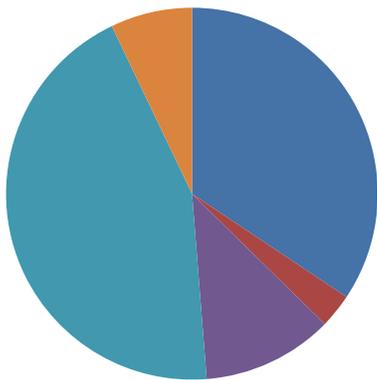
By Fund Type

REVENUE BUDGET	Actual FY 2014	Actual FY 2015	Budget FY2016	Estimated FY 2016	Budget FY 2017	% Change 16 vs 17
General Fund	4,304,556	4,662,476	4,516,496	4,515,829	4,860,297	7.61%
Special Revenue Funds	768,014	831,472	329,100	413,215	421,250	28.00%
Debt Services Funds	282,648	284,900	-	-	-	0.00%
Capital Improvement Fund	2,402,611	2,812,185	1,964,561	1,493,525	1,615,765	-17.75%
Enterprise Fund	4,956,687	5,026,658	4,986,943	3,988,381	6,246,369	25.25%
Internal Service Funds	866,950	895,192	933,670	551,689	1,006,158	7.76%
Total Revenues	13,581,466	14,512,883	12,730,770	10,962,639	14,149,839	11.15%

EXPENDITURE BUDGET

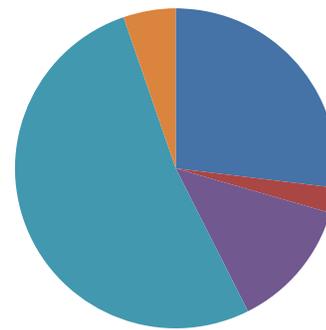
General Fund	4,324,508	3,926,197	5,235,738	4,690,204	5,056,253	-3.43%
Special Revenue Fund	685,665	1,094,522	393,046	305,421	474,807	20.80%
Debt Services Funds	284,773	284,900	-	-	-	0.00%
Capital Improvement Funds	2,187,189	6,321,102	330,336	489,976	2,458,063	644.11%
Enterprise Funds	4,214,119	4,351,077	4,754,454	3,663,688	9,790,470	105.92%
Internal Service Funds	882,781	878,997	953,898	740,825	998,288	4.65%
Total Expenditures	12,579,035	16,856,795	11,667,472	9,890,114	18,777,881	60.94%
Fund Balance - January 1	27,650,667	28,814,008	29,133,450	29,133,450	30,196,748	
Excess Revenues Over Expenditures	1,163,341	319,442	1,063,298	1,072,525	(4,628,042)	
Fund Balance - December 31	28,814,008	29,133,450	30,196,748	30,205,975	25,568,706	

2017 Revenues by Fund Type



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

2017 Expenditures by Fund Type



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

Budget Summary

2017 Budget Summary of all Fund Types (With 2016 & 2015 Budget Comparative Totals)

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	2017 Total Budget	2016 Total Budget	2015 Total Budget
Revenues:									
Taxes	3,671,390	309,000	-	-	-	-	3,980,390	3,761,875	4,034,075
Special Assessments	3,000	-	-	400,000	-	-	403,000	405,600	406,200
Licenses & Permits	347,330	-	-	-	-	-	347,330	271,030	277,730
Intergovernmental Revenues	145,788	-	-	525,000	20,000	-	690,788	570,334	1,224,556
Charges for Services	573,865	-	-	-	-	980,868	1,554,733	1,384,683	1,329,135
Park Dedication Fees	-	-	-	-	-	-	-	-	-
Utility Charges	-	-	-	-	6,173,869	-	6,173,869	4,911,343	4,810,177
Interest on Investments	65,000	22,250	-	135,000	52,500	25,290	300,040	261,100	274,700
Fines & Forfeits	36,500	-	-	-	-	-	36,500	34,569	38,040
Miscellaneous	17,424	-	-	75,000	-	-	92,424	118,145	285,635
Total Revenues	4,860,297	331,250	-	1,135,000	6,246,369	1,006,158	13,579,074	11,718,679	12,680,248
Expenditures:									
General Government	1,339,345	283,557	-	-	-	549,874	2,172,776	1,368,062	1,924,937
Public Safety	2,100,380	-	-	-	-	-	2,100,380	1,996,283	1,922,538
Public Works	538,749	-	-	-	4,379,705	369,211	5,287,665	5,658,543	7,953,449
Park & Recreation	737,779	-	-	-	-	-	737,779	742,640	732,736
Economic Development	-	144,250	-	-	-	-	144,250	231,234	743,257
Miscellaneous	-	-	-	-	-	-	-	-	80,000
Capital Outlay	-	47,000	-	2,443,063	5,180,000	-	7,670,063	315,336	4,134,018
Debt Service	-	-	-	-	-	-	-	-	285,350
Total Expenditures	4,716,253	474,807	-	2,443,063	9,559,705	919,085	18,112,913	10,312,098	17,776,285
Revenues Over (Under) Expenditures	144,044	(143,557)	-	(1,308,063)	(3,313,336)	87,073	(4,533,839)	1,406,581	(5,096,037)
Other Financing Sources (Uses)									
Operating Transfers In	-	90,000	-	480,765	-	-	570,765	1,005,886	825,665
Operating Transfers Out	340,000	-	-	15,000	230,765	-	570,765	1,005,886	825,665
Reserves/Contingency	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	340,000	90,000	-	495,765	230,765	-	1,141,530	2,011,772	1,651,330
Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(195,956)	(53,557)	-	(842,298)	(3,544,101)	87,073	(4,533,839)	1,406,581	(5,096,037)
Fund Balances (Deficit) Beginning of Year									
	2,886,182	1,233,601	-	4,816,951	17,065,337	300,521	26,302,592	24,779,451	27,650,667
Fund Balances (Deficit) End of Year									
	2,690,226	1,180,044	-	3,974,653	13,521,236	387,594	21,768,753	26,186,032	22,554,630
Balance without Enterprise Fund Capital Outlay*									
					18,701,236	-	26,948,753	28,805,032	22,567,284

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

Budget Summary

2015 – 2017 Summary of Estimated Financial Sources and Uses

	General Fund			Special Revenue Funds		
	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Budget</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Budget</u>
Revenues:						
Taxes	3,203,004	3,265,497	3,671,390	770,734	326,651	309,000
Special Assessments	1,316	1,292	3,000	-	-	-
Licenses & Permits	518,845	561,614	347,330	-	-	-
Intergovernmental Revenues	130,023	90,711	145,788	-	-	-
Charges for Services	686,443	483,430	573,865	-	-	-
Park Dedication Fees	-	-	-	-	-	-
Utility Charges	-	-	-	-	-	-
Interest on Investments	53,522	73,973	65,000	30,738	26,564	22,250
Fines & Forfeits	32,792	22,730	36,500	-	-	-
Miscellaneous	24,143	7,305	17,424	-	-	-
Total Revenues	4,650,088	4,506,552	4,860,296	801,472	353,215	331,250
Expenditures:						
General Government	1,015,937	986,890	1,339,345	240,189	148,433	283,557
Public Safety	1,920,278	1,975,518	2,100,380	-	-	-
Public Works	336,397	373,912	538,749	-	-	-
Park & Recreation	573,584	578,763	737,779	-	-	-
Economic Development	-	-	-	569,433	156,987	144,250
Miscellaneous	-	-	-	284,900	-	-
Capital Outlay	-	-	-	-	-	47,000
Debt Service	-	-	-	-	-	-
Total Expenditures	3,846,196	3,915,083	4,716,253	1,094,522	305,420	474,807
Revenues Over (Under) Expenditures	803,892	591,469	144,043	(293,050)	47,795	(143,557)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	30,000	60,000	90,000
Operating Transfers Out	80,000	775,121	340,000	-	-	-
Reserves/Contingency	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(80,000)	(775,121)	(340,000)	30,000	60,000	90,000
Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	723,892	(183,652)	(195,957)	(263,050)	107,795	(53,557)
Fund Balances (Deficit) Beginning of Year	2,345,942	3,069,834	2,886,182	1,388,856	1,125,806	1,233,601
Fund Balances (Deficit) End of Year	3,069,834	2,886,182	2,690,225	1,125,806	1,233,601	1,180,044

Budget Summary

2015 – 2017 Summary of Estimated Financial Sources and Uses

Debt Service Funds			Capital Project Funds			Total Government Funds		
2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Budget</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Budget</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Budget</u>
-	-	-	-	-	-	3,973,738	3,592,148	3,980,390
-	-	-	907,648	349,578	400,000	908,964	350,870	403,000
-	-	-	-	-	-	518,845	561,614	347,330
-	-	-	1,266,246	-	525,000	1,396,269	90,711	670,788
-	-	-	-	-	-	686,443	483,430	573,865
-	-	-	51,360	-	-	51,360	-	-
-	-	-	-	-	-	-	-	-
-	-	-	152,686	108,967	135,000	236,946	209,504	222,250
-	-	-	-	-	-	32,792	22,730	36,500
-	-	-	153,480	89,094	75,000	177,623	96,399	92,424
-	-	-	2,531,420	547,639	1,135,000	7,982,980	5,407,406	6,326,547
-	-	-	-	-	-	1,256,126	1,135,323	1,622,902
-	-	-	-	-	-	1,920,278	1,975,518	2,100,380
-	-	-	-	-	-	336,397	373,912	538,749
-	-	-	-	-	-	573,584	578,763	737,779
-	-	-	-	-	-	569,433	156,987	144,250
-	-	-	-	-	-	284,900	-	-
-	-	-	6,306,102	474,976	2,443,063	6,306,102	474,976	2,490,063
284,900	-	-	-	-	-	284,900	-	-
284,900	-	-	6,306,102	474,976	2,443,063	11,531,720	4,695,479	7,634,123
(284,900)	-	-	(3,774,682)	72,663	(1,308,063)	(3,548,740)	711,927	(1,307,576)
284,900	-	-	280,765	945,886	480,765	595,665	1,005,886	570,765
-	-	-	15,000	15,000	15,000	95,000	790,121	355,000
-	-	-	-	-	-	-	-	-
284,900	-	-	265,765	930,886	465,765	500,665	215,765	215,765
-	-	-	(3,508,917)	1,003,549	(842,298)	(3,048,075)	927,692	(1,091,811)
-	-	-	7,322,319	3,813,402	4,816,951	11,057,117	8,009,042	8,936,734
-	-	-	3,813,402	4,816,951	3,974,653	8,009,042	8,936,734	7,844,923

Budget Summary

2015 – 2017 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

	Enterprise Funds			Internal Service Funds		
	2015 <u>Actual</u>	2016 <u>Projected</u>	2017 <u>Budget</u>	2015 <u>Actual</u>	2016 <u>Projected</u>	2017 <u>Budget</u>
Operating Revenues						
Utility Charges	4,858,459	3,867,782	6,173,869	-	-	-
Internal Charges	-	-	-	824,614	516,084	980,868
Total Operating Revenues	4,858,459	3,867,782	6,173,869	824,614	516,084	980,868
Operating Expenses						
Personnel Expense	861,712	803,476	895,580	163,106	119,847	182,761
Other Services & Charges	3,022,472	2,109,086	3,053,175	586,140	543,916	673,407
Supplies	69,364	54,435	40,950	119,751	76,359	142,120
Depreciation Expense	435,452	390,000	390,000	-	-	-
Total Operating Expenses	4,389,000	3,356,997	4,379,705	868,997	740,122	998,288
Operating Income (Loss)	469,459	510,785	1,794,164	(44,383)	(224,038)	(17,420)
Nonoperating Revenues (Expenses)						
Taxes	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Investment Income	43,971	37,912	52,500	70,578	35,605	25,290
Intergovernmental	124,228	82,687	20,000	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Outlay	2,687,500	465,926	5,180,000	-	-	-
Bond Discount	-	-	-	-	-	-
Total Nonoperating Revenue (net)	(2,519,301)	(345,327)	(5,107,500)	70,578	35,605	25,290
Income Before Operating Transfers	(2,049,842)	165,458	(3,313,336)	26,195	(188,433)	7,870
Without Capital Outlay*	637,658	631,384	1,866,664	26,195	(188,433)	7,870
Operating Transfers						
Operating Transfers In						
Operating Transfers Out	230,765	230,765	230,765	-	-	-
Net Operating Transfers	(230,765)	(230,765)	(230,765)	-	-	-
Net Income (Loss) Without Capital Outlay*	(2,280,607)	(65,307)	(3,544,101)	26,195	(188,433)	7,870
NET ASSETS BEGINNING OF YEAR	16,257,825	16,664,718	17,065,337	462,759	488,954	300,521
NET ASSETS END OF YEAR	16,664,718	17,065,337	18,701,236	488,954	300,521	308,391

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



General Fund Summary

GENERAL FUND SUMMARY

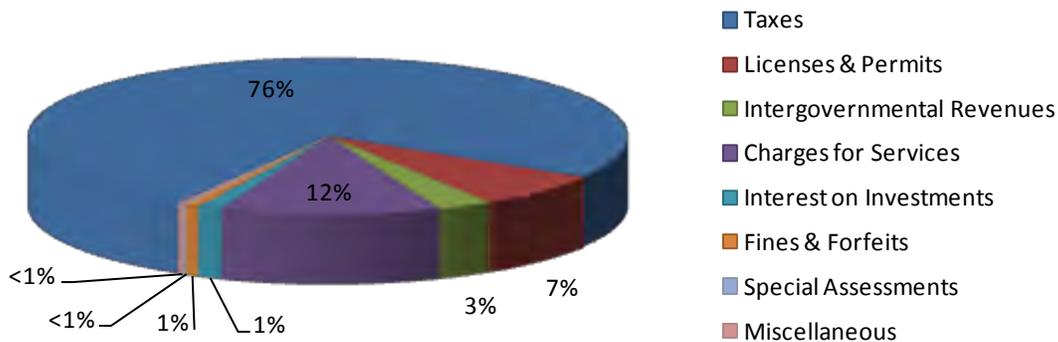
Fund Description:

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:

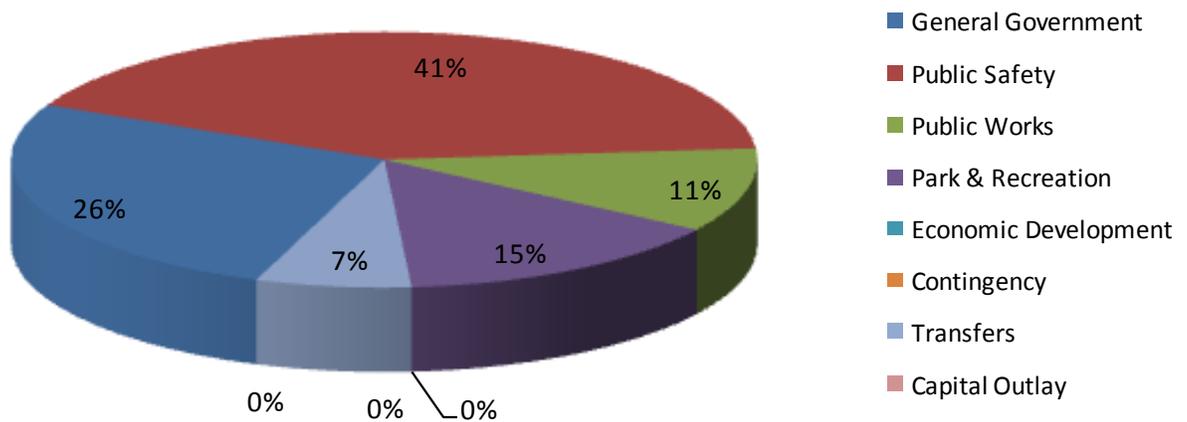
Total General Fund estimated revenues for 2017 are \$4,860,297. The three largest revenue sources for the City are property taxes, charges for current services, and license fees and permits. Property taxes are the largest revenue source with 76% of the revenue, charges for current services are 12%, license fees and permits are 7%, intergovernmental revenues are 3%, court fines are 1% and miscellaneous revenues are 1%. The graph below illustrates the projected revenue by type.

2017 Proposed Revenues By Classification



The 2017 General Fund budget of \$5,056,253 is a 3.43% decrease over the City's 2016 amended budget. Public Safety and General Government expenditures represent the largest expenditure areas with 41% and 26% respectively, while Park & Recreation represents 15%. These areas account for 83% of the budgeted expenditures within the City. The remaining expenditures are represented by Public Works at 11% and Transfers at 7%. Generally, the City does not budget for Contingency expenses. Economic Development revenues and expenses are located in the EDA General Fund budget. Capital Outlay expenses are located in the Capital Improvement Plan and are not included in the General Fund. The following graph illustrates the budgeted expenditures by department.

