

CITY OF FRIDLEY, MINNESOTA

2010 BUDGET

For Fiscal Year Beginning January 1, 2010

BUDGET 2010

City of Fridley
State of Minnesota

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BUDGET 2010

**City of Fridley
State of Minnesota**

Elected and Appointed Officials

ELECTED OFFICIALS

| | | <u>Term of Office Expires December</u> |
|-------------------------------|---------------------|---------------------------------------------------|
| Effective January 2009 | | |
| Mayor | Scott J.Lund | 2012 |
| Councilmember At Large | Robert L. Barnette | 2012 |
| Councilmember, Ward I | James T. Saefke | 2010 |
| Councilmember, Ward II | Dolores M. Varichak | 2010 |
| Councilmember, Ward III | Ann R. Bolkcom | 2010 |
| Effective January 2010 | | |
| Mayor | Scott J.Lund | 2012 |
| Councilmember At Large | Robert L. Barnette | 2012 |
| Councilmember, Ward I | James T. Saefke | 2010 |
| Councilmember, Ward II | Dolores M. Varichak | 2010 |
| Councilmember, Ward III | Ann R. Bolkcom | 2010 |

APPOINTED OFFICIALS

| | |
|----------------------|-------------------|
| City Manager | William W. Burns |
| City Attorney | Frederic W. Knaak |
| Prosecuting Attorney | Carl J. Newquist |
| City Clerk | Debra A. Skogen |

Department Heads:

| | |
|----------------------------------------------------|--------------------|
| Finance Director/Treasurer | Richard D. Pribyl |
| Director of Public Safety and Emergency Management | Donovan W. Abbott |
| Fire Chief | John D. Berg |
| Director of Public Works | James P. Kosluchar |
| Director of Parks and Recreation | Jack G. Kirk |
| Director of Community Development | Scott J. Hickok |
| Director of Human Resources | Deborah K. Dahl |

CITY ADMINISTRATIVE ORGANIZATIONAL STRUCTURE 2010

City of Fridley

General Fund Authorized Full-Time (Minimum Of 32 Hours A Week) Positions - 104 (A)

Total Authorized Full-Time (Minimum Of 32 Hours A Week) Positions - 128 (A)

rev. 11/10/2009

CITY MANAGEMENT (2)

City Manager

Admin Assistant to the City Manager

Non-General Fund

CABLE TV FUND

Cable Administrator

FINANCE (19)

Finance Director - Treasurer

Accountant

ACCOUNTING (4)

Assistant Finance Director

Payroll Coordinator
Accounting Specialist
Acctg-Data Processing Clerk

ASSESSING (2)

City Assessor

Appraiser

MIS (2)

IT Manager

PC Technician

CITY CLERK - RECORDS (2)

City Clerk

Licensing & Records Technician

POLICE (44)

Public Safety Director

Administrative Assistant

PATROL OPERATIONS (28)

Captain

(5) Sergeants
(22) Patrol Officers

TECHNICAL SUPPORT (13)

Captain

Lieutenant
(3) Detectives
Pawn Detective
School Resource Officer
Anoka-Henn DTF Sergeant
Special Projects Coordinator
Crime Prevention Specialist
Office Supervisor
(2) Police Technicians
(Also 3 at 32 hrs/week)

FIRE (9)

Fire Chief

Administrative Assistant
Assistant Chief
Fire Marshal
(3) Captains

RENTAL INSPECTIONS (2)

Rental Inspection Asst.
Full-time Firefighter

HUMAN RESOURCES (2)

Human Resources Director

Administrative Assistant

Non-General Fund

LIQUOR (5)

Liquor Operations Manager

(4) Lead Liquor Store Clerks

WATER ADMIN (2)

Utility Billing Clerk
Acctg-Data Processing Clerk

Non-General Fund

DEA Detective (1)

Fed Agency-Drug Enforcement Agency

(A) An "Authorized Position" is defined as one that works at least 32 hours a week and receives a full-time benefit package.

PUBLIC WORKS (35)

Public Works Director

Admin Assist/Main't Coord

ENGINEERING (3)

Assistant Public Works Director

(2) Engineering Technician

PW MAINTENANCE (20)

Administrative Assistant

Fleet Services Supervisor

(2) Mechanic

Street Supervisor

(8) Public Service Worker

Parks Supervisor

(6) Public Service Worker

**PARKS &
RECREATION (8)**

Parks & Recreation Director

Recreation Office Coordinator

(2) Program Supervisors

Sr Citizens Program Supervisor

**COMMUNITY
DEVELOPMENT (9)**

**Community Development
Director**

Office Coordinator

BUILDING INSPECTION (3)

Chief Building Official

Building Inspector

Permit Technician

PLANNING

Planning Manager

Non-General Fund

WATER (5)

Water Supervisor

(4) Public Service Worker

SEWER (5)