2017 Proposed Expenditures By Department



	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Taxes	3,210,026	3,203,004	3,508,875	3,508,875	3,308,138	3,671,390	4.63%
Licenses and Permits	327,726	518,845	265,530	265,530	561,461	347,330	30.81%
Other Intergovernmental	136,249	130,023	147,864	147,864	93,300	145,788	-1.40%
Charges for Services	510,247	686,443	476,303	476,303	544,986	573,865	20.48%
Fines & Forfeits	29,569	32,792	34,569	34,569	24,164	36,500	5.59%
Special Assessments	2,244	1,316	3,000	3,000	1,332	3,000	0.00%
Miscellaneous	88,405	90,054	80,355	80,355	70,981	82,424	2.57%
Transfers	-	-	-	-	-	-	0.00%
Total Revenues	\$ 4,304,467	\$ 4,662,476	\$ 4,516,496	\$ 4,516,496	\$ 4,604,361	\$ 4,860,297	7.61%
Expenditures by Department							
Mayor & Council	\$ 87,512	\$ 58,236	\$ 67,070	\$ 67,070	\$ 80,465	\$ 66,409	-0.99%
Elections	17,429	19,438	23,000	23,000	21,137	23,000	0.00%
Administration	248,387	245,608	293,870	293,870	173,873	307,915	4.78%
Finance & Administrative Services	157,352	162,546	180,530	180,530	168,822	185,676	2.85%
TCAAP	112,744	139,812	173,858	173,858	242,664	187,153	7.65%
Planning & Zoning	212,327	170,629	217,788	217,788	168,520	327,335	50.30%
Government Buildings	221,098	219,669	235,134	235,134	232,187	241,857	2.86%
Police & Animal Services	1,045,386	1,083,893	1,107,562	1,107,562	1,105,491	1,179,773	6.52%
Dispatch	60,352	68,328	67,780	67,780	67,780	68,832	1.55%
Fire Protection	431,006	459,179	495,216	495,216	495,216	514,468	3.89%
Emergency Management	5,975	2,580	13,638	13,638	2,966	13,729	0.67%
Protective Inspections	283,377	306,299	312,087	312,087	327,483	323,578	3.68%
Street Maintenance	580,871	336,397	530,443	530,443	479,814	538,749	1.57%
Park Maintenance	418,919	325,706	453,895	453,895	346,512	441,311	-2.77%
Recreation	229,295	247,878	288,745	288,745	276,494	296,468	2.67%
Celebrating Arden Hills	-	-	-	-	-	-	0.00%
Reserves/Contingency	-	-	-	-	-	-	0.00%
Transfers	212,417	80,000	210,000	775,121	775,121	340,000	-56.14%
Capital Outlay	-	-	-	-	-	-	0.00%
Total Expenditures	\$ 4,324,449	\$ 3,926,197	\$ 4,670,617	\$ 5,235,738	\$ 4,964,544	\$ 5,056,253	-3.43%
Fund Balance - January 1	2,365,706	2,345,724	3,082,003	3,082,003	3,082,003	2,362,762	
Excess Revenue Over Expenditure	(19,982)	736,280	(154,120)	(719,241)	(360,183)	(195,956)	
Fund Balance - December 31	\$ 2,345,724	\$ 3,082,003	\$ 2,927,883	\$ 2,362,762	\$ 2,721,820	\$ 2,166,806	

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

**City of Arden Hills
General Fund
2017**

	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Taxes							
Taxes	3,210,026	3,203,004	3,508,875	3,508,875	3,308,138	3,671,390	4.63%
Licenses and Permits	327,726	518,845	265,530	265,530	561,461	347,330	30.81%
Other Intergovernmental	136,249	130,023	147,864	147,864	93,300	145,788	-1.40%
Charges for Services	510,247	686,443	476,303	476,303	544,986	573,865	20.48%
Fines & Forfeits	29,569	32,792	34,569	34,569	24,164	36,500	5.59%
Special Assessments	2,244	1,316	3,000	3,000	1,332	3,000	0.00%
Miscellaneous	88,405	90,054	80,355	80,355	70,981	82,424	2.57%
Transfers	-	-	-	-	-	-	0.00%
Total Revenues	\$ 4,304,467	\$ 4,662,476	\$ 4,516,496	\$ 4,516,496	\$ 4,604,361	\$ 4,860,297	7.61%
Expenditures by Category							
Personal Services	\$ 1,400,601	\$ 1,328,172	\$ 1,498,764	\$ 1,498,764	\$ 1,150,325	\$ 1,543,802	3.01%
Materials and Supplies	206,046	138,607	160,246	160,246	149,171	160,284	0.02%
Other Services and Charges	2,505,384	2,379,419	2,801,607	2,801,607	2,889,928	3,012,167	7.52%
Capital Outlay	-	-	-	-	-	-	0.00%
Transfers	212,417	80,000	210,000	775,121	775,121	340,000	-56.14%
Contingency/Reserves	-	-	-	-	-	-	0.00%
Other Financing Uses	-	-	-	-	-	-	0.00%
Total Expenditures	\$ 4,324,449	\$ 3,926,197	\$ 4,670,617	\$ 5,235,738	\$ 4,964,544	\$ 5,056,253	-3.43%
Fund Balance - January 1	2,365,706	2,345,724	3,082,003	3,082,003	3,082,003	2,362,762	
Excess Revenue Over Expenditure	(19,982)	736,280	(154,120)	(719,241)	(360,183)	(195,956)	
Fund Balance - December 31	\$ 2,345,724	\$ 3,082,003	\$ 2,927,883	\$ 2,362,762	\$ 2,721,820	\$ 2,166,806	

What Do You Get for Your Arden Hills Tax Dollar?

Parks & Recreation
14.9 Cents

Public Safety
41.3 Cents

Public Works
10.9 Cents

General Government
26.3 Cents



Transfers
6.6 Cents

A \$306,350 home generates \$802 in annual property taxes:
This comes to \$67 per month for 2017.

What could you purchase for \$67.00 a month?

ONE OF THESE...

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

ALL OF THESE...

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

Estimated Cost of City Services \$306,350 Homestead in 2017

Actual Cost of City Services Pay 2017 Property Tax Support for \$306,350 Homestead				
City Service Category	Actual	Percent of Levy	Amount of Levy	Monthly Cost
General Government Mayor/Council, Administration, Communications, Elections, Auditor, Assessor, Legal, Planning	\$1,339,344	26.5%	\$212	\$17.70
Public Safety Building Inspection/Code Enforcement, Court, Police Contract, Fire, Ambulance, Human Services, Animal Control	\$2,100,380	41.5%	\$333	\$27.76
Public Works Engineering, Streets, Street Lighting, City Buildings	\$538,749	10.7%	\$85	\$7.12
Parks	\$441,311	8.7%	\$70	\$5.83
Recreation	\$296,468	5.9%	\$47	\$3.92
Transfers	\$340,000	6.7%	\$54	\$4.49
Reserves	\$0	0.0%	\$0	\$0.00
Capital Projects	\$0	0.0%	\$0	\$0.00
Totals	\$5,056,252	100.0%	\$802	\$67

REVENUES

Activity Description

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

Objectives

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

Budget Issues

The General Fund's main revenue source is property taxes. Property taxes made up 78% of the 2015 budget and 78% of the 2016 budget. For 2017 property taxes make up 76% of the total General Fund revenues.

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

The major increases have been property taxes (4.6%), licenses and permits (30.8%), and charges for services (20.5%). These increases with the exception of property taxes are the results of the trends we have seen in the last few years and planned upcoming projects.

Budget Summary

See next two pages.

Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Taxes							
Current Ad Valorem Taxes	\$ 2,969,768	\$ 3,037,146	\$ 3,478,775	\$ 3,478,775	\$ 3,190,574	3,641,290	4.67%
Payments in Lieu of Taxes	180	168	-	-	-	-	0.00%
Delinquent Ad Valorem Taxes	(9,557)	(69,825)	22,000	22,000	(132,281)	22,000	0.00%
Mobile Home Tax	5,983	8,251	7,500	7,500	9,711	7,500	0.00%
Fiscal Disparities	245,059	228,375	-	-	246,039	-	0.00%
Aggregate Removal Tax	-	-	600	600	969	600	0.00%
Penalties & Interest on Taxes	(1,408)	(1,111)	-	-	(6,874)	-	0.00%
Forfeited Tax Sales	-	-	-	-	-	-	0.00%
Total Taxes	3,210,026	3,203,004	3,508,875	3,508,875	3,308,138	3,671,390	4.63%
Licenses and Permits							
Liquor, On Sale & Sunday	21,454	24,770	25,000	25,000	23,560	25,000	0.00%
Liquor, Off Sale	462	462	-	-	778	-	0.00%
Inspection Fees	1,422	1,422	2,000	2,000	1,422	2,000	0.00%
Contractors	9,557	9,632	10,000	10,000	10,020	10,000	0.00%
Rental Regulation Fee	3,486	4,106	3,400	3,400	4,725	4,500	32.35%
Business Licenses	9,251	9,568	13,650	13,650	8,403	13,650	0.00%
Other Business Lic/Permits	158	-	-	-	1,439	-	0.00%
Tobacco License	1,342	1,342	1,400	1,400	1,500	1,400	0.00%
Plan Review & Bldg Permits	188,027	287,886	133,000	133,000	361,542	200,000	50.38%
Mechanical Permits	30,012	50,427	26,000	26,000	56,080	30,000	15.38%
Plumbing Permits	12,519	25,092	10,000	10,000	20,143	15,000	50.00%
Animal Licenses	2,458	2,058	2,500	2,500	1,919	2,500	0.00%
Sign Permits	2,527	1,696	1,400	1,400	3,403	1,400	0.00%
Sign Permit Renewal	1,735	1,744	2,100	2,100	2,042	2,100	0.00%
Electrical Permits	26,276	64,264	20,000	20,000	30,547	20,000	0.00%
Utility Permit Fees	6,063	-	2,300	2,300	-	-	-100.00%
Fire Suppression Permits	2,374	16,069	6,000	6,000	17,700	10,000	66.67%
Fire Permit Plan Check Fee	-	10,522	3,000	3,000	10,800	6,000	100.00%
Utility Permit Fees	4,973	5,205	-	-	2,884	-	0.00%
Erosion/Grading Permit	3,160	2,370	1,680	1,680	2,448	1,680	0.00%
Other Nonbusiness Lic/Permits	471	210	2,100	2,100	105	2,100	0.00%
Total Licenses and Permits	327,726	518,845	265,530	265,530	561,461	347,330	30.81%
Intergovernmental Revenues							
Market Value Homestead Credit	3	-	-	-	-	-	0.00%
Mobile Home Homestead Credit	-	-	-	-	-	-	0.00%
State PERA Aid	5,179	5,179	5,179	5,179	5,179	5,179	0.00%
Local Performance Aid	-	-	-	-	-	-	0.00%
Police Aid	51,781	38,619	57,685	57,685	-	52,609	-8.80%
MSA Maintenance	79,286	86,225	85,000	85,000	88,121	88,000	3.53%
State Grants	-	-	-	-	-	-	0.00%
County Grants & Aids	-	-	-	-	-	-	0.00%
Other County Grants & Aids	-	-	-	-	-	-	0.00%
Other Intergovernmental	136,249	130,023	147,864	147,864	93,300	145,788	-1.40%
Charges for Services							
Zoning and Subdivision Fees	340	272	200	200	120	300	50.00%
Plan Checking Fees	-	-	-	-	-	-	0.00%
Sale of Maps and Publications	19	-	-	-	-	-	0.00%
Plat & Other Fees	13,857	12,061	12,000	12,000	13,400	12,000	0.00%
Admin Chgs from other funds	15,196	16,320	22,980	22,980	-	22,980	0.00%
Admin Chgs from other funds	51,583	71,032	66,967	66,967	-	66,773	-0.29%
Admin Chgs from other funds	96,446	98,185	99,533	99,533	59,571	101,782	2.26%
Zoning Permit Fees	1,128	1,893	893	893	2,354	1,000	11.98%
Business Subsidiary App Fee	-	-	2,000	2,000	-	2,000	0.00%
Water Tower Antenna Rentals	110,144	189,534	110,000	110,000	121,885	150,000	36.36%
Other General Govt Charges	3,368	3,476	3,500	3,500	1,218	3,500	0.00%
Admin Charge-Staff Time	-	106	-	-	636	-	0.00%
Plan Check Fee	86,767	153,425	42,000	42,000	177,501	80,000	90.48%
False Alarms	2,100	720	2,000	2,000	1,980	2,000	0.00%
Impound Fees	-	-	-	-	-	-	0.00%
State Building Code Surcharges	11,044	18,795	8,000	8,000	21,997	10,000	25.00%
City Building Code Surcharges	1,270	1,285	1,000	1,000	2,058	1,000	0.00%
City Hall Rental	-	-	-	-	-	-	0.00%
Park Facility Rental Fees	-	-	3,230	3,230	-	3,230	0.00%

Youth Program Field Use	6,139	4,787	4,000	4,000	2,966	4,000	0.00%
Adult Program Field Use	-	-	1,000	1,000	-	1,000	0.00%
Summer Playground Fees	16,704	20,825	15,500	15,500	22,862	20,800	34.19%
Summer Trip Fees	-	587	-	-	-	-	0.00%
Adult Programs	31,309	26,190	30,000	30,000	25,821	30,000	0.00%
Youth Programs	49,974	52,699	40,000	40,000	63,442	50,000	25.00%
Adult Softball	-	(340)	-	-	-	-	0.00%
After School Programs	11,507	13,148	10,000	10,000	18,210	10,000	0.00%
Special Events Programs	1,318	1,442	1,500	1,500	1,278	1,500	0.00%
Other Charges for Services	35	-	-	-	-	-	0.00%
Other Charges for Services	-	-	-	-	7,687	-	0.00%
Total Charges for Services	510,247	686,443	476,303	476,303	544,986	573,865	20.48%
<u>Fines & Forfeits</u>							
Highway Patrol Fines	350	-	2,000	2,000	-	2,000	0.00%
DWI Forfeitures	2,703	135	3,000	3,000	5,333	3,000	0.00%
Violations Bureau	16,776	21,671	20,000	20,000	16,792	20,000	0.00%
Tobacco Fines	-	-	-	-	-	-	0.00%
Administrative Fines	9,740	9,000	8,869	8,869	-	10,800	21.77%
Forfeits	-	1,986	700	700	2,039	700	0.00%
Total Fines & Forfeits	29,569	32,792	34,569	34,569	24,164	36,500	5.59%
<u>Special Assessments</u>							
Special Assessments	2,244	1,250	3,000	3,000	1,158	3,000	0.00%
Delinquent Sp Assessments	-	66	-	-	173	-	0.00%
Penalties and Int Sp Assessments	-	-	-	-	-	-	0.00%
PrePaid Special Assessments	-	-	-	-	-	-	0.00%
Total Special Assessments	2,244	1,316	3,000	3,000	1,332	3,000	0.00%
<u>Miscellaneous</u>							
Interest Income	64,275	53,522	65,000	65,000	52,161	65,000	0.00%
Contributions/Donations	-	-	3,600	3,600	-	3,600	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Contributions/Donations	-	-	-	-	1,750	-	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Contributions/Donations	1,800	825	-	-	8,226	-	0.00%
Dead Tree Removal	-	-	-	-	2,800	-	0.00%
Contributions/Donations	-	-	-	-	-	-	0.00%
Candidate Filing Fee	-	-	-	-	14	-	0.00%
Developer Reimbursements	2,136	-	-	-	-	-	0.00%
Developer Reimbursements	-	-	-	-	-	-	0.00%
Conduit Debt Application Fee	500	500	-	-	-	-	0.00%
Conduit Debt Fees	4,409	25,000	-	-	-	-	0.00%
Night Time Construction Waiver	-	-	-	-	-	-	0.00%
Miscellaneous Reimbursements	-	156	550	550	156	550	0.00%
Miscellaneous Reimbursement	2,505	(1,682)	1,000	1,000	1,923	1,000	0.00%
Miscellaneous Reimbursement	-	-	3,000	3,000	-	3,000	0.00%
Miscellaneous Reimbursement	-	-	-	-	-	-	0.00%
Private Street Light Reimbursements	-	-	-	-	-	-	0.00%
Other Miscellaneous Revenue	1,199	-	1,000	1,000	3,950	1,000	0.00%
Other Miscellaneous Revenue	-	169	-	-	1	-	0.00%
Other Miscellaneous Revenue	-	-	-	-	-	-	0.00%
Miscellaneous Reimbursement	11,581	11,565	6,205	6,205	-	8,274	33.34%
Fire Inspection Reimbursement	-	-	-	-	-	-	0.00%
Total Miscellaneous	88,405	90,054	80,355	80,355	70,981	82,424	2.57%
Total Operating Revenues	4,304,467	4,662,476	4,516,496	4,516,496	4,604,361	4,860,297	7.61%
<u>Other Financing Sources</u>							
Sales of General Fixed Assets	-	-	-	-	-	-	0.00%
Transfer	-	-	-	-	-	-	0.00%
Transfer	-	-	-	-	-	-	0.00%
Total Other Financing Sources	-	-	-	-	-	-	0.00%
Total General Fund Revenue	\$ 4,304,467	\$ 4,662,476	\$ 4,516,496	\$ 4,516,496	\$ 4,604,361	\$ 4,860,297	7.61%

MAYOR AND COUNCIL

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

In the 2017 the Mayor and Council Budget is proposed to decrease by 0.99%. Other Services and charges decreased by 1.95% due to primarily due to a decrease in anticipated expenditures for community projects.

Budget Summary

Function: General Government

Department: Mayor & Council

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	31,206	29,649	31,211	31,211	31,160	31,212	0.00%
Materials and Supplies	46	106	-	-	48	38	0.00%
Services and Charges	56,260	28,482	35,859	35,859	49,256	35,159	-1.95%
Total Operating Expenses	87,512	58,236	67,070	67,070	80,465	66,409	-0.99%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	87,512	58,236	67,070	67,070	80,465	66,409	-0.99%
Funding Source:	General Fund						

ADMINISTRATION

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

Activity Scope

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

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

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2017 Administration operating budget is increasing by 4.78% over 2016. The biggest portion of the change is due to changes in salaries and benefits for employees.

Budget Summary

Function: General Government

Department: Administration

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Total Personal Services	174,920	163,077	187,922	187,922	83,780	197,567	5.13%
Total Materials and Supplies	1,141	377	-	-	423	-	0.00%
Other Services and Charges	72,327	82,153	105,948	105,948	89,669	110,348	4.15%
Total Operating Expenses	248,387	245,608	293,870	293,870	173,873	307,915	4.78%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	248,387	245,608	293,870	293,870	173,873	307,915	4.78%
Funding Source:	General Fund						

ELECTIONS

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

Activity Scope

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

Objectives

1. Stay current on election laws.

Issues

1. Stay current on election laws.

Measurable Workload Data

None developed at this time.

Budget Commentary

The Elections budget has a zero percent increase for FY17.

Budget Summary

Function: General Government		Department: Elections					
Appropriation Detail							
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	-	-	-	-	-	-	0.00%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	17,429	19,438	23,000	23,000	21,137	23,000	0.00%
Total Operating Expenses	17,429	19,438	23,000	23,000	21,137	23,000	0.00%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	17,429	19,438	23,000	23,000	21,137	23,000	0.00%
Funding Source: General Fund							

FINANCE & ADMINISTRATIVE SERVICES

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

Activity Scope

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

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

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The Finance and Administrative Support Services budget includes funds to handle the financial transactions of the City, in an efficient manner, while maintaining the highest level of internal controls and segregation of duties. It also includes funds to manage the administrative support and human resource functions of the City. This budget increased by 2.85% in 2017.

Personal Services shows an increase of 4.04% due to COLA changes. Other Services and Charges are increasing slightly, by 2.75%, 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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	58,874	59,612	65,530	65,530	61,677	68,176	4.04%
Materials and Supplies	22,516	22,738	24,100	24,100	16,680	24,100	0.00%
Other Services and Charges	75,962	80,196	90,900	90,900	90,466	93,400	2.75%
Total Operating Expenses	157,352	162,546	180,530	180,530	168,822	185,676	2.85%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	157,352	162,546	180,530	180,530	168,822	185,676	2.85%
Funding Source: General Fund							

TCAAP

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

Since the City's private development partner pulled out of the project in April of 2009, Ramsey County purchased the property and established a Joint Development Authority (JDA) with the City. Revenues and expenditures are for City costs and are estimated, but placeholders have been included for consulting costs, and staff time has been allocated for the City Administrator, Community Development Director, Associate Planner, and Public Works Director as they act as the City's support staff to this Authority. The 2017 budget shows an increase of 7.65%, largely due to the increase in Personal Services as a result COLA changes.

Budget Summary

Function: General Government

Department: TCAAP

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	60,655	92,230	107,358	107,358	61,188	120,653	12.38%
Materials and Supplies	200	-	1,000	1,000	555	1,000	0.00%
Other Services and Charges	51,889	47,582	65,500	65,500	180,921	65,500	0.00%
Total Operating Expenses	112,744	139,812	173,858	173,858	242,664	187,153	7.65%
Capital Outlay	-	-	-	-	-	-	0.00%
Other Financing Uses	-	-	-	-	-	-	0.00%
Department Total	112,744	139,812	173,858	173,858	242,664	187,153	7.65%
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 2017 is a total increase of 50.30% over the 2016 budget. The Personal Services budget increased by 5.79%, reflecting the change resulting from COLA changes. Other Services and Charges increased by 190.11% due to anticipated charges for the Comprehensive Plan.

Budget Summary

Function: General Government

Department: Planning & Zoning

Appropriation Detail							
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	191,125	149,861	164,988	164,988	111,751	174,535	5.79%
Materials and Supplies	204	31	200	200	14	200	0.00%
Other Services and Charges	20,997	20,737	52,600	52,600	56,754	152,600	190.11%
Total Operating Expenses	212,327	170,629	217,788	217,788	168,520	327,335	50.30%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	212,327	170,629	217,788	217,788	168,520	327,335	50.30%
Funding Source: General Fund							

GOVERNMENT BUILDINGS

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

Activity Scope

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

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2017 budget is an increase of 2.86% from the previous year's budget. This increase is primarily due to increases in maintenances costs of the City Hall building and Personal Services.

Budget Summary

Function: General Government

Department: Government Buildings

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	32,662	25,872	38,417	38,417	22,156	39,140	1.88%
Materials and Supplies	6,703	5,469	7,000	7,000	3,951	7,000	0.00%
Other Services and Charges	181,733	188,328	189,717	189,717	206,080	195,717	3.16%
Total Operating Expenses	221,098	219,669	235,134	235,134	232,187	241,857	2.86%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	221,098	219,669	235,134	235,134	232,187	241,857	2.86%
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 2017 budget increased 6.52% over 2016, 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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Other Services and Charges	1,045,386	1,083,893	1,107,562	1,107,562	1,105,491	1,179,773	6.52%
Total Operating Expenses	1,045,386	1,083,893	1,107,562	1,107,562	1,105,491	1,179,773	6.52%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	1,045,386	1,083,893	1,107,562	1,107,562	1,105,491	1,179,773	6.52%
Funding Source: General Fund							

DISPATCH

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

Activity Scope

Emergency dispatch services are provided by Ramsey County.

Objectives

1. Continue contracting dispatch services through Ramsey County.

Issues

Measurable Workload Data

None developed at this time.

Budget Commentary

Arden Hills portion of the Ramsey County 911 Dispatch Department operation budget increased by 1.55%. Dispatch saw a significant increase in the 2014 and 2015 budget due to CAD costs, but those costs are now leveling out and appropriately budgeted for.

Budget Summary

Function: Public Safety		Department: Dispatch					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Other Services and Charges	60,352	68,328	67,780	67,780	67,780	68,832	1.55%
Total Operating Expenses	60,352	68,328	67,780	67,780	67,780	68,832	1.55%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	60,352	68,328	67,780	67,780	67,780	68,832	1.55%
Funding Source: General Fund							

FIRE PROTECTION

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

Arden Hills's portion of the Lake Johanna Fire Department operating budget increased 3.89%. This budget reflects increases to operating costs.

Budget Summary

Function: Public Safety		Department: Fire Protection					
Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Other Services and Charges	431,006	459,179	495,216	495,216	495,216	514,468	3.89%
Total Operating Expenses	431,006	459,179	495,216	495,216	495,216	514,468	3.89%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	431,006	459,179	495,216	495,216	495,216	514,468	3.89%
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 2017 budget is an increase of 0.67% from the 2016 budget.

Budget Summary

Function: Public Safety		Department: Emergency Management					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	2,644	2,146	2,788	2,788	11	2,879	3.26%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	3,331	434	10,850	10,850	2,955	10,850	0.00%
Total Operating Expenses	5,975	2,580	13,638	13,638	2,966	13,729	0.67%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	5,975	2,580	13,638	13,638	2,966	13,729	0.67%
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 2017 operating budget is an increase of 3.68% from the previous year's budget. This is mainly due to personal services increases and associated benefits, and additional technology and software charges.

Budget Summary

Function: Public Safety

Department: Protective Inspections

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	232,334	241,371	252,001	252,001	233,395	261,992	3.96%
Materials and Supplies	1,009	677	3,046	3,046	645	3,046	0.00%
Other Services and Charges	50,034	64,251	57,040	57,040	93,442	58,540	2.63%
Total Operating Expenses	283,377	306,299	312,087	312,087	327,483	323,578	3.68%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	283,377	306,299	312,087	312,087	327,483	323,578	3.68%
Funding Source: General Fund							

STREET MAINTENANCE

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2017 operating budget is an increase of 1.57% from the previous year's budget.

Budget Summary

Function: Public Works

Department: Street Maintenance

Appropriation Detail							
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	212,541	187,441	197,879	197,879	177,551	207,085	4.65%
Materials and Supplies	129,754	65,563	72,625	72,625	67,524	72,625	0.00%
Other Services and Charges	238,577	83,394	259,939	259,939	234,739	259,039	-0.35%
Total Operating Expenses	580,871	336,397	530,443	530,443	479,814	538,749	1.57%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	580,871	336,397	530,443	530,443	479,814	538,749	1.57%
Funding Source: General Fund							

PARKS MAINTENANCE

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

Function

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2017 operating budget is a decrease of 2.77% from the previous year's budget. This is primarily due to a reallocation of salary expenses.

Budget Summary

Function: Parks and Recreation		Department: Park Maintenance					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	252,885	205,538	233,191	233,191	191,823	215,361	-7.65%
Materials and Supplies	24,359	24,217	36,000	36,000	37,104	36,000	0.00%
Other Services and Charges	141,675	95,951	184,704	184,704	117,584	189,950	2.84%
Total Operating Expenses	418,919	325,706	453,895	453,895	346,512	441,311	-2.77%
Capital Outlay	-	-	-	-	-	-	0.00%
Department Total	418,919	325,706	453,895	453,895	346,512	441,311	-2.77%
Funding Source: General Fund							

RECREATION PROGRAM

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

Activity Scope

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

Objectives

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

Issues

1. Develop Senior programming
2. Budget constraints

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2017 operating budget is an increase of 2.67% from the previous year's budget.

Budget Summary

Function: Parks and Recreation		Department: Recreation					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	150,754	171,377	217,479	217,479	175,833	225,202	3.55%
Materials and Supplies	20,115	19,428	16,275	16,275	22,225	16,275	0.00%
Other Services and Charges	58,426	57,073	54,991	54,991	78,435	54,991	0.00%
Total Operating Expenses	229,295	247,878	288,745	288,745	276,494	296,468	2.67%
Total Capital	-	-	-	-	-	-	0.00%
Department Total	229,295	247,878	288,745	288,745	276,494	296,468	2.67%
Funding Source: General Fund							

CELEBRATING ARDEN HILLS

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

Budget Summary

Function: General Government		Department: Celebrating Arden Hills					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Personal Services	-	-	-	-	-	-	0.00%
Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	-	-	-	-	-	-	0.00%
Total Operating Expenses	-	-	-	-	-	-	0.00%
Department Total	-	-	-	-	-	-	0.00%
Funding Source: General Fund							

TRANSFERS TO OTHER FUNDS

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

Activity Scope

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

Objectives

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

Issues

1. Budget constraints

Measurable Workload Data

None developed at this time.

Budget Commentary

2017 includes a transfer of \$50,000 to fund Equipment Replacement, \$90,000 to fund EDA activities, and \$200,000 to the PIR Fund.

Budget Summary

Function: General Government		Department: Transfers					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Operating Transfers							
Transfer to Storm Water Mgmt	-	-	-	-	-	-	0%
Transfer to Park Fund	-	-	-	-	-	-	0%
Transfer to EDA General Fund	-	30,000	60,000	60,000	60,000	90,000	50%
Transfer to Equipment Fund	50,000	50,000	50,000	50,000	50,000	50,000	0%
Transfer to Public Safety Capital	-	-	-	-	-	-	0%
Transfer to PIR	162,417	-	100,000	665,121	665,121	200,000	-70%
Transfer to Debt Service	-	-	-	-	-	-	-70%
Department Total	212,417	80,000	210,000	775,121	775,121	340,000	-56.14%
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 2017.

Budget Summary

Function: General Government		Department: Reserves/Contingency					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Reserves							
Contingency	-	-	-	-	-	-	0.00%
Department Total	-	-	-	-	-	-	0.00%
General Fund							



Special Revenue Funds Summary

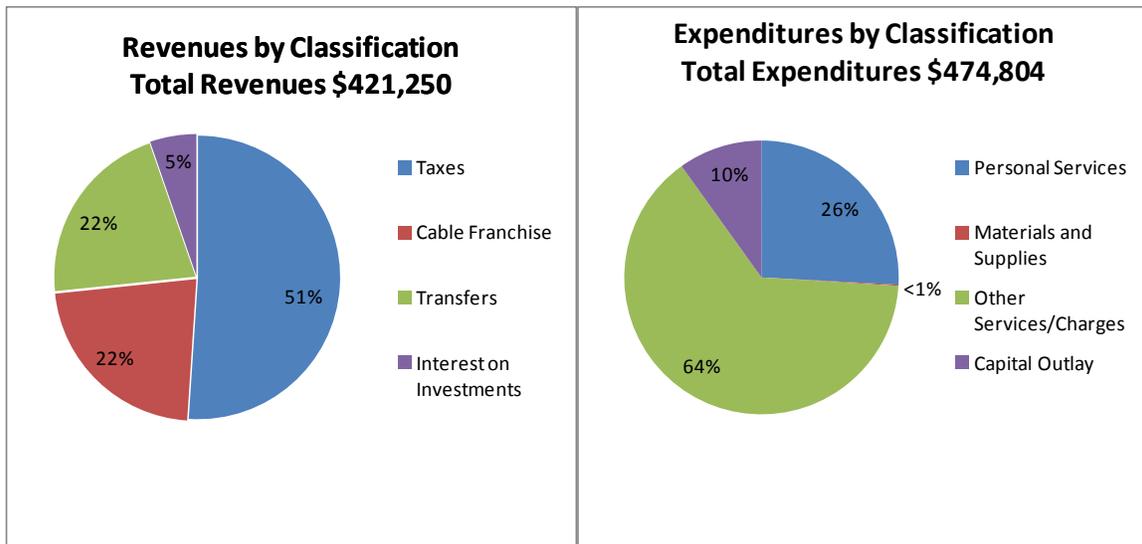
SPECIAL REVENUE FUNDS SUMMARY

Description

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

Budget Issues

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



Budget Summary

Special Revenue Funds

	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Operating Revenue							
Cable Fund	115,032	78,543	98,000	98,000	109,549	100,000	2.04%
EDA General Fund	73,452	69,000	4,000	4,000	9,699	5,600	40.00%
EDA Revolving Fund	6,378	3,264	2,500	2,500	2,652	3,000	20.00%
EDA TIF Dist #2 Round Lake	353,925	428,375	-	-	-	-	0.00%
EDA TIF Dist #3 Cottage Villas	70,938	74,782	65,000	65,000	75,179	72,000	10.77%
EDA TIF Dist #4 Pres Homes	98,289	147,508	99,600	99,600	170,205	150,650	51.26%
Operating Revenues	718,013	801,472	269,100	269,100	367,285	331,250	23.10%
Other Financing Sources							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	50,000	30,000	60,000	60,000	60,000	90,000	50.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	-	-	-	-	-	-	0.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Other Financing Sources	50,000	30,000	60,000	60,000	60,000	90,000	50.00%
Total Revenues	\$ 768,013	\$ 831,472	\$ 329,100	\$ 329,100	\$ 427,285	\$ 421,250	28.00%
Operating Expenses							
Cable Fund	98,213	127,202	149,812	149,812	101,892	149,358	-0.30%
EDA General Fund	68,837	112,987	132,559	132,559	60,825	134,199	1.24%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	1,181	1,361	1,125	1,125	-	-	-100.00%
EDA TIF Dist #3 Cottage Villas	1,181	1,273	4,725	4,725	1,894	4,725	0.00%
EDA TIF Dist #4 Pres Homes	90,784	133,850	92,825	92,825	155,147	139,525	50.31%
Operating Expenses	260,198	376,673	381,046	381,046	319,758	427,807	12.27%
Capital Outlay							
Cable Fund	5,559	-	12,000	12,000	-	2,000	-83.33%
EDA General Fund	12,333	10,077	-	-	-	45,000	0.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	125,000	422,872	-	-	-	-	0.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Total Capital Outlay	142,892	432,949	12,000	12,000	-	47,000	291.67%
Other Finance Uses							
Cable Fund	-	-	-	-	-	-	0.00%
EDA General Fund	-	-	-	-	-	-	0.00%
EDA Revolving Fund	-	-	-	-	-	-	0.00%
EDA TIF Dist #2 Round Lake	282,575	284,900	-	-	-	-	0.00%
EDA TIF Dist #3 Cottage Villas	-	-	-	-	-	-	0.00%
EDA TIF Dist #4 Pres Homes	-	-	-	-	-	-	0.00%
Other Financing Uses	282,575	284,900	-	-	-	-	0.00%
Total Expenditures	\$ 685,665	\$ 1,094,522	\$ 393,046	\$ 393,046	\$ 319,758	\$ 474,807	20.80%
Fund Balances - January 1	1,306,514	1,388,862	1,125,812	1,125,812	1,125,812	1,061,866	
Excess Revenue Over Expenditure	82,348	(263,050)	(63,946)	(63,946)	107,527	(53,557)	
Fund Balances - December 31	\$ 1,388,862	\$ 1,125,812	\$ 1,061,866	\$ 1,061,866	\$ 1,233,339	\$ 1,008,309	

CABLE FUND

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

Function

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The 2017 budget has decreased overall by 6.46%. Personal services have increased as a result of planned COLA and salary changes for 2017. Repairs and Maintenance to Equipment has been budgeted this year for the audio and video equipment. The City Council amended the 2015 budget to include newsletter and associated expenses in the Cable Fund for 2015 and beyond.

Budget Summary

Function: General Government		Department: Cable Fund					
Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Taxes	103,711	72,837	94,000	94,000	105,218	94,000	0.00%
Miscellaneous	11,321	5,706	4,000	4,000	4,331	6,000	50.00%
Total Revenues	\$ 115,032	\$ 78,543	\$ 98,000	\$ 98,000	\$ 109,549	\$ 100,000	2.04%
Expenditures							
Total Personal Services	46,355	46,482	51,085	51,085	43,353	50,410	-1.32%
Total Materials and Supplies	107	-	-	-	-	-	0.00%
Other Services and Charges	51,751	80,720	98,727	98,727	58,538	98,948	-40.71%
Capital Outlay	5,559	-	12,000	12,000	-	2,000	-83.33%
Total Expenditures	\$ 103,772	\$ 127,202	\$ 161,812	\$ 161,812	\$ 101,892	\$ 151,358	-6.46%
Fund Balance - January 1	294,553	305,813	257,154	257,154	257,154	193,342	
Excess Revenue Over Expenditure	11,260	(48,659)	(63,812)	(63,812)	7,657	(51,358)	
Fund Balance - December 31	\$ 305,813	\$ 257,154	\$ 193,342	\$ 193,342	\$ 264,811	\$ 141,984	

EDA GENERAL

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

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

The expenditure budget shows an increase of 35% over 2016, this is mainly due to the increase in Capital Outlay for a gateway sign currently programmed in the CIP.