Sewer Supervisor

(4) Public Service Worker

Non-General Fund

**SPRINGBROOK NATURE
CENTER (3)**

Nature Center Director

Program Supervisor

Program Admin Assist

Non-General Fund

SOLID WASTE

Environmental Planner

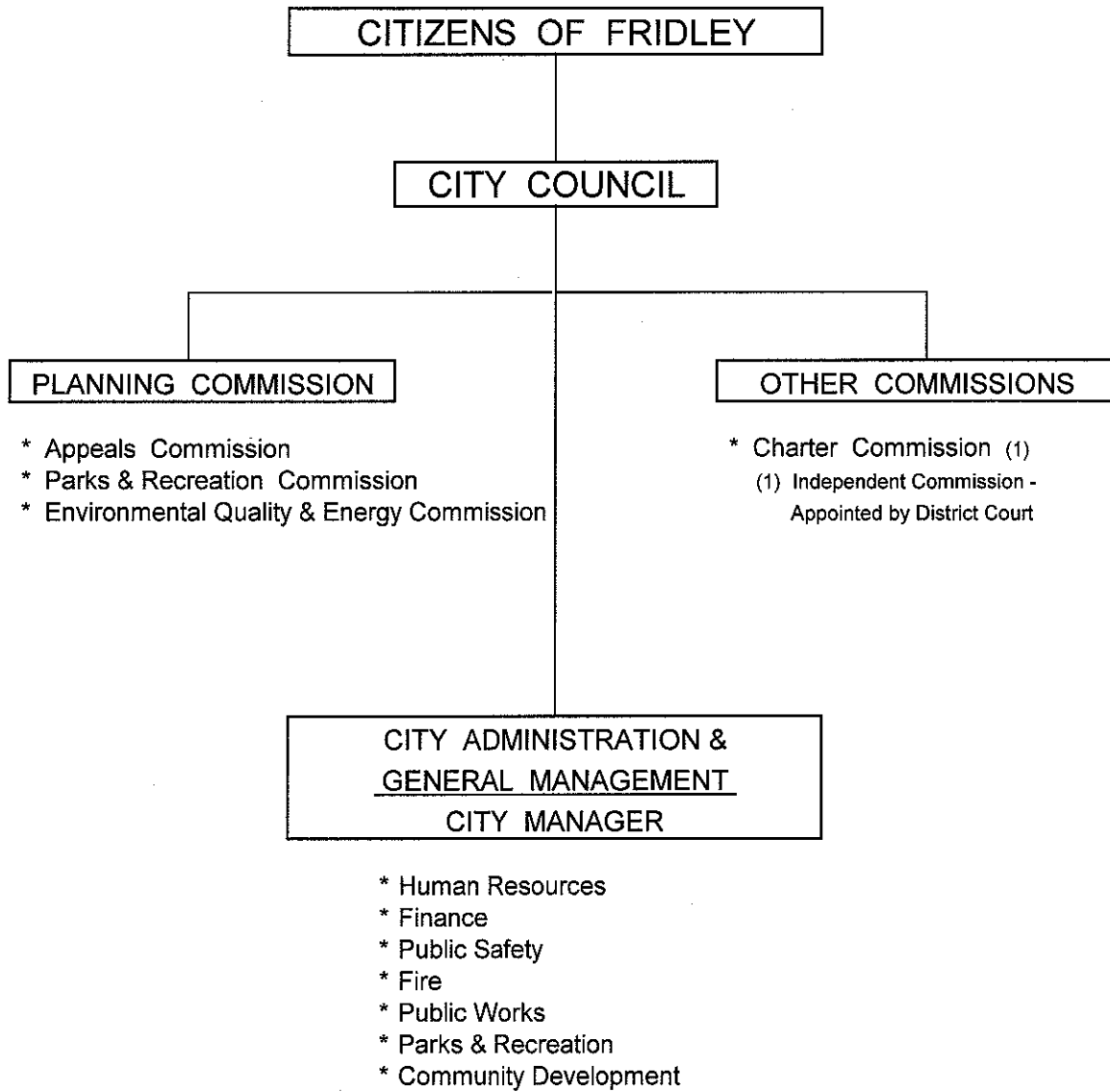
SECTION 8 HOUSING

Coordinator (32 hrs/week)

HRA

Assistant Executive Director

City Organization For Service 2010



THE BUDGET PROCESS

Chapter 7 of the City Charter of the City of Fridley sets forth the requirements for the preparation of the annual budget. In addition, the State of Minnesota has established a "Truth in Taxation" program which requires local governments to provide notice of their proposed budgets and levies. Each taxing jurisdiction is required to hold a public hearing prior to adoption of the budget to inform the citizens and give them an opportunity to provide input on spending and taxing levels.

Section 7.04 of the City Charter directs the City Manager to prepare a proposed budget and submit it to the City Council at the last meeting in August. A summary of the proposed budget is placed in the official publication twice prior to November 15.

Minnesota's Truth in Taxation Statute requires us to certify a proposed tax levy to the County Auditor by September 15. Based upon the certified proposed levy, the County is required to mail to each property owner a notice of proposed property taxes.

Between November 25 and December 26, a public hearing must be held to adopt the final property tax levy.