Budget Summary

Function: Economic Development

Department: EDA General Fund

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
<u>Revenues</u>								
Taxes	61,280	63,361	-	-	4,904	-	-	0.00%
Intergovernmental	-	-	-	-	-	-	-	0.00%
Miscellaneous	12,172	5,639	4,000	4,000	4,795	5,600	40.00%	
Other Financing Sources	50,000	30,000	60,000	60,000	60,000	90,000	50.00%	
Total Revenues	\$ 123,452	\$ 99,000	\$ 64,000	\$ 64,000	\$ 69,699	\$ 95,600		49.38%
<u>Expenditures</u>								
Total Personal Services	46,673	60,769	71,286	71,286	42,842	72,301		1.42%
Total Materials and Supplies	237	257	650	650	290	650		0.00%
Other Service Charges	21,927	51,961	60,623	60,623	17,693	61,248		1.03%
Capital Outlay	12,333	10,077	-	-	-	45,000		100.00%
Total Expenditures	\$ 81,170	\$ 123,064	\$ 132,559	\$ 132,559	\$ 60,825	\$ 179,199		35.18%
Fund Balance - January 1	268,408	310,690	286,626	286,626	286,626	218,067		
Excess Revenue Over Expenditure	42,282	(24,064)	(68,559)	(68,559)	8,874	(83,599)		
Fund Balance - December 31	\$ 310,690	\$ 286,626	\$ 218,067	\$ 218,067	\$ 295,500	\$ 134,468		

EDA REVOLVING LOAN FUND

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

Budget Summary

Function: Economic Development		Department: EDA Revolving Fund						
Activity	Appropriation Detail							
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17	
Revenues								
Total Miscellaneous	6,378	3,264	2,500	2,500	2,652	3,000	20.00%	
Total Revenues	\$ 6,378	\$ 3,264	\$ 2,500	\$ 2,500	\$ 2,652	\$ 3,000	20.00%	
Fund Balance - January 1	154,491	160,869	164,133	164,133	164,133	166,633		
Excess Revenue Over Expenditure	6,378	3,264	2,500	2,500	2,652	3,000		
Fund Balance - December 31	\$ 160,869	\$ 164,133	\$ 166,633	\$ 166,633	\$ 166,785	\$ 169,633		

EDA TIF DISTRICT #2 – ROUND LAKE

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

Activity Scope

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

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

None at this time

Budget Summary

Function: Economic Development

Department: EDA TIF District #2 Round Lake Office Park

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
<u>Revenue</u>								
Taxes	345,058	419,838	-	-	-	-	-	0.00%
Miscellaneous	8,867	8,537	-	-	-	-	-	0.00%
Total Revenue	\$ 353,925	\$ 428,375	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<u>Expenditures</u>								
Other Services and Charges	1,181	1,361	1,125	1,125	-	-	-	-100.00%
Capital Outlay	125,000	422,872	-	-	-	-	-	0.00%
Operating Trans	282,575	284,900	-	-	-	-	-	0.00%
Total Expenditures	\$ 408,757	\$ 709,133	\$ 1,125	\$ 1,125	\$ -	\$ -	\$ -	-100.00%
Fund Balance - January 1	335,590	280,758	0	0	0	(1,125)	(1,125)	
Excess Revenue Over Expenditure	(54,832)	(280,758)	(1,125)	(1,125)	-	-	-	
Fund Balance - December 31	\$ 280,758	\$ 0	\$ (1,125)	\$ (1,125)	\$ 0	\$ (1,125)	\$ (1,125)	

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 2017.

Budget Summary

Function: Economic Development

Department: EDA TIF District #3 Cottage Villas

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
<u>Revenues</u>								
Taxes	60,555	67,844	60,000	60,000	68,488	65,000		8.33%
Intergovernmental	-	-	-	-	-	-		0.00%
Miscellaneous	10,383	6,938	5,000	5,000	6,691	7,000		40.00%
Total Revenues	\$ 70,938	\$ 74,782	\$ 65,000	\$ 65,000	\$ 75,179	\$ 72,000		10.77%
<u>Expenditures</u>								
Other Services and Charges	1,181	1,273	4,725	4,725	1,894	4,725		0.00%
Total Expenditures	\$ 1,181	\$ 1,273	\$ 4,725	\$ 4,725	\$ 1,894	\$ 4,725		0.00%
Fund Balance - January 1	256,441	326,197	399,706	399,706	399,706	459,981		
Excess Revenue Over Expenditure	69,756	73,509	60,275	60,275	73,285	67,275		
Fund Balance - December 31	\$ 326,197	\$ 399,706	\$ 459,981	\$ 459,981	\$ 472,992	\$ 527,256		

EDA TIF DISTRICT #4 – PRESBYTERIAN HOMES

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

Increment was received starting in 2014 and is estimated for 2017. Payments are based on 90% of increment received to the developer and estimated for 2017. The only other charges budgeted are administrative charges.

Budget Summary

Function: Economic Development		Department: EDA TIF District #4 Pres Homes					
Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Taxes	98,529	146,854	99,000	99,000	170,282	150,000	51.52%
Intergovernmental	-	-	-	-	-	-	0.00%
Miscellaneous	(240)	654	600	600	(77)	650	8.33%
Total Revenues	\$ 98,289	\$ 147,508	\$ 99,600	\$ 99,600	\$ 170,205	\$ 150,650	51.26%
Expenditures							
Total Materials and Supplies	-	-	-	-	-	-	0.00%
Other Services and Charges	90,784	133,850	92,825	92,825	155,147	139,525	50.31%
Capital Outlay	-	-	-	-	-	-	0.00%
Total Operating Expenses	90,784	133,850	92,825	92,825	155,147	139,525	50.31%
Total Expenditures	\$ 90,784	\$ 133,850	\$ 92,825	\$ 92,825	\$ 155,147	\$ 139,525	50.31%
Fund Balance - January 1	(2,969)	4,535	18,193	18,193	18,193	24,968	
Excess Revenue Over Expenditure	7,504	13,658	6,775	6,775	15,058	11,125	
Fund Balance - December 31	\$ 4,535	\$ 18,193	\$ 24,968	\$ 24,968	\$ 33,251	\$ 36,093	



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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17	
Revenues								
Interest Income	73	-	-	-	-	-	-	
Transfer	282,575	284,900	-	-	-	-	0.00%	
Total Revenues	\$ 282,648	\$ 284,900	\$ -	\$ -	\$ -	\$ -	0.00%	
Expenditures								
Bond Principal	270,000	280,000	-	-	-	-	0.00%	
Bond Interest	14,323	4,900	-	-	-	-	0.00%	
Fiscal Agents' Fees	450	-	-	-	-	-	0.00%	
Total Expenditures	\$ 284,773	\$ 284,900	\$ -	\$ -	\$ -	\$ -	-	
Fund Balance - January 1	2,167	43	43	43	43	43		
Excess Revenue Over Expenditures	(2,125)	-	-	-	-	-		
Fund Balance - December 31	\$ 43	\$ 43	\$ 43	\$ 43	\$ 43	\$ 43		

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

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

Bond Rating:

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

Debt Limitations:

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

Legal Debt Limit (3% of Estimated Market Value)	\$34,326,648
Less: Outstanding Debt Subject to Limit	\$ <u>0</u>
Legal Debt margin as of January 1, 2014	\$34,326,648

Service Levels:

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>
Bond Rating	AA+	AA+	AA+	AA+
Dec. 31 Debt Outstanding				
(\$'s in thousands)	\$280	\$0	\$0	\$0
Net Debt Per Capita	\$38	\$0	\$0	\$0
<u>Bonds Payable:</u>				

G.O. TAX INCREMENT BONDS OF 1998A

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

Activity Scope

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

Objectives

N/A

Issues

N/A

Measurable Workload Data

N/A

Budget Commentary

The City's outstanding debt has been fully repaid as of 2015, no further expenditures in this fund are expected for 2017.

Budget Summary

Function: Debt Service

Department: GO Tax Increment Bonds of 1998A

Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Interest Income	73	-	-	-	-	-	-
Transfer	282,575	284,900	-	-	-	-	0.00%
Total Revenues	\$ 282,648	\$ 284,900	\$ -	\$ -	\$ -	\$ -	0.00%
Expenditures							
Bond Principal	270,000	280,000	-	-	-	-	0.00%
Bond Interest	14,323	4,900	-	-	-	-	0.00%
Fiscal Agents' Fees	450	-	-	-	-	-	0.00%
Total Expenditures	\$ 284,773	\$ 284,900	\$ -	\$ -	\$ -	\$ -	-
Fund Balance - January 1	2,167	43	43	43	43	43	
Excess Revenue Over Expenditures	(2,125)	-	-	-	-	-	
Fund Balance - December 31	\$ 43	\$ 43					



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 2017 include:

- Playground Structure Replacement
- Forestry Implementation Plan
- Lake Johanna Fire Department Equipment
- Hwy 96 and County F Sidewalk Improvement
- MnDot Bridge Projects
- Hwy 96 Landscaping
- Co Rd E Sidewalk and Old Hwy 10 Trail

Some of these project costs for 2017 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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
<u>Operating Revenue</u>							
Equipment, Bldg & Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Public Safety Capital	37,742	28,326	30,000	30,000	23,528	30,000	0.00%
Park Fund	-	51,360	-	-	-	-	0.00%
TCAAP Capital	1,938	1,701	-	-	148	-	0.00%
Capital Improvement Fund (PIR)	1,883,589	2,440,768	988,675	988,675	458,699	1,105,000	11.77%
Total Operating Revenues	1,923,269	2,522,155	1,018,675	1,018,675	482,375	1,135,000	11.42%
<u>Other Financing Sources</u>							
Equipment, Bldg & Replacement	316,925	290,030	280,765	280,765	299,201	280,765	0.00%
Public Safety Capital	-	-	-	-	-	-	0.00%
Park Fund	-	-	-	-	-	-	0.00%
TCAAP Capital	-	-	-	-	-	-	0.00%
Capital Improvement Fund (PIR)	162,417	-	100,000	665,121	665,121	200,000	-69.93%
Total Other Financing Sources	479,342	290,030	380,765	945,886	964,322	480,765	-49.17%
Total Revenues	\$ 2,402,611	\$ 2,812,185	\$ 1,399,440	\$ 1,964,561	\$ 1,446,697	\$ 1,615,765	-17.75%
<u>Expenditures</u>							
Equipment, Bldg & Replacement	\$ 317,589	\$ 407,017	\$ 169,925	\$ 169,925	\$ 156,149	\$ 700,000	311.95%
Public Safety Capital	66,079	52,935	45,411	45,411	47,880	248,063	446.26%
Park Fund	18,883	-	-	-	-	-	0.00%
TCAAP Capital	203,692	54,894	-	-	5,650	-	0.00%
Capital Improvement Fund (PIR)	1,515,946	5,791,256	100,000	100,000	716,318	1,495,000	1395.00%
Total Expenditures	2,122,189	6,306,102	315,336	315,336	925,997	2,443,063	674.75%
<u>Other Finance Uses</u>							
Equipment, Bldg & Replacement	-	-	-	-	-	-	0.00%
Public Safety Capital	-	-	-	-	-	-	0.00%
Park Fund	-	-	-	-	-	-	0.00%
TCAAP Capital	15,000	15,000	15,000	15,000	15,000	15,000	0.00%
Capital Improvement Fund (PIR)	50,000	-	-	-	-	-	0.00%
Total Other Financing Uses	65,000	15,000	15,000	15,000	15,000	15,000	0.00%
Total Expenditures	\$ 2,187,189	\$ 6,321,102	\$ 330,336	\$ 330,336	\$ 940,997	\$ 2,458,063	644.11%
Fund Balance - January 1	7,042,717	7,258,139	3,749,222	3,749,222	3,749,222	5,383,447	
Excess Revenue Over Expenditure	215,422	(3,508,917)	1,069,104	1,634,225	505,699	(842,298)	
Fund Balance - December 31	\$ 7,258,139	\$ 3,749,222	\$ 4,818,326	\$ 5,383,447	\$ 4,254,921	\$ 4,541,149	

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 2017 projects are listed in the proposed five-year capital improvement plan. (All expenditures are reclassified as capital outlay, but actual show in categories such as Engineering, etc. on the budget below.)

Budget Summary

Function: Public Works

Department: PIR

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Special Assessments	302,071	907,648	400,000	400,000	355,831	400,000	0.00%
Miscellaneous	309,527	266,874	180,000	180,000	102,867	180,000	0.00%
Transfer	162,417	-	100,000	665,121	665,121	200,000	-69.93%
Department Total	\$ 2,046,006	\$ 2,440,768	\$ 1,088,675	\$ 1,653,796	\$ 1,123,820	\$ 1,305,000	-21.09%
Expenditures							
Total Materials and Supplies	223	-	-	-	-	-	0.00%
Other Services and Charges	627,998	1,175,143	-	-	493,202	-	0.00%
Capital Outlay	887,725	4,616,113	100,000	100,000	223,116	1,495,000	1395.00%
Department Total	\$ 1,565,946	\$ 5,791,256	\$ 100,000	\$ 100,000	\$ 716,318	\$ 1,495,000	1395.00%
Fund Balance - January 1	6,610,900	7,090,960	3,740,472	3,740,472	3,740,472	5,294,268	
Excess Revenue Over Expenditure	480,060	(3,350,488)	988,675	1,553,796	407,502	(190,000)	
Fund Balance - December 31	\$ 7,090,960	\$ 3,740,472	\$ 4,729,147	\$ 5,294,268	\$ 4,147,974	\$ 5,104,268	

PUBLIC SAFETY CAPITAL EQUIPMENT

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

Activity Scope

This Capital Fund was created in 1995 with the intent of building a reserve to fund General Fund public safety capital equipment requirements. This use of the fund would level future levy spikes caused by acquisition of costly specialized police and fire capital requirements. Arden Hills pays for a portion (24.5%) of Lake Johanna Fire Department equipment according to a formula which has been updated for 2017, with the balance funded by the other member cities of Shoreview and North Oaks.

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 increased 446.26% based on the numbers provided by LJFD, this is due to new anticipated capital expenditures in 2017.

Budget Summary

Function: Public Safety

Department: Public Safety Capital Equipment

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
Revenue								
Total Miscellaneous	37,742	28,326	30,000	30,000	23,528	30,000		0.00%
Transfer	-	-	-	-	-	-		0.00%
Total Revenues	\$ 37,742	\$ 28,326	\$ 30,000	\$ 30,000	\$ 23,528	\$ 30,000		0.00%
Expenditures								
Capital Outlay	66,079	52,935	45,411	45,411	47,880	248,063		446.26%
Department Total	\$ 66,079	\$ 52,935	\$ 45,411	\$ 45,411	\$ 47,880	\$ 248,063		446.26%
Fund Balance - January 1	208,695	180,358	155,749	155,749	155,749	140,338		
Excess Revenue Over Expenditure	(28,337)	(24,609)	(15,411)	(15,411)	(24,352)	(218,063)		
Fund Balance - December 31	\$ 180,358	\$ 155,749	\$ 140,338	\$ 140,338	\$ 131,397	\$ (77,725)		

PARKS FUND

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

There is no budget for this fund in 2017.

Budget Summary

Function: Parks and Recreation

Department: Park Fund

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
Revenues								
Intergovernmental	-	-	-	-	-	-	-	0.00%
Miscellaneous	-	51,360	-	-	-	-	-	0.00%
Other Financing Sources	-	-	-	-	-	-	-	0.00%
Total Revenues	\$ -	\$ 51,360	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Expenditures								
Other Services and Charges	70	-	-	-	-	-	-	0.00%
Capital Outlay	18,813	-	-	-	-	-	-	0.00%
Total Expenditures	\$ 18,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Fund Balance - January 1	(68,493)	(87,376)	(36,016)	(36,016)	(36,016)	(36,016)	(36,016)	
Excess Revenue Over Expenditure	(18,883)	51,360	-	-	-	-	-	
Fund Balance - December 31	\$ (87,376)	\$ (36,016)	\$ (36,016)	\$ (36,016)	\$ (36,016)	\$ (36,016)	\$ (36,016)	

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 2017 expenses included the replacement of a street sweeper, large area mower, trailers and other equipment (see CIP). Other expenditures are technology related (Springbrook software, voting equipment and miscellaneous technology).