In accordance with Section 7.05 of the Charter, the budget is adopted by resolution. A resolution is also passed requesting Anoka County to spread the tax levy contained within the enacted budget against the tax base. We are required by Statute to certify our final levy to the County Auditor 5 working days after December 20th.

Changes to the adopted budget and supplemental appropriations may be made during the year by the City Council. However, Section 7.07 of the Charter provides that the Council shall not have the authority to increase the total amount of the budget, whether by insertion of new items or otherwise, beyond the projected revenues unless the actual revenues exceed the projected revenues, and in that event not beyond such actual revenues. Section 7.08 of the City Charter also empowers the City Council to establish an emergency appropriation not to exceed ten percent of the total budget. At the end of the fiscal budget period all budget amounts lapse to the extent they have not been expended or encumbered.

The 2009 calendar of key events regarding the 2010 budget were scheduled as follows:

| | |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 15 | Council Budget Work Session. Draft budget is reviewed. |
| August 24 | Consideration by City Council of the Proposed budget. |
| August 24 | Council passes a resolution to certify a Proposed tax levy to Anoka County. Council passes a resolution adopting the Proposed budget. |
| September 15 September 10 | "Proposed Levy Certification Taxes Payable 2010" is due to Anoka County. Publication of the Proposed budget resolution, 1 st time, (Per Charter 7.04). |
| September 17 | Publication of the Proposed budget resolution, 2 nd time, (Per Charter 7.04). |
| October 19 | Council Budget Work Session |
| December 7 | Public hearing on the final levy and budget. |
| December 14 | Adoption of final levy and budget. |
| December 28 | "Final Levy Certification Taxes Payable 2010" due to Anoka County. "Certification of Truth In Taxation Taxes Payable 2010" due to Department of Revenue. |

December 30 "Payable 2010 Property Tax Levy Report" due to Dept of Revenue.

December 31 Publication of the final 2010 budget resolution, (Per Charter 7.05).

January 13 Publication of the "Summary Budget Statement". (Per OSA).

BUDGET CONTROL

In order to use the adopted budget for effective management control, it is incorporated into the accounting system and then used as a standard for internal accounting control. Internal accounting controls are designed to provide reasonable, but not absolute, safeguards to protect assets against loss or unauthorized use, and to ensure reliability of financial records used in preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management.

Budgetary control is maintained using complete budgetary accounts in compliance with City Charter requirements. It is the management policy of the City that the existence of a particular appropriation in the approved budget does not mean that it must be expended. Expenditures are not approved until it has been determined that there are adequate funds appropriated, the expenditures are necessary and there are funds available. There is constant review of the budget during the year and budget-to-actual comparisons are distributed to Department Heads on a monthly basis.

Budgetary control is maintained at the expenditure category level for all divisions within a department. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) which mandates the following:

1. Fund Accounting

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.

2. Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "current financial resources" measurement focus. This means that governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets, including fixed assets, and all liabilities, including long-term liabilities, associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

BUDGET CONTROL (cont.)

3. Basis of Accounting

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

Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become susceptible to accrual; i.e., both measurable and available. Substantially all revenues are accrued.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due.

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

FUND BALANCE POLICY

General Fund

In 1994, the City Council of the City of Fridley passed a resolution designating minimum fund balance in the order set forth as follows:

1. A designation for working capital equaling 60% of the ensuing year's budgeted local government aid plus the property tax levy (including any state paid portion);
2. A designation for subsequent years' expenditures for uses of fund balance as set forth in the ensuing year's adopted annual budget;
3. A designation for contingencies equal to 10% of the General Fund budgeted expenditures and other financing uses for the ensuing year;
4. A designation for replacement of fixed assets in an amount not less than 10% of the General Fund investment in General Fixed Assets as identified in the Comprehensive Annual Financial Report.

Special Revenue Funds

1. A designation for subsequent years' expenditures for uses of fund balance as set forth in the ensuing year's adopted budget;
2. A designation for subsequent years' expenditures for the balance of the Cable TV equipment grant;
3. A designation for cable TV program for the entire fund balance in the Cable TV Special Revenue Fund;
4. A designation for solid waste abatement equal to the fund balance in the Solid Waste Abatement Special Revenue Fund;
5. A designation for drug and gambling enforcement in the Drug and Gambling Forfeiture Special Revenue Fund equal to the entire fund balance;

FUND BALANCE POLICY - (cont.)

Capital Improvement Fund

1. A designation for fixed asset replacement equal to the balance in the general portion of the Capital Improvement Plan;
2. A designation for park improvements equal to the balance in the park portion of the Capital Improvement Plan;
3. A designation for street improvement equal to the balance in the street portion of the Capital Improvement Plan.

DEBT MANAGEMENT

The City practices a debt management policy that searches out all revenue sources in lieu of issuing general obligation debt that will ultimately impact our legal debt margin. All debt issues are reviewed annually to determine the feasibility of utilizing call features or issuing refunding debt. The City maintains the services of Financial Advisors in regard to any new Special Assessment Improvement, Tax Increment, or Revenue Debt.