Budget Summary

Function: General Government

Department: Equipment Building and Replacement

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
Revenues								
Transfers	316,925	290,030	280,765	280,765	299,201	280,765		0.00%
Department Total	\$ 316,925	\$ 290,030	\$ 280,765	\$ 280,765	\$ 299,201	\$ 280,765		0.00%
Expenditures								
Capital Outlay	317,589	407,017	169,925	169,925	156,149	700,000		92.90%
Department Total	\$ 317,589	\$ 407,017	\$ 169,925	\$ 169,925	\$ 156,149	\$ 700,000		92.90%
Fund Balance - January 1	(62,854)	(63,518)	(180,505)	(180,505)	(180,505)	(69,665)		
Excess Revenue Over Expenditure	(664)	(116,987)	110,840	110,840	143,052	(419,235)		
Fund Balance - December 31	\$ (63,518)	\$ (180,505)	\$ (69,665)	\$ (69,665)	\$ (37,453)	\$ (488,900)		

TCAAP CAPITAL FUND

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

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

Budget Summary

Function: TCAAP

Department: TCAAP Capital

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
Revenue								
Intergovernmental	-	-	-	-	-	-	-	0.00%
Miscellaneous	1,938	1,701	-	-	148	-	-	0.00%
Transfer	-	-	-	-	-	-	-	0.00%
Total Revenues	\$ 1,938	\$ 1,701	\$ -	\$ -	\$ 148	\$ -	\$ -	0.00%
Expenditures								
Other Services and Charges	203,692	54,894	-	-	5,650	-	-	0.00%
Other Financing Sources	15,000	15,000	15,000	15,000	15,000	15,000	15,000	0.00%
Department Total	\$ 218,692	\$ 69,894	\$ 15,000	\$ 15,000	\$ 20,650	\$ 15,000	\$ 15,000	0.00%
Fund Balance - January 1	291,615	74,861	6,668	6,668	6,668	(8,332)	(8,332)	
Excess Revenue Over Expenditure	(216,754)	(68,193)	(15,000)	(15,000)	(20,502)	(15,000)	(15,000)	
Fund Balance - December 31	\$ 74,861	\$ 6,668	\$ (8,332)	\$ (8,332)	\$ (13,834)	\$ (23,332)	\$ (23,332)	



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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Taxes	-	-	-	-	-	-	0.00%
Licenses and Permits	3,130	7,883	5,500	5,500	3,572	5,500	0.00%
Intergovernmental	19,611	124,228	20,000	20,000	82,687	20,000	0.00%
Special Assessment	6,818	3,757	2,600	2,600	197,889	2,600	0.00%
Miscellaneous	68,154	43,971	47,500	47,500	29,472	52,500	10.53%
Charges for Services	4,858,971	4,846,818	4,911,343	4,911,343	4,725,718	6,165,769	25.54%
Total Revenues	4,956,684	5,026,658	4,986,943	4,986,943	5,039,338	6,246,369	25.25%
Expenditures							
Personal Services	869,188	861,712	907,910	907,910	825,865	895,580	-1.36%
Materials and Supplies	87,646	69,364	11,050	11,050	27,450	40,950	270.59%
Other Services and Charges	3,022,472	3,189,236	3,299,729	3,299,729	2,605,547	3,443,175	4.35%
Capital Outlay	4,048	-	305,000	305,000	475,313	5,180,000	1598.36%
Transfers	230,765	230,765	230,765	230,765	230,765	230,765	0.00%
Total Expenditures	4,214,119	4,351,077	4,754,454	4,754,454	4,164,940	9,790,470	105.92%
Fund Balance - January 1	15,515,252	16,261,865	16,937,446	16,937,446	16,937,446	17,169,935	
Excess Revenue Over Expenditures	742,565	675,581	232,489	232,489	874,399	(3,544,100)	
Fund Balance - December 31	\$ 16,257,817	\$ 16,937,446	\$ 17,169,935	\$ 17,169,935	\$ 17,811,845	\$ 13,625,835	
Balance Without Capital Outlay	\$ 16,261,865	\$ 16,937,446	\$ 17,474,935	\$ 17,474,935	\$ 18,287,158	\$ 18,805,835	

(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 2017 rate increase is 2% and the overall revenue change budgeted in the fund for 2017 is 0% over 2016.

The 2016 operating budget is an increase of 3.04% from the previous year's budget and an increase of 163.92% overall with capital outlay. Currently, capital expenditures relating to water tower repainting, hydrant and valve replacement, and anticipated TCAAP expenditures are programmed for 2017. 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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Licenses and Permits	2,365	5,562	3,500	3,500	2,772	3,500	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Special Assessment	2,707	1,449	2,000	2,000	30,615	2,000	0.00%
Miscellaneous	29,521	26,075	20,000	20,000	13,046	25,000	25.00%
Charges for Services	2,126,839	2,090,374	2,304,259	2,304,259	2,125,707	2,298,868	-0.23%
Total Revenues	2,161,432	2,123,459	2,329,759	2,329,759	2,172,140	2,329,368	-0.02%
Expenditures							
Total Personal Services	282,675	285,617	299,045	299,045	270,876	296,698	-0.78%
Total Materials and Supplies	77,824	30,418	5,800	5,800	15,838	35,700	515.52%
Other Services and Charges	1,528,673	1,487,368	1,672,211	1,672,211	1,258,677	1,706,783	2.07%
Capital Outlay	4,048	-	30,000	30,000	119,678	3,370,000	11133.33%
Transfers	68,396	68,396	68,396	68,396	68,396	68,396	0.00%
Total Expenditures	1,961,616	1,871,799	2,075,452	2,075,452	1,733,465	5,477,577	163.92%
Fund Balance - January 1	7,049,873	7,253,738	7,505,397	7,505,397	7,505,397	7,759,704	
Excess Revenue Over Expenditures	199,817	251,660	254,307	254,307	438,675	(3,148,209)	
Fund Balance - December 31	\$ 7,249,690	\$ 7,505,397	\$ 7,759,704	\$ 7,759,704	\$ 7,944,072	\$ 4,611,495	
Balance Without Capital Outlay	\$ 7,253,738	\$ 7,505,397	\$ 7,789,704	\$ 7,789,704	\$ 8,063,751	\$ 7,981,495	

(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 2017 rate increase is 2%, the overall revenue budgeted for 2016 is an increase of 68.94% over 2016. This increase is related to anticipated revenues from TCAAP development.

The 2017 operating budget is an increase of 4.8% from the previous year's budget and an overall increase of 76.72% with Capital Outlay. Capital Outlay costs sewer lining, lift station reconstruction, and TCAAP infrastructure. An operating transfer has also been budgeted to the Equipment, Building, and Replacement Fund which has been revised and updated.

Budget Summary

Function: Public Works

Department: Sanitary Sewer Utility

Activity	Appropriation Detail						% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	
<u>Revenues</u>							
Licenses and Permits	765	2,322	2,000	2,000	800	2,000	0.00%
Special Assessments	3,341	1,649	400	400	35,278	400	0.00%
Miscellaneous	4,049	577	-	-	-	-	0.00%
Charges for Services	1,853,166	1,851,831	1,789,524	1,789,524	1,789,078	3,024,814	69.03%
Total Revenues	1,861,322	1,856,379	1,791,924	1,791,924	1,884,404	3,027,214	68.94%
<u>Expenditures</u>							
Total Personal Services	353,085	348,043	355,168	355,168	339,319	352,963	-0.62%
Total Materials and Supplies	1,804	27,070	3,500	3,500	3,962	3,500	0.00%
Other Services and Charges	1,152,038	1,212,695	1,229,939	1,229,939	1,075,852	1,312,885	6.74%
Capital Outlay	-	-	225,000	225,000	287,594	1,610,000	615.56%
Transfers	96,870	96,870	96,870	96,870	96,870	96,870	0.00%
Total Expenditures	1,603,797	1,684,678	1,910,477	1,910,477	1,803,597	3,376,218	76.72%
Fund Balance - January 1	5,183,180	5,440,705	5,612,406	5,612,406	5,612,406	5,493,853	
Excess Revenue Over Expenditures	257,525	171,701	(118,553)	(118,553)	80,807	(349,003)	
Fund Balance - December 31	5,440,705	5,612,406	5,493,853	5,493,853	5,693,213	5,144,850	
Balance Without Capital Outlay	5,440,705	5,612,406	5,718,853	5,718,853	5,980,807	6,754,850	

(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 2017 is increasing by 2.39%. Revenues are expected to closely match expenses.

The 2017 operating budget is an increase of 2.44% from the previous year's budget. The changes are primarily due to personnel costs and increasing recycling costs.

Budget Summary

Function: General Government

Department: Recycling

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
<u>Revenues</u>								
Intergovernmental	19,611	124,228	20,000	20,000	23,439	20,000		0.00%
Special Assessments	349	458	-	-	126,011	-		0.00%
Miscellaneous	15,963	7,582	12,500	12,500	12,564	12,500		0.00%
Charges for Services	116,505	122,314	126,466	126,466	-	130,260		3.00%
Total Revenues	\$ 152,427	\$ 254,582	\$ 158,966	\$ 158,966	\$ 162,014	\$ 162,760		2.39%
<u>Expenditures</u>								
Total Personal Services	22,976	19,151	19,368	19,368	17,274	20,081		3.68%
Other Services and Charges	127,441	220,573	129,144	129,144	119,979	132,060		2.26%
Total Expenditures	\$ 150,417	\$ 239,724	\$ 148,512	\$ 148,512	\$ 137,253	\$ 152,141		2.44%
Fund Balance - January 1	66,899	68,910	83,767	83,767	83,767	94,221		
Excess Revenue Over Expenditures	2,011	14,857	10,454	10,454	24,761	10,619		
Fund Balance - December 31	\$ 68,910	\$ 83,767	\$ 94,221	\$ 94,221	\$ 108,528	\$ 104,840		

SURFACE WATER MANAGEMENT UTILITY

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

Function

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The rate increase for 2017 is 3%. The overall revenue increase for the fund is 2.94% over 2016.

The 2017 operating budget is an increase of 2.54% from the previous year's budget and an increase of 26.54% overall with Capital Outlay. The capital outlay budgeted for in 2017 storm pond maintenance, inlet/outlet repairs, and a BMP project/study. 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 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	
<u>Revenues</u>							
Taxes	-	-	-	-	-	-	0.00%
Intergovernmental	-	-	-	-	-	-	0.00%
Special Assessments	422	202	200	200	5,986	200.00	0.00%
Miscellaneous	18,620	9,737	15,000	15,000	3,862	15,000.00	0.00%
Charges for Services	762,461	782,299	691,094	691,094	810,933	711,826.82	3.00%
Total Revenues	\$ 781,503	\$ 792,238	\$ 706,294	\$ 706,294	\$ 820,780	727,026.82	2.94%
<u>Expenditures</u>							
Total Personal Services	210,453	208,901	234,329	234,329	198,395	225,838.00	-3.62%
Total Materials and Supplies	8,018	11,875	1,750	1,750	7,650	1,750.00	0.00%
Other Services and Charges	214,320	268,600	268,435	268,435	151,039	291,446.60	8.57%
Capital Outlay	-	-	50,000	50,000	68,041	200,000.00	300.00%
Transfers	65,499.00	65,499.00	65,499	65,499	65,499	65,499.00	0.00%
Total Expenditures	\$ 498,290	\$ 554,876	\$ 620,013	\$ 620,013	\$ 490,625	784,533.60	26.54%
Fund Balance - January 1	3,215,300	3,498,513	3,735,875	3,735,875	3,735,875	3,822,156	
Excess Revenue Over Expenditures	283,213	237,362	86,281	86,281	330,156	(57,507)	
Fund Balance - December 31	\$ 3,498,513	\$ 3,735,875	\$ 3,822,156	\$ 3,822,156	\$ 4,066,031	\$ 3,764,650	

(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.)



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 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenue							
Charges for Services	833,313	824,614	908,380	908,380	696,720	980,868	7.98%
Micellaneous	33,637	70,578	25,290	25,290	33,196	25,290	0.00%
Total Revenues	\$ 866,950	\$ 895,192	\$ 933,670	\$ 933,670	\$ 729,916	\$ 1,006,158	7.76%
Expenditures							
Personal Services	156,808	163,106	165,497	165,497	110,205	182,761	10.43%
Materials and Supplies	144,000	119,751	167,370	167,370	85,616	142,120	-15.09%
Other Services and Charges	581,973	596,140	621,031	621,031	596,198	673,407	8.43%
Capital Outlay	-	-	-	-	702	-	0.00%
Total Expenditures	\$ 882,781	\$ 878,998	\$ 953,898	\$ 953,898	\$ 792,019	\$ 998,288	4.65%
Fund Balance - January 1	478,801	462,970	479,164	479,164	479,164	458,936	
Excess Revenue Over Expenditure	(15,831)	16,194	(20,228)	(20,228)	(62,103)	7,870	
Fund Balance - December 31	462,970	479,164	458,936	458,936	417,060	466,806	



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RISK MANAGEMENT

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

The insurance dividend was budgeted as a conservative amount for 2017. Expenditures have been reduced to reflect the City's exposure as these are charges for the City's deductible against claims.

Budget Summary

General Government

Department: Risk Management

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Charges for Services	381,701	321,861	384,496	384,496	319,501	404,810	5.28%
Miscellaneous	31,744	69,035	25,290	25,290	31,566	25,290	0.00%
Total Revenues	\$ 413,445	\$ 390,896	\$ 409,786	\$ 409,786	\$ 351,067	\$ 430,100	4.96%
Expenditures							
Personal Services	10,955	10,205	11,877	11,877	8,433	14,873	25.23%
Materials and Supplies	-	-	-	-	205	-	0.00%
Other Services and Charges	393,147	367,381	418,137	418,137	375,211	407,357	-2.58%
Total Expenditures	\$ 404,102	\$ 377,586	\$ 430,014	\$ 430,014	\$ 383,848	\$ 422,230	-1.81%
Fund Balance - January 1	424,464	433,807	447,117	447,117	447,117	426,889	
Excess Revenue Over Expenditure	9,343	13,310	(20,228)	(20,228)	(32,781)	7,870	
Fund Balance - December 31	433,807	447,117	426,889	426,889	414,335	434,758	

ENGINEERING

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

Budget Summary

Public Works		Department: Engineering					
		Appropriation Detail					
Activity	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenues							
Charges for Services	131,335	157,650	145,222	145,222	104,888	154,764	6.57%
Miscellaneous	1,893	1,543	-	-	1,543	-	0.00%
Total Revenues	\$ 133,228	\$ 159,193	\$ 145,222	\$ 145,222	\$ 106,430	\$ 154,764	6.57%
Expenditures							
Personal Services	121,512	128,674	127,175	127,175	87,917	136,863	7.62%
Materials and Supplies	-	-	250	250	-	-	-100.00%
Other Services and Charges	9,274	6,901	17,797	17,797	11,539	17,901	0.58%
Capitol Outlay	-	-	-	-	-	-	0.00%
Total Expenditures	\$ 130,786	\$ 135,575	\$ 145,222	\$ 145,222	\$ 99,457	\$ 154,764	6.57%
Fund Balance - January 1	40,837	43,279	66,897	66,897	66,897	66,897	
Excess Revenue Over Expenditure	2,442	23,617	-	-	6,974	0	
Fund Balance - December 31	43,279	66,897	66,897	66,897	73,870	66,897	

CENTRAL GARAGE & EQUIPMENT

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

Budget Summary

Public Works

Department: Central Garage & Equipment

Activity	Appropriation Detail							% Change 16 vs 17
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017		
Revenues								
Charges for Services	223,262	180,997	228,424	228,424	137,833	231,341		1.28%
Miscellaneous	-	-	-	-	87	-		0.00%
Total Revenues	\$ 223,262	\$ 180,997	\$ 228,424	\$ 228,424	\$ 137,920	\$ 231,341		1.28%
Expenditures								
Personal Services	18,064	17,929	19,791	19,791	7,596	19,880		0.45%
Materials and Supplies	137,002	113,257	142,120	142,120	74,306	142,120		0.00%
Other Services and Charges	64,057	53,180	66,513	66,513	55,263	69,341		4.25%
Capitla Outlay	-	-	-	-	765	-		0.00%
Total Expenditures	\$ 219,123	\$ 184,366	\$ 228,424	\$ 228,424	\$ 137,930	\$ 231,341		1.28%
Fund Balance - January 1	(18,744)	(14,605)	(17,975)	(17,975) [█]	(17,975)	(17,975)		
Excess Revenue Over Expenditure	4,139	(3,370)	-	-	(10)	0		
Fund Balance - December 31	(14,605)	(17,975)	(17,975)	(17,975)	(17,984)	(17,974)		

TECHNOLOGY

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

Activity Scope

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

Objectives

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

Issues

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

Measurable Workload Data

None developed at this time.

Budget Commentary

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

Budget Summary

General Government

Department: Technology

Activity	Appropriation Detail						
	Actual FY 2014	Actual FY 2015	Budget FY 2016	Amended FY2016	Estimated FY2016	Adopted FY 2017	% Change 16 vs 17
Revenue							
Charges for Services	97,015	164,107	150,238	150,238	134,498	189,953	26.43%
Miscellaneous	-	-	-	-	-	-	0.00%
Operating Revenues	\$ 97,015	\$ 164,107	\$ 150,238	\$ 150,238	\$ 134,498	\$ 189,953	26.43%
Expenditures							
Personal Services	6,277	6,298	6,654	6,654	6,259	11,145	67.49%
Materials and Supplies	6,999	6,494	25,000	25,000	11,105	-	-100.00%
Other Services and Charges	115,495	168,678	118,584	118,584	154,186	178,808	50.79%
Capitol Outlay	-	-	-	-	(63)	-	0.00%
Total Expenditures	\$ 128,770	\$ 181,471	\$ 150,238	\$ 150,238	\$ 171,487	\$ 189,953	26.43%
Fund Balance - January 1	32,244.00	489	(16,875)	(16,875) [▼]	(16,875)	(16,875)	
Excess Revenue Over Expenditure	(31,755)	(17,364)	-	-	(36,989)	0	
Fund Balance - December 31	489 [▼]	(16,875)	(16,875)	(16,875)	20,114	(16,875)	

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.

	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Adopted</u>	2016 <u>Estimated</u>	2017 <u>Adopted</u>
Administration					
Administrator	1.00	1.00	1.00	1.00	1.00
FTE's	1.00	1.00	1.00	1.00	1.00
Finance & Administrative Services					
Finance & Administrative Director	1.00	1.00	1.00	1.00	1.00
Accounting Analyst	1.00	1.00	1.00	1.00	1.00
Finance Analyst	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	1.00	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00	1.00	1.00
Office Support Specialist	2.00	2.00	2.00	1.00	1.00
Customer Service Representative	1.00	1.00	1.00	1.00	1.00
FTE's	8.00	9.00	9.00	8.00	8.00
Community Development					
Comm. Dev Director	1.00	1.00	1.00	1.00	1.00
Bldg Official	1.00	1.00	1.00	1.00	1.00
Bldg Inspector	1.00	1.00	1.00	1.00	1.00
City Planner	1.00	1.00	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00	1.00	-
Senior Planner	-	-	-	-	1.00
FTE's	5.00	5.00	5.00	5.00	5.00
Public Works					
Public Works Director	1.00	1.00	1.00	1.00	1.00
Assistant City Engineer	1.00	1.00	1.00	1.00	1.00
Public Works Superintendent	1.00	1.00	1.00	1.00	1.00
Parks & Rec. Manager	1.00	-	-	-	-
Recreation Coordinator	-	1.00	1.00	1.00	1.00
Recreation Programmer	1.00	1.00	1.00	1.00	1.00
PW Working Foreman	-	-	-	-	-
PW Maint. Workers (8)	8.00	8.00	8.00	8.00	8.00
FTE's	13.00	13.00	13.00	13.00	13.00
Seasonal and Interns					
Public Works	2.06	2.06	2.06	2.00	2.00
Parks and Rec.	2.43	2.43	2.43	2.00	2.00
Finance and Admin Intern	0.00	0.00	0.00	0.00	0.00
Engineering Intern	0.50	0.50	0.50	0.00	0.00
FTE's	4.99	4.99	4.99	4.00	4.00
Total FTE's	31.99	32.99	32.99	31.00	31.00

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

Head Count of Total Number of Employees

	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Adopted</u>
Full Time Employees	27	27	27	27
Part Time Employees	-	-	-	-
Public Works Seasonal	8	8	9	8
Parks & Recreation Seasonal	34	44	36	36
Interns				
<i>Administration</i>	-	-	-	-
<i>Community Development</i>	-	-	-	-
<i>Engineering</i>	1	-	-	-
<i>Finance</i>	-	-	-	-
<i>Pubic Works</i>	-	-	-	-
Total Employees	70	79	72	71

The following page shows the 2017 payroll and benefit allocation by person to each department. This page also shows how the Administrative Charge is calculated for the Administration, Finance, and Government Buildings Departments to other funds.

Employee Benefits

The City of Arden Hills has one employee association which represents the Public Works union employees. All other employees of the City are unrepresented. The current contract expires December 31, 2017, 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 2.75% COLA for union employees and a 2.50% COLA for non-union employees. The City pays \$781.46 toward health insurance premiums and dental.

Health	14.6%
Dental	3.0%
Life	0.0%
Disability	0.0%

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

Employee Compensation

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

Title	Total Salary Payable	Total Benefits Payable
City Administrator	\$132,982	\$29,524
Finance & Administrative Director	118,353	27,308
Accounting Analyst	70,053	19,991
Finance Analyst	67,568	19,614
City Clerk	66,991	19,527
Deputy City Clerk	52,888	17,390
Accounting Clerk	60,607	18,559
Office Support Specialist	55,489	17,784
Customer Service Representative	55,489	17,784
Comm. Dev Director	118,353	27,308
Bldg Official	88,440	22,776
Bldg Inspector	73,175	20,464
City Planner	78,578	21,282
Senior Planner	67,897	19,664
Public Works Director	118,353	27,308
Assistant City Engineer	95,892	23,905
Public Works Superintendent	70,252	20,021
Recreation Coordinator	62,499	18,846
Recreation Programmer	48,542	16,732
Public Works Maintenance	56,909	17,999
Public Works Maintenance	48,538	17,999
Public Works Maintenance	56,909	16,731
Public Works Maintenance	56,909	17,999
Public Works Maintenance	56,909	17,999
Public Works Maintenance	56,909	17,999
Public Works Maintenance	62,600	17,999
Public Works Maintenance	45,115	16,212
Total Budget for FTE's	\$1,943,199	\$546,724
Mayor	\$6,100	
Councilmember	5,700	

2017 Payroll Allocation

	Admin	TCAAP	Planning	Emergency Mgmt	Prot Inspect	Govt Bldg	Finance	Streets	Parks	Rec	Cable	Tech	Water	Sewer	Recycling	Storm Wtr Mgmt	EDA	ENR	Risk Mgmt	Central Garage	Total	FTE	
Administration	41300	41600	41910	42300	42400	41940	41500	43100	45200	45120	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%	0.00%	1.75%	1.75%	1.75%	1.75%	10.00%	1.75%	1.75%	1.75%	1.75%	1.00	
Finance & Support Services																							
Finance Director	10.00%						15.00%				5.00%	2.00%	18.00%	18.00%	2.00%	18.00%	5.00%	2.00%	3.00%	2.00%	100.00%	1.00	
Accounting Analyst							19.00%				2.25%	2.25%	23.25%	23.25%	2.25%	23.25%		2.25%	2.25%	2.25%	2.25%	100.00%	1.00
Finance Analyst							19.00%				2.50%	1.00%	25.00%	25.00%	2.50%	25.00%		2.25%	2.25%	2.25%	100.00%	1.00	
Accounting Clerk							6.50%				1.75%	1.75%	30.00%	30.00%	1.75%	30.00%					100.00%	1.00	
City Clerk	40.00%										25.00%	1.00%	10.00%	10.00%	10.00%	10.00%			3.00%		100.00%	1.00	
Office Support Specialist	10.00%	20.00%			42.50%		5.00%	5.00%	2.50%	15.00%	15.00%	0.00%	2.50%	2.50%	2.50%	15.00%	5.00%				100.00%	1.00	
Deputy Clerk	10.00%	5.00%			5.00%		7.50%	35.00%			5.00%	10.00%	10.00%	10.00%	5.00%	10.00%	5.00%				100.00%	1.00	
Customer Service Specialist	20.00%						5.00%				5.00%	0.00%	15.00%	15.00%	5.00%	10.00%	5.00%				100.00%	1.00	
Community Development																							
Comm Dev Director	15.00%	30.00%	25.00%		15.00%		0.645	0.125	0.375	0.15	0.5425	0.0625	1.3375	1.3375	0.135	1.3375	0.11	0.0425	0.0825	0.0425	8.00	8.00	
Bldg Official					95.00%	5.00%											15.00%					100.00%	1.00
Bldg Inspector					100.00%																	100.00%	1.00
City Planner	5.00%	50.00%	90.00%												5.00%							100.00%	1.00
Senior Planner																						100.00%	1.00
Public Works																							
Public Works Director		3.00%																				5.00	
Public Works Superintendent																						5.00	
Assistant Engineer																						100.00%	1.00
Recreation Coordinator																						100.00%	1.00
Recreation Programmer																						100.00%	1.00
PW Maint Workers (8)																						100.00%	8.00
Total FTEs	1.6025	0.93	1.685	0.0175	2.5925	0.3675	0.6625	1.9625	2.6925	2.1175	0.56	0.0625	3.255	3.755	0.2025	2.555	0.61	1.11	0.1	0.16	27.00	27.00	

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 2017.

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 2017 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 164 through 203

Capital Equipment is listed on pages 204 through 229



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City of Arden Hills, Minnesota

Capital Improvement Plan

2017 thru 2021

PROJECTS BY DEPARTMENT

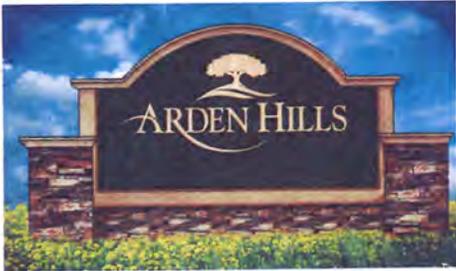
Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Economic Development								
Gateway Signs	16-EDA-001	n/a	45,000	0				45,000
Economic Development Total			45,000	0				45,000
Government Buildings								
City Hall Maintenance	17-Bldg-005	2	50,000		25,000		25,000	100,000
Government Buildings Total			50,000		25,000		25,000	100,000
Parks Department								
Playground Structure Replacement	11-Park-003	n/a	65,000	125,000	120,000	45,000		355,000
Forestry Implementation Plan	11-Park-004	n/a	5,000	5,000	5,000			15,000
Development of TCAAP Park Facilities	17-Park-001	3		2,500,000	2,500,000	2,000,000		7,000,000
Hard Court Reconstruction	18-Park-001	3	100,000	50,000	55,000	60,000		265,000
Parks Department Total			170,000	2,680,000	2,680,000	2,105,000		7,635,000
Public Safety								
LJFD Station Capital	09-Pub-001	n/a	6,954	15,860	9,272			32,086
LJFD Engine/Ladder Replacement	17-Pub-001	n/a	172,020	15,128				187,148
LJFD Rescue/Chief/Utility Vehicle Replacement	17-Pub-002	n/a	19,520		45,140	50,752	24,400	139,812
LJFD Radio Replacement	17-Pub-003	n/a	16,348	16,348				32,696
LJFD Other Capital Equipment	17-Pub-004	n/a	5,221	1,854	1,098			8,173
County Emergency Siren Replacement	17-Pub-005	n/a	28,000					28,000
Public Safety Total			248,063	49,190	55,510	50,752	24,400	427,915
Sanitary Sewer Department								
Sewer Lining/Rehabilitation	09-Sew-002	3	400,000		400,000		400,000	1,200,000
Reconstruct Lift Stations 11	10-Sew-003	3	10,000					10,000
TCAAP Trunk Sanitary Sewer & Lift Station	16-Sew-001	3	1,200,000					1,200,000
Sanitary Sewer Department Total			1,610,000		400,000		400,000	2,410,000
Street Department								
Hwy 96 and County Road F Sidewalk Improvement	14-Str-002	3	425,000					425,000
MnDOT Bridge Projects	15-Str-061	3	100,000					100,000
Hwy 96 Landscaping	17-Str-003	4	300,000					300,000
Old Snelling Ave including Bridge Reconstruction	17-Str-004	3			1,750,000			1,750,000
Co Rd E2 Improvements	17-Str-005	n/a	100,000					100,000
CR E Sidewalk and Old Hwy 10 Trail (Bethel)	18-Str-003	3	400,000	1,000,000				1,400,000
Co Rd 96 Signal Maintenance	18-Str-004	2		6,000				6,000
Street Department Total			1,325,000	1,006,000	1,750,000			4,081,000
Surface Water Management Dept								

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Storm Pond Maintenance	09-Storm-001	3	50,000	0	50,000			100,000
Storm Water Inlet/Outlet Repairs	13-Storm-001	3	25,000	0	25,000			50,000
Storm Water BMP Study/Construction	17-Storm-001	3	125,000					125,000
Surface Water Management Dept Total			200,000	0	75,000			275,000
Technology								
Springbrook Software Upgrades	12-Tec-001	n/a	5,000	5,000	5,000	5,000	5,000	25,000
Technology and Office Equipment	12-Tec-002	n/a	5,000	5,000	5,000	5,000	5,000	25,000
Communications Equipment	12-Tec-003	n/a	2,000	2,000	2,000	2,000	2,000	10,000
Technology Total			12,000	12,000	12,000	12,000	12,000	60,000
Water Department								
Water Towers Repair and Repainting	12-W-001	3	900,000					900,000
Valve Replacement Program	13-W-001	3	30,000	35,000	35,000	35,000	35,000	170,000
Hydrant Replacement Program	15-W-001	3	40,000		40,000		40,000	120,000
TCAAP New Booster Station	16-W-001	3	1,000,000					1,000,000
TCAAP Trunk Water Improvements (Spine Road)	16-W-002	3	1,000,000					1,000,000
TCAAP Water Tower	16-W-003	3				4,800,000		4,800,000
CR E2 Water Replacement/Old Hwy 10 Water Loop	17-W-001	4	400,000					400,000
Water Department Total			3,370,000	35,000	75,000	4,835,000	75,000	8,390,000
GRAND TOTAL			7,030,063	3,782,190	5,072,510	7,002,752	536,400	23,423,915

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	16-EDA-001
Project Name	Gateway Signs



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

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

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

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

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

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

Justification

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

Prior	Expenditures	2017	2018	2019	2020	2021	Total
0	Construction/Maintenance	45,000	0				45,000
Total	Total	45,000	0				45,000

Funding Sources	2017	2018	2019	2020	2021	Total
EDA Revenues	45,000					45,000
Total	45,000					45,000

Budget Impact/Other

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

Prior	Budget Items	2017	2018	2019	2020	2021	Total
0	Annual Maintenance Charge	0	500	500	500	500	2,000
Total	Total	0	500	500	500	500	2,000

Capital Improvement Plan

2017 *thru* 2021

City of Arden Hills, Minnesota

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

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



Description **Total Project Cost:** \$355,000

Play Structures are placed on a 20 year replacement pattern.

Justification

In order to maintain playground structures that meet current safety guidelines, require a minimum amount of maintenance, and have replacement parts available, a 20 year replacement schedule was established for play structures. The following is a list of play structures, the year they were constructed, the year they are scheduled to be replaced, and the anticipated replacement cost.

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	2017	2018	2019	2020	2021	Total
Construction/Maintenance	65,000	125,000	120,000	45,000		355,000
Total	65,000	125,000	120,000	45,000		355,000

Funding Sources	2017	2018	2019	2020	2021	Total
Capital Improvement Funds (PIR)	65,000	125,000	120,000	45,000		355,000
Total	65,000	125,000	120,000	45,000		355,000

Budget Impact/Other

By replacing playground structures the City will see future cost savings by not having to purchase replacement parts for aging playground structures.

Budget Items	2017	2018	2019	2020	2021	Total
Maintenance of Parks and Trails	-200	-200	-200	-200	-200	-1,000
Total	-200	-200	-200	-200	-200	-1,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

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



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

Description **Total Project Cost: \$15,000**
 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. A positive tree was found in Sampson Park in the fall of 2013. 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.

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance	5,000	5,000	5,000			15,000
Total	5,000	5,000	5,000			15,000

Funding Sources	2017	2018	2019	2020	2021	Total
Capital Improvement Funds (PIR)	5,000	5,000	5,000			15,000
Total	5,000	5,000	5,000			15,000

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

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project # 17-Park-001
Project Name Development of TCAAP Park Facilities

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

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

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

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance		2,500,000	2,500,000	2,000,000		7,000,000
Total		2,500,000	2,500,000	2,000,000		7,000,000

Funding Sources	2017	2018	2019	2020	2021	Total
Park Capital Fund (Park Dedication Fees)		2,500,000	2,500,000	2,000,000		7,000,000
Total		2,500,000	2,500,000	2,000,000		7,000,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project # 17-Pub-001
Project Name LJFD Engine/Ladder Replacement

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

Description	Total Project Cost: \$187,148
Lake Johanna Fire Department provides the City with a Capital Budget each year outlining expected capital outflows, the fire department has budgeted for the replacement of a fire engine in future years.	
Total Cost: \$705,000 Arden Hills Cost: \$172,020	

Justification
These expenditures are for: Station repairs, truck replacements and misc equipment.
More detailed explanations can be found in the Lake Johanna Capital Budget.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	172,020	15,128				187,148
Total	172,020	15,128				187,148

Funding Sources	2017	2018	2019	2020	2021	Total
Public Safety Capital Fund	172,020	15,128				187,148
Total	172,020	15,128				187,148

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project # 17-Pub-002
Project Name LJFD Rescue/Chief/Utility Vehicle Replacement

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

Description **Total Project Cost: \$139,812**

Lake Johanna Fire Department provides the City with a Capital Budget each year outlining expected capital outflows, the fire department has budgeted for the replacement of a Rescue/Chief/Utility vehicles in future years.

2017
Total Cost: \$80,000
Arden Hills Cost: \$19,520

2019
Total Cost: \$185,000
Arden Hills Cost: \$45,140

2020
Total Cost: \$208,000
Arden Hills Cost: \$50,752

2021
Total Cost: \$100,000
Arden Hills Cost: \$24,400

Justification

These expenditures are for:
Station repairs, truck replacements and misc equipment.

More detailed explanations can be found in the Lake Johanna Capital Budget.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	19,520		45,140	50,752	24,400	139,812
Total	19,520		45,140	50,752	24,400	139,812

Funding Sources	2017	2018	2019	2020	2021	Total
Public Safety Capital Fund	19,520		45,140	50,752	24,400	139,812
Total	19,520		45,140	50,752	24,400	139,812

Budget Impact/Other

Capital Improvement Plan

City of Arden Hills, Minnesota

2017 thru 2021

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

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

Description	Total Project Cost: \$3,200,000
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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

The City is expected to receive \$60,000 in grant revenue for 2017 per Public Works.

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.

2016 estimates show a remaining need of 1.6 to 2.2 million. Set a funding level of \$400K every 2 years JMA 7/14/16

Prior	Expenditures	2017	2018	2019	2020	2021	Total	Future
1,200,000	Construction/Maintenance	400,000		400,000		400,000	1,200,000	800,000
Total	Total	400,000		400,000		400,000	1,200,000	Total

Prior	Funding Sources	2017	2018	2019	2020	2021	Total	Future
1,200,000	Sanitary Sewer Utility Fund	400,000		400,000		400,000	1,200,000	800,000
Total	Total	400,000		400,000		400,000	1,200,000	Total

Budget Impact/Other

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

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 thru 2021

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

Type Improvement	Department Sanitary Sewer Department
Useful Life 20-25	Contact Public Works Director
Category Utility Improvements	Priority 3 Important

Description	Total Project Cost: \$253,100
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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.

LS 11 was not impacted by the 10/96 project, nor was it possible to eliminate LS 11 because of the materials under Hwy 96 not supporting a gravity pipe to flow to RLR. LS 11 reconstruction will be put back in the CIP in 2015 4/22/14 TJM

Note: 7/21/14 Council Worksession moved to 2016 to help balance yearly expenditures.

Justification

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

Prior	Expenditures	2017	2018	2019	2020	2021	Total
243,100	Construction/Maintenance	10,000					10,000
Total	Total	10,000					10,000

Prior	Funding Sources	2017	2018	2019	2020	2021	Total
243,100	Surface Water Mgmt Utility Funds	10,000					10,000
Total	Total	10,000					10,000

Budget Impact/Other

As this project is completed in 2017, the bulk of the work having been done in 2016, the City will realize cost savings with reduced maintenance costs that would normally be attributed to this lift station.

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 thru 2021

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

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

Description	Total Project Cost: \$1,000,000
<p>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.</p> <p>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</p> <p>Generally MnDOT's 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)</p>	

Justification										
<p>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.</p> <p>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 redefined as each structure goes through the layout phase to determine the style of interchange and the length of bridge. The estimates are as follows:</p> <table> <tr> <td>County Road E Bridge over TH 51</td> <td>\$250,000</td> </tr> <tr> <td>Hwy 96 Interchange at 35W</td> <td>\$250,000</td> </tr> <tr> <td>County Road F Bridge over 35W</td> <td>\$250,000</td> </tr> <tr> <td>County Raod E2 Interchange with 35W</td> <td>\$250,000</td> </tr> <tr> <td>County Road H Interchange with 35W</td> <td>\$250,000</td> </tr> </table>	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
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									

Prior	Expenditures	2017	2018	2019	2020	2021	Total
900,000	Construction/Maintenance	100,000					100,000
Total	Total	100,000					100,000

Prior	Funding Sources	2017	2018	2019	2020	2021	Total
900,000	State Aid Funds	100,000					100,000
Total	Total	100,000					100,000

Budget Impact/Other
<p>When the bridge is reconstructed with pedestrian facilities the City may be responsible for snow removal activities for the these facilities.</p>

Prior	Budget Items	2017	2018	2019	2020	2021	Total
400	Annual Maintenance Charge	400	400	400	400	400	2,000
Total	Total	400	400	400	400	400	2,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project # 17-Str-003
Project Name Hwy 96 Landscaping

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

Description	Total Project Cost: \$300,000
MnDot and Ramsey County grade separated US 10/Hwy 96 in 2013/2014 and reconstructed the I-35W/Hwy 96 Interchange in 2015/2016. These projects created several new medians and boulevard areas that have not been landscaped as the remainder of the Hwy 96 corridor is through Arden Hills	

Justification
This work will complete the landscaping of the Hwy 96 corridor in Arden Hills

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance	300,000					300,000
Total	300,000					300,000

Funding Sources	2017	2018	2019	2020	2021	Total
Capital Improvement Funds (PIR)	300,000					300,000
Total	300,000					300,000

Budget Impact/Other

Capital Improvement Plan

2017 *thru* 2021

City of Arden Hills, Minnesota

Funding Sources	2017	2018	2019	2020	2021	Total
Capital Improvement Funds (PIR)			250,000			250,000
Grant Revenue			125,000			125,000
State Aid Funds			1,325,000			1,325,000
Surface Water Mgmt Utility Funds			50,000			50,000
Total			1,750,000			1,750,000

Budget Impact/Other

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

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

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	17-Str-005
Project Name	Co Rd E2 Improvements

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

Description	Total Project Cost: \$100,000
Added per Council for improvements	

Justification
Added per Council as a placeholder

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance	100,000					100,000
Total	100,000					100,000

Funding Sources	2017	2018	2019	2020	2021	Total
Capital Improvement Funds (PIR)	100,000					100,000
Total	100,000					100,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-Str-003
Project Name	CR E Sidewalk and Old Hwy 10 Trail (Bethel)

Type Improvement	Department Street Department
Useful Life 20-25	Contact Public Works Director
Category Streets:Misc	Priority 3 Important

Description	Total Project Cost: \$1,400,000
Construct a sidewalk along CR E (side to be determined) from TH 51 Bridge to Old Hwy 10 and then a detached trail along the west side of Old Hwy 10 from County Road E to Bethel University's main entrance.	
Construction of the trail along Old Hwy 10 will need to be studied to determine to most cost-effective type of construction especially in areas of wetlands (detached boardwalk, shoulder of Old Hwy 10, urbanize a portion of Old Hwy 10 and construct trail immediately behind the curb).	

Justification
In 2013 Bethel University received a CUP for using the Country Financial building. As part of that CUP negotiation Bethel agreed to \$800,000 towards the trail over the years 2016-2023. The City committed in the CUP to having the trail from CR E/TH 51 over to Old Hwy 10 and then north along the west side of Old Hwy 10 to Bethel's main entrance by the end of 2018.

Expenditures	2017	2018	2019	2020	2021	Total
Planning/Design	400,000					400,000
Construction/Maintenance		1,000,000				1,000,000
Total	400,000	1,000,000				1,400,000

Prior	Funding Sources	2017	2018	2019	2020	2021	Total	Future
50,000	Capital Improvement Funds (PIR)	300,000					300,000	300,000
Total	Donations/Developer Reimbursements	50,000	100,000	100,000	100,000	100,000	450,000	Total
	Ramsey County-CSAH		300,000				300,000	
	Total	350,000	400,000	100,000	100,000	100,000	1,050,000	

Budget Impact/Other
Between the contribution from Bethel University and the Ramsey County Cost Participation Policy there should be sufficient funds to construct the project. The City will likely be responsible for the design and interim funding until Bethel's full contribution is accomplished in 2021.

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-Str-004
Project Name	Co Rd 96 Signal Maintenance

Type Maintenance	Department Street Department
Useful Life 10-12	Contact Public Works Director
Category Streets:Misc	Priority 2 Very Important

Description	Total Project Cost: \$6,000
Traffic Signal painting of signals at County Road 96 and Hamline and County Road 96 and Lexington.	

Justification
Maintenance of paint systems on traffic signals are the responsibility of the local jurisdiction. The paint maintenance on the signal at Hamline Avenue and Co Rd 96 is 100% Arden Hills. The paint maintenance on the signal at Co Rd 96 and Lexington Avenue is split 50% by Arden Hills and 50% by Shoreview.
Ramsey county is working to organize signal painting along this corridor and allow cities to participate in a collective effort to contract for this work in 2018.
The signals were installed in 2006

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance		6,000				6,000
Total		6,000				6,000

Funding Sources	2017	2018	2019	2020	2021	Total
Capital Improvement Funds (PIR)		6,000				6,000
Total		6,000				6,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

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

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

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.

Prior	Expenditures	2017	2018	2019	2020	2021	Total
100,000	Construction/Maintenance	50,000	0	50,000			100,000
Total	Total	50,000	0	50,000			100,000

Prior	Funding Sources	2017	2018	2019	2020	2021	Total
100,000	Surface Water Mgmt Utility Funds	50,000	0	50,000			100,000
Total	Total	50,000	0	50,000			100,000

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

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	13-Storm-001
Project Name	Storm Water Inlet/Outlet Repairs

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

Description	Total Project Cost: \$100,000
<p>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 inspected 100% of them in the final year (2011) of our first MS4 permit. Many are in disrepair and need to be fixed.</p>	

Justification
<p>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.</p>

Prior	Expenditures	2017	2018	2019	2020	2021	Total
50,000	Construction/Maintenance	25,000	0	25,000			50,000
Total	Total	25,000	0	25,000			50,000

Prior	Funding Sources	2017	2018	2019	2020	2021	Total
50,000	Surface Water Mgmt Utility Funds	25,000	0	25,000			50,000
Total	Total	25,000	0	25,000			50,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

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

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

Description	Total Project Cost: \$25,000
<p>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.</p>	

Justification
<p>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 or we had not had the staff time to implement. New enhancements to keep up to current technology are continuous..</p> <p>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.</p>

Expenditures	2017	2018	2019	2020	2021	Total
Technology	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Budget Impact/Other
<p>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.</p> <p>Annual maintenance fees for the new modules will be added as we add modules.</p>

Budget Items	2017	2018	2019	2020	2021	Total
Annual Maintenance Charge	2,700	2,880	2,995	3,010	3,500	15,085
Total	2,700	2,880	2,995	3,010	3,500	15,085

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

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

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

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

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.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Budget Impact/Other
None

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	12-Tec-003
Project Name	Communications Equipment

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

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

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

Expenditures	2017	2018	2019	2020	2021	Total
Technology	2,000	2,000	2,000	2,000	2,000	10,000
Total	2,000	2,000	2,000	2,000	2,000	10,000

Funding Sources	2017	2018	2019	2020	2021	Total
Special Revenue Cable Fund	2,000	2,000	2,000	2,000	2,000	10,000
Total	2,000	2,000	2,000	2,000	2,000	10,000

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

Prior	Budget Items	2017	2018	2019	2020	2021	Total
0	Annual Maintenance Charge	0					0
Total	Total	0					0

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

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

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

Description	Total Project Cost: \$900,000
<p>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.</p> <p>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.</p> <p>Note: 7/21/14 Council Worksession moved to 2016 due to TCAAP workload in 2015. Note: 6/4/15 Increased Cost to \$900K due to rising construction costs</p>	

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

Expenditures	2017	2018	2019	2020	2021	Total
Construction/Maintenance	900,000					900,000
Total	900,000					900,000

Funding Sources	2017	2018	2019	2020	2021	Total
Water Utility Funds	900,000					900,000
Total	900,000					900,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project # 13-W-001
Project Name Valve Replacement Program

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

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

Justification

Prior	Expenditures	2017	2018	2019	2020	2021	Total	Future
120,000	Construction/Maintenance	30,000	35,000	35,000	35,000	35,000	170,000	460,000
Total	Total	30,000	35,000	35,000	35,000	35,000	170,000	Total

Prior	Funding Sources	2017	2018	2019	2020	2021	Total	Future
120,000	Water Utility Funds	30,000	35,000	35,000	35,000	35,000	170,000	460,000
Total	Total	30,000	35,000	35,000	35,000	35,000	170,000	Total

Budget Impact/Other

City of Arden Hills, Minnesota
Capital Improvement Plan
 2017 thru 2021

PROJECTS BY DEPARTMENT

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Equipment								
Replace 1997 Street Sweeper (Unit 103)	13-Eqp-004	3	250,000					250,000
Large Area Mower (Unit 433)	16-Eqp-001	3	40,000					40,000
1996 Trailer Replacement (Skidsteer/Roller)	16-Eqp-003	4		10,000				10,000
Replace Air Compressor (Unit 107)	16-Eqp-004	4	29,500					29,500
Add Pick-up Truck (TCAAP)	17-EqpV-004	3	35,000					35,000
Replace 2006 Felling Trailer (Unit 415)	17-Eqp-001	4	10,000					10,000
Brush Chipper (Unit 426)	17-Eqp-005	4	38,500					38,500
Replace 2002 F-450 One Ton Truck (Unit 302)	17-EqpV-001	3	72,000					72,000
Replace 2001 Dump Truck with New Dump Truck (116)	17-EqpV-002	3	125,000	115,000				240,000
Add Two Toro "Z" Lawn Mowers (TCAAP)	18-Eqp-001	3			17,000		18,000	35,000
Replace 2005 Felling Trailer Unit (414)	18-Eqp-002	4			10,000			10,000
Replace Two 2014 Toro "Z" Lawn Mowers (451 & 452)	18-Eqp-003	3		24,000				24,000
Add Felling Trailer (TCAAP)	18-Eqp-004	3			10,000			10,000
Replace 1996 Roller (unit 106)	18-Eqp-005	3		41,500				41,500
Add Plow Truck w/Plow, Wing and Sander (TCAAP)	18-EqpV-001	4			125,000	125,000		250,000
Add One-Ton Truck w/Plow and Sander (TCAAP)	18-EqpV-002	4			82,000			82,000
Add F350 Pick-up with Lift Gate (TCAAP)	18-EqpV-003	4				42,000		42,000
Add Pick-up Truck (TCAAP)	18-EqpV-004	3			40,000			40,000
Replace 2006 F-350 Four Dr w/ traffic sign (# 322)	18-EqpV-005	3		55,000				55,000
Replace 2004 Chevrolet Blazer (unit 502) - CD	18-EqpV-006	3		29,000				29,000
Replace Easement Sewer Cleaning Machine (Unit 310)	19-Eqp-001	3			70,000			70,000
Add Generator Lift station emergency power	19-Eqp-002	3	40,000					40,000
Replace 2008 F-350 Pick-up w/plow (unit 430)	19-EqpV-002	4			55,000			55,000
Equipment Total			640,000	274,500	409,000	167,000	18,000	1,508,500
GRAND TOTAL			640,000	274,500	409,000	167,000	18,000	1,508,500

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 thru 2021

Project # 13-Eqp-004
Project Name Replace 1997 Street Sweeper (Unit 103)

Type Equipment
Useful Life 15
Category Equipment: Public Works
Department Equipment
Contact Public Works Director
Priority 3 Important



Description **Total Project Cost:** \$250,000

Equipment #105 - 1997 Elgin Street Sweeper.
 VIN # 585165
 Hours 2761 (2015)
 Hours 2864 (2016)
 Mileage 14,356 (2015)
 Mileage 14,946 (2016)

Justification

Equipment will be 20 years old. Equipment replacement guidelines recommend replacement on 15-17 year cycle

Repair costs for parts and labor:

- 2006 - \$634.96
- 2007 - \$764.53
- 2008 - \$657.95
- 2009 - \$7,627.62
- 2010 - \$1,924.07
- 2011 - \$2,197.05
- 2012 - \$236.56
- 2013 - \$1,857.27
- 2014 - \$7,779.46
- 2015- \$7,907
- 2016- \$13,452

Equipment is still operational and receives limited use which allows replacement to be pushed out to 2017

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

Note: moved from 2015 to 2016 and increased cost based on state contract prices. 5/14/14 TJM

Note: increase price to \$250K to reflect increases expected in equipment next year. 6/4/15 TJM

Note: increase price to \$260K to reflect expected price increase 6/30/16 JMA

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	260,000					260,000
Estimated Trade-In Value	-10,000					-10,000
Total	250,000					250,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	250,000					250,000
Total	250,000					250,000

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Budget Impact/Other

Reduce repair and maintenance costs.

Budget Items	2017	2018	2019	2020	2021	Total
Equipment and Vehicle repair costs		-300	-300			-600
Total		-300	-300			-600

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 thru 2021

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

Type Equipment	Department Equipment
Useful Life 20	Contact Public Works Director
Category Equipment: Public Works	Priority 4 Less Important

Description	Total Project Cost: \$40,000
Replace equipment # 108 - 1996 Redihaul Trailer 12'. VIN #4755122T2V1013037 #85108 Note: Changed to pending as this trailer is not used in the winter and is reasonably good condition while other newer trailers that are used in the winter are in poorer condition. 4/14/14 TJM Changed back to active as this trailer will be 22 years old in 2018 and paving projects are occupying more of public works time 6/30/16 JMA	

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

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings		10,000				10,000
Total		10,000				10,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund		10,000				10,000
Total		10,000				10,000

Budget Impact/Other
Reduce repair costs.

Prior

Total

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	16-Eqp-004
Project Name	Replace Air Compressor (Unit 107)

Type Equipment	Department Equipment
Useful Life 20	Contact Public Works Director
Category Equipment: Public Works	Priority 4 Less Important

Description	Total Project Cost: \$29,500
Replace a 1998 air compressor (Unit 107) Hours 462 (2015) 465 (2016)	

Justification
The current air compressor will be 19 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. Note: Moved from 2016 to 2017. 5/14/14 TJM Note: adjusted price for 2017 6/30/16 JMA Repairs 2013 \$ 123 2014 \$74 2015 \$169 2016 \$50

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	32,000					32,000
Estimated Trade-In Value	-2,500					-2,500
Total	29,500					29,500

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	29,500					29,500
Total	29,500					29,500

Budget Impact/Other

Capital Improvement Plan

2017 thru 2021

City of Arden Hills, Minnesota

Project #	17-EgpV-004
Project Name	Add Pick-up Truck (TCAAP)

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

Description	Total Project Cost: \$35,000
Add a pick-up truck to the public works fleet for the sanitary sewer and water service inspections in TCAAP.	
Inspections and locates expected to begin in 2017 6/30/16 JMA	

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

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	35,000					35,000
Total	35,000					35,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	35,000					35,000
Total	35,000					35,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	17-Eqp-001
Project Name	Replace 2006 Felling Trailer (Unit 415)

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

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

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

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	10,000					10,000
Total	10,000					10,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	10,000					10,000
Total	10,000					10,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	17-Eqp-005
Project Name	Brush Chipper (Unit 426)

Type Equipment	Department Equipment
Useful Life 15-17	Contact Public Works Director
Category Equipment: Public Works	Priority 4 Less Important

Description	Total Project Cost: \$38,500
Replace equipment # 426 - 1996 Vermeer Chipper VIN # iVRK1513-10000799 Hours 587 (2014) 676 (2015) 702 (2016) #85426 price increased to reflect 2017 pricing 6/30/16 JMA	

Justification
Equipment will be 21 years old in 2017. Repair costs for parts and labor: 2006 - 150.00 2007 - 142.61 2008 - \$476.63 2009 - \$476.63 2012- \$1,762.45 2013- \$1.328 2014- \$365 2015- \$810 2016 - \$0 This piece of equipment will be 18 years old. However this piece of equipment is not used often and is in good condition. Condition will be monitored and replacement will be adjusted as deemed appropriate.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings	42,000					42,000
Estimated Trade-In Value	-3,500					-3,500
Total	38,500					38,500

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund	38,500					38,500
Total	38,500					38,500

Budget Impact/Other
Reduce repair costs.

Prior

Capital Improvement Plan
City of Arden Hills, Minnesota
Total

2017 *thru* 2021

Capital Improvement Plan

2017 thru 2021

City of Arden Hills, Minnesota

Project #	18-Eqp-001
Project Name	Add Two Toro "Z" Lawn Mowers (TCAAP)

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

Description	Total Project Cost: \$35,000
Add a third and fourth Toro "Z" mower to the fleet anticipating the start to development of what will ultimately be approximately 20 acres of park area in TCAAP along with medians and boulevard along the Spine Road and Thumb Road .	
Moved to 2019/2021 due to slowing of TCAAP schedule 6/30/16 JMA	

Justification
Expansion of the grass area to be mowed and maintain due to TCAAP development is anticipated to have begun by 2018 and continue to grow as TCAAP builds out. At full development it is anticipated a second mowing crew will be needed to keep up.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings			17,000		18,000	35,000
Total			17,000		18,000	35,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund			17,000		18,000	35,000
Total			17,000		18,000	35,000

Budget Impact/Other

Budget Items	2017	2018	2019	2020	2021	Total
Equipment and Vehicle repair costs			250	250	250	750
Total			250	250	250	750

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-Eqp-002
Project Name	Replace 2005 Felling Trailer Unit (414)

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

Description	Total Project Cost: \$10,000
Replace 2005 Felling trailer Moved to 2019 due to slowing of TCAAP schedule 6/30/16 JMA	

Justification
Replace the 2005 Felling trailer with a 22 foot trailer with better ergonomics

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings			10,000			10,000
Total			10,000			10,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund			10,000			10,000
Total			10,000			10,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-Eqp-004
Project Name	Add Felling Trailer (TCAAP)

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

Description	Total Project Cost: \$10,000
Add a Felling trailer to the fleet to allow for a second mowing crew.	
Moved to 2019 due to slowing of TCAAP Schedule 6/30/16 JMA	

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

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings			10,000			10,000
Total			10,000			10,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund			10,000			10,000
Total			10,000			10,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project # 18-Eqp-005
Project Name Replace 1996 Roller (unit 106)

Type Equipment	Department Equipment
Useful Life 15-17	Contact Public Works Director
Category Equipment: Public Works	Priority 3 Important

Description	Total Project Cost: \$41,500
1996 880 Wacker Roller (Unit 85106)	
Hours 728 (2016)	

Justification
usefull life on this piece of equipment is 15-17 years in 2018 this will be 22 year old
this piece of eqiptment is used for street repairs related various activities including street repair, watermain repairs, storm sewer repairs.
Repairs
2013 - \$85
2014 - \$114
2015 - \$89

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings		40,000				40,000
Estimated Trade-In Value		1,500				1,500
Total		41,500				41,500

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund		41,500				41,500
Total		41,500				41,500

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

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

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

Description	Total Project Cost: \$250,000
Add the fourth plow truck with plow, wing and sander due to the start of the development of TCAAP.	
Note: 7/21/14 Council Worksession moved to 2019, will continue to evaluate as TCAAP starts to develop	
Moved to 2020 delivery with 18 month build period 6/30/16 JMA	

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

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings			125,000	125,000		250,000
Total			125,000	125,000		250,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund			125,000	125,000		250,000
Total			125,000	125,000		250,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-EqpV-002
Project Name	Add One-Ton Truck w/Plow and Sander (TCAAP)

Type Equipment	Department Equipment
Useful Life 10-12	Contact Public Works Director
Category Vehicles	Priority 4 Less Important

Description	Total Project Cost: \$82,000
Add a one-ton truck with plow and sander to the City fleet for the maintance of new infastructure in TCAAP	
Moved to 2019 with the slowing of the TCAAP schedule 6/30/16 JMA	

Justification
With the development of TCAAP it will be necessary to add to the City fleet in order to maintain the same level of service. As 2018 nears the development in TCAAP will be reviewed and the year of purchase may be adjusted.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings			82,000			82,000
Total			82,000			82,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund			82,000			82,000
Total			82,000			82,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-EqpV-003
Project Name	Add F350 Pick-up with Lift Gate (TCAAP)

Type Equipment	Department Equipment
Useful Life 10-12	Contact Public Works Director
Category Vehicles	Priority 4 Less Important

Description	Total Project Cost: \$42,000
Add a F350 pickup with lift gate to the fleet for the infrastructure in TCAAP	
NOTE: 7/21/14 Council Work Session moved to 2019, will continue to evaluate as TCAAP starts to develop.	
Moved to 2020 with the slowing of the TCAAP schedule 6/30/16 JMA	

Justification
With the development of TCAAP infrastructure a pickup will need to be added to the fleet to maintain the same level of services throughout the City. As 2018 nears the development in TCAAP will be reviewed and the purchase date will be modified if appropriate.

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings				42,000		42,000
Total				42,000		42,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund				42,000		42,000
Total				42,000		42,000

Budget Impact/Other

Capital Improvement Plan
City of Arden Hills, Minnesota

2017 *thru* 2021

Project #	18-EqpV-004
Project Name	Add Pick-up Truck (TCAAP)

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

Description	Total Project Cost: \$40,000
Add pick-up truck to the public works fleet.	
Moved to 2019 with the slowing of the TCAAP schedule 6/30/16 JMA	

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

Expenditures	2017	2018	2019	2020	2021	Total
Equip/Vehicles/Furnishings			40,000			40,000
Total			40,000			40,000

Funding Sources	2017	2018	2019	2020	2021	Total
Equipment/Building Replacement Fund			40,000			40,000
Total			40,000			40,000

Budget Impact/Other

Future Financial Forecasting

As discussed earlier in this document, the City of Arden Hills has been focusing on the financial well being of the community, and in doing so has completed a preliminary ten-year forecast for the City. The purpose of a ten-year forecast is to provide a long-term view of General Fund revenues, expenditures, and the assessment districts in the City. A rate analysis was completed in 2012 on the Water, Sanitary Sewer and Surface Water Management Funds. These funds provide the services that most impact the citizens of Arden Hills. The information provided in this section of the budget will enable the City Council to evaluate the impact of policy choices on the long-term fiscal health of the City.

The City Council can change the City's long-term financial outlook based upon actions taken or policies enacted. The ten-year forecast will enable the City Council to act more strategically and to understand the impact of its decisions.

The City Council is often faced with making decisions that have long-term fiscal impacts. Some of these decisions include:

- Long-term consequences of employee pay and benefit policies.
- Long-term financial responsibilities for increased City maintained parks.
- Financial implications of growth policies adopted by the City Council.
- Long-term consequences of water usage and continuing the current rate structure.

Forecasting Assumptions

The overall fiscal strategy will be based on compliance with the City's General Plan and the achievement of a variety of community service and infrastructure goals.

CITY OF ARDEN HILLS Financial Management Plan Summary												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Actual	Budget	Budget				Projected					
					3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
REVENUE												
1 GENERAL PROPERTY TAX AND FISCAL DISPARITIES	2,974,629	3,244,762	3,380,680	3,814,937	4,029,870	4,266,164	4,504,011	4,764,902	5,028,069	5,316,112	5,607,259	5,925,274
2 Adjust for fiscal dsp	228,375	264,113	290,710	290,710	290,710	290,710	290,710	290,710	290,710	290,710	290,710	290,710
3 LICENSE AND PERMIT	518,845	265,530	347,330	357,750	368,482	379,537	390,923	402,651	414,730	427,172	439,987	453,187
4 INTERGOVERNMENTAL	130,023	147,864	145,788	145,788	145,788	145,788	145,788	145,788	145,788	145,788	145,788	145,788
5 CHARGES FOR SERVICES	686,443	476,303	573,985	591,081	608,813	627,078	645,890	665,267	685,225	705,782	726,955	748,764
6 FINES/FOREFEITS	32,792	34,569	36,500	37,595	38,723	39,885	41,081	42,314	43,583	44,890	46,237	47,624
7 INTEREST EARNINGS	53,522	65,000	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)	25,458	12,150	20,424	21,037	21,668	22,318	22,987	23,677	24,387	25,119	25,873	26,649
9 SALE OF ASSETS	0	0	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUE	4,650,087	4,510,291	4,860,297	5,325,848	5,573,013	5,842,506	6,114,549	6,410,661	6,710,106	7,035,515	7,365,149	7,722,806
11												
12 EXPENDITURES												
13 GENERAL GOVERNMENT	1,015,938	1,191,250	1,339,348	1,406,315	1,476,631	1,550,463	1,627,966	1,709,385	1,794,854	1,884,597	1,978,827	2,077,768
14 PUBLIC SAFETY	1,920,279	1,996,283	2,100,380	2,205,399	2,315,669	2,431,452	2,553,025	2,680,676	2,814,710	2,955,446	3,103,218	3,258,379
15 PUBLIC WORKS	336,397	530,443	538,743	558,965	565,686	584,813	593,971	614,054	623,669	644,757	654,853	676,995
16 CULTURE AND RECREATION	573,584	742,640	737,779	774,668	813,401	854,071	896,175	941,614	988,694	1,038,129	1,090,036	1,144,537
17 ECONOMIC DEVELOPMENT	0	0	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	50,000	50,000	50,000	52,500	55,125	57,881	60,775	63,814	67,005	70,355	73,873	77,566
26 1998 GO BONDS	0	0	0	0	0	0	0	0	0	0	0	0
EDA	30,000	60,000	90,000	120,000	126,000	132,300	138,915	145,861	153,154	160,811	168,852	177,295
27 TCAAP	0	0	0	0	0	0	0	0	0	0	0	0
28 STREET RECONSTRUCTION	0	100,000	200,000	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491	310,266
29	0	0	0	0	0	0	0	0	0	0	0	0
30 TOTAL EXPENDITURES	3,926,198	4,670,616	5,056,256	5,325,848	5,573,013	5,842,506	6,114,548	6,410,660	6,710,106	7,035,515	7,365,149	7,722,806
31												
32 REVENUE OVER (UNDER) EXPENSES	723,889	(160,325)	(195,959)	0	0	0	0	0	(0)	(0)	(0)	(0)
33												
34 BEGINNING FUND BALANCE	2,332,343	3,056,232	2,330,786	2,134,827	2,134,827	2,134,827	2,134,827	2,134,828	2,134,828	2,134,828	2,134,827	2,134,827
35												
36 Transfer In	-	565,121	-	-	-	-	-	-	-	-	-	-
37 Transfers Out	-	2,330,786	2,134,827	2,134,827	2,134,827	2,134,827	2,134,827	2,134,828	2,134,828	2,134,827	2,134,827	2,134,827
38 ENDING FUND BALANCE	3,056,232	3,330,786	2,134,827	2,134,827	2,134,827	2,134,827	2,134,827	2,134,828	2,134,828	2,134,827	2,134,827	2,134,827
39												
40												
41												
42												
43 GENERAL FUND OPERATING TAX LEVY	3,359,775	3,478,775	3,641,290	4,105,647	4,320,580	4,556,874	4,794,721	5,055,612	5,318,779	5,606,822	5,897,969	6,215,984
44 ANNUAL INCREASE		3.5%	4.7%	12.8%	5.2%	5.5%	5.2%	5.4%	5.2%	5.4%	5.2%	5.4%



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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 15th in the year in which the levy is to be made for collection in the following year. The Department of Revenue has the authority to approve, reduce or deny a special levy request. Home-rule charter cities are authorized to exceed any levy limits and referendum requirements contained in their city charters and increase their property tax levies if such increases are necessary to offset the 2004 LGA reductions. Final adjustments to all levies must be made to the Department of Revenue on or before December 10th.

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

Debt Limitations

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

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

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

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

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

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly 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 & 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	60
EDA Operating Fund	Page	100
Tax Increment Bonds	Page	111
Permanent Improvement Revolving Fund	Page	116
Equipment, Building, and Replacement Fund	Page	122



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Glossary of Budget Terms

Account

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

Accounts Payable

Amounts owed to others for goods or services received.

Accounts Receivable

Amounts due from others for goods furnished or services rendered.

Accounting System

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

Accrual Basis of Accounting

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

Activity

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

Adoption

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

Ad Valorem

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

Agency Fund

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

Appropriation

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

Glossary of Budget Terms

Assessed Valuation

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

Assessments

Charges made to parties for actual services or benefits received.

Assets

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

Audit

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

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

B2 District

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

Balanced Budget

A budget in which estimated revenues equal estimated expenditures.

Bond

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

Glossary of Budget Terms

Bonded Indebtedness

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

Budget

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

Budget Document

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

Budget Body Message

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

Budget Calendar

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

Budgetary Control

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

Capital Assets

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

Capital Expenditures

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

Capital Improvement Budget

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

Glossary of Budget Terms

Capital Program

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

Capital Projects Funds

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

Cash Basis

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

Certified Levy

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

Charges for Services

Charges for current services rendered.

Chart of Accounts

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

Consumer Price Index (CPI)

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

Contingency

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

Current

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

Glossary of Budget Terms

Debt

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

Debt Limit

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

Debt Margin

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

Debt Service Funds

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

Department

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

Depreciation

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

Distinguished Budget Presentation Awards Program

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

Effective Buying Income (EBI)

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

Enterprise Funds

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

Estimated Market Value

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

Glossary of Budget Terms

Expenditure

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

Fines

Revenues from penalties imposed for violation of laws or regulations.

Fiscal Disparities

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

Fiscal Policy

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

Fiscal Year

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

Fixed Assets

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

Full Time Equivalent (FTE)

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

Function

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

Glossary of Budget Terms

Fund

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

Fund Balance

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

General Fund

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

General Government

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

General Obligation Bonds

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

Goal

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

Governmental Accounting

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

Governmental Fund Types

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

Grant

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

Glossary of Budget Terms

Homestead and Agricultural Credit (HACA)

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

Improvement Bonds

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

Improvements

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

Inflow/Infiltration (I&I)

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

Interfund Transfers

Amounts transferred from one fund to another.

Infrastructure

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

Intergovernmental Revenues

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

Investments

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

Levy

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

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

Licenses

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

Glossary of Budget Terms

Limited Market Value

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

Line Item

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

Local Government Aid (LGA)

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

Long-Term Debt

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

Maintenance

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

Market Value Homestead Credit (MVCH)

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

Miscellaneous

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

Modified Accrual Basis

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

Object of Expenditure

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

Objective

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

Glossary of Budget Terms

Operating Budget

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

Operating Expense

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

Operating Revenue

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

Operating Transfers

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

Ordinance

A formal legislative enactment by the City Council.

Pay-As-You-Go Basis

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

Performance Measure

See Service Levels.

Personal Services

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

Program

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

Project

A plan of work, job assignment, or task.

Glossary of Budget Terms

Proprietary Accounts

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

Public Safety

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

Public Works

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

Purpose

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

Refunding Bonds

Bonds issued to retire bonds already outstanding.

Reimbursement

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

Reserve

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

Resolution

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

Resources

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

Glossary of Budget Terms

Revenue

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

Revenue Bond

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

Service Levels

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

Special Assessment

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

Special Revenue Fund

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

SY

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

Tax Capacity

An amount determined by a percentage of a property's market value, which is then applied to the tax rates of taxing jurisdictions affecting the property to determine the amount of property taxes owed. The current tax rates and property classifications can be found on page 36.

Tax Capacity Rate

Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

Tax Classification Rate

Rate at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial, farm, etc.) and, in some cases, there are tow tiers of classification rates, with the rate increasing as the estimated market values increases.

Glossary of Budget Terms

Tax Increment Financing (TIF)

Financing tool originally intended to combat severe blight in areas, which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

Tax Levy

The total amount to be raised by general property taxes for the purpose stated in the resolution certified to the County Auditor.

Tax Rate

The amount applied to properties tax capacity to determine the taxes generated by the property.

Taxes

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Trust and Agency Funds

Funds used to account for assets held by a government in a trust capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Trust Fund

A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of the trust.

Unbalanced Budget

A budget which undesignated fund balance or reserves are used or increased, in order to balance estimated revenues to estimated expenditures or expenses.

Unreserved Fund Balance

The portion of a fund’s balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees

The payment of a charge for direct receipt of a public service by the party benefiting from the service.

Utility Valuation Transition Aid (UVTA)

A State financial aid program for 2009 and 2010 paid to local governments to offset the reduced property tax revenue generated by utility properties due to the State reducing the tax rate paid on utility property.

Glossary of Budget Terms

Workload Data

A unit of work to be done.

Acronyms

ACS	Animal Control Services
CAFR	Comprehensive Annual Financial Report
CD	Certificate of Deposit
CIP	Capital Improvement Plan
CP	Commercial Paper
CPI	Consumer Price Index
HACA	Homestead and Agricultural Credit Aid
EBI	Effective Buying Income
EDA	Economic Development Authority
EMV	Estimated Market Value
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GO	General Obligation
I&I	Inflow & Infiltration
JDA	Joint Development Authority
LGA	Local Government Aid
MCES	Metropolitan Council Environmental Services
MVHC	Market Value Homestead Credit
SAC	Sewer Availability Charge
SCBA	Self-contained Breathing Apparatus
SY	Square Yard
TCAAP	Twins Cities Army Ammunition Plant
TIF	Tax Increment Financing
TRC	TCAAP Redevelopment Code
UVTA	Utility Valuation Transition Aid
WAC	Water Availability Charge