Falcon Heights City Council Workshop

City Hall
2077 W. Larpenteur Ave
Falcon Heights MN 55113

Workshop Agenda
July 1, 2009
6:30 p.m.

1. **Setting of the 2010 City Council Goals**
2. **2009/10 City Financial Update**

TO: **Mayor Lindstrom, Council members Harris, Kuettel, Long, and Mercer-Taylor**

FROM: **Justin Miller, City Administrator**

Re: **Setting 2010 City Council Goals**

Explanation:

Each year the city council reviews their previous year's goals and revises them to meet the current priorities of the city. This process is usually completed in the summer so that staff can prepare a budget for the upcoming year with these goals in mind.

Attached to this report are the city council's 2009 goals as adopted last year. The council will revise this list as needed and then formally approve them at an upcoming city council meeting.

City of Falcon Heights
2009 Goals

Purpose: <u>To sustain this community as a good place to live, work and visit.</u>

Goal 1: To protect the public health and safety.

Strategy 1: Provide public safety services to citizens.

<u>Action Items</u>:

- Provide a responsive, visible, police service utilizing community oriented policing model
- Provide a responsive, well-trained fire service
- Practice the emergency management plan
- Participate in Metro-wide emergency management planning, activities and exercises
- Continue to offer training to prepare volunteers to assist with disaster response
- Maintain Community Emergency Response Teams (CERT) throughout the city
- Work with other cities, agencies and institutions in Ramsey County to develop a county-wide emergency management inventory and plan
- Continue to use St. Paul for ambulance service
- Participate in the North Suburban Haz Mat Team
- Explore options for a bicycle safety program and bicycle patrols
- Promote 55 Alive programs
- Conduct proactive neighborhood crime prevention meetings as needed
- Promote services provided by SAPD such as premise checks, vacation checks and car seat safety
- Implement rental licensing program

Strategy 2: Participate in initiatives designed to prevent crime and the need for emergency responses.

<u>Action Items</u>:
- Promptly remove graffiti from public buildings and provide removal materials for city businesses
- Expand opportunities for using technology to improve crime watch notification

- Communicate regularly with residents about Homeland Security and the emergency management plan
- Support the work of the Neighborhood Commission and Neighborhood Liaisons
- Use traffic-calming tools including the speed monitoring trailer and warning signs
- Take steps to prevent hate crimes through the activities of the Human Rights Commission

Strategy 3: Participate in early intervention programs with juveniles.

Action Items:
- Support Northwest Youth and Family Services (NYFS)
- Continue referrals to NYFS through facilitating connections between NYFS and SAPD

Strategy 4:   Protect the public health.

Action Item:
- Participate in Ramsey County public health emergency exercises
- Publicize mosquito control measures, including free tire pick-up by Metropolitan Mosquito Patrol, utilizing city council meetings, newsletters and flyers
- Continue education about preparing for pandemic flu in this community
- Distribute free gun locks

Goal 2: To sustain and promote the assets of the city's unique neighborhoods and tax base including commercial, residential and open space uses for present and future generations.

Strategy 1: Maintain and enhance the neighborhood and community parks with updated facilities, recreation and community services.

Action Items:
- Maintain community landscaping and investigate additional options
- Maintain a sound maintenance program for public facilities
- Focus on the quality, appearance, and longevity of public improvements
- Research opportunities for enhancing recreational resources at Falcon Heights Elementary School

- Support and continue to promote an Adopt-A-Park program
- Implement the Parks and Recreation Master Plan

Strategy 2: Work with businesses and homeowners to maintain a functional and desirable business and residential environment.

Action Items:
- Continue to review and communicate city code requirements to business and commercial property owners
- Maintain the desirability of neighborhoods through education and code enforcement
- Use non-profit organizations such as NYFS
- Communicate community standards through photos and code information on the website
- Publicize Falcon Heights businesses including the Farmer's Market

Strategy 3: Maintain the City's infrastructure.

Action Items:
- Maintain and increase the pathways
- Maintain the sanitary sewers and storm sewers
- Continue with a boulevard tree program for replacement, maintenance and expansion
- Publicize the resources available through the Housing Resource Center
- Maintain streets and alleys in accordance with the Pavement Management Plan
- Pursue residential streetlighting study
- Sponsor buckthorn removal day with University Grove neighborhood and Lauderdale
- Investigate tree protection program

Strategy 4: Protect and enhance the physical land use characteristics of the community.

Action Items:
- Regularly review and update zoning code as necessary
- Participate in planning discussions, and get the required planning expertise if needed to assure that University of Minnesota and State Fair land uses and future inter-government decisions do not negatively impact the City's neighborhoods

- Expand the use of the GIS system for land use planning and maintaining information on the city's land use and facilities
- Support environmental education programs and activities
- Complete and submit plan for 2008 Comprehensive Plan Update

Strategy 5: Pursue community and economic development opportunities and business retention activities.

Action Items:
- Be well informed with the necessary planning, engineering, financial and legal expertise when making land use decisions
- Offer local businesses opportunities to be included in new resident welcome packets and community activities

Strategy 6: Expand pedestrian and bicycle opportunities.

Action Items:
- Be an active partner in the *Active Living Ramsey County*! (ALRC) initiative
- Explore opportunities for trolley path in conjunction with new Bell Museum
- Complete North Suburban Connector trail project

Strategy 7: Promote the unique assets of Falcon Heights.

Action Items:
- Support the efforts to build a new Bell Museum of Natural History
- Distribute the "Fun Facts About Falcon Heights Flyer"

Goal 3: To expand opportunities for the interaction and involvement of citizens of all ages in their neighborhoods and community.

Strategy 1: Promote and participate in youth development.

Action Items:
- Continue the Junior Leaders program
- Include youth as commission members
- Include youth in city meetings, trainings and courses
- Informally interact with youth when the opportunity arises
- Speak about local government at schools or youth related functions

- Recognize youth achievement at City Council meetings, in the newsletter, and through the Neil Kwong Youth Citizenship Awards, and the North Suburban Gavel Association
- Promote awareness of the Cable Commission scholarships and internships
- Encourage student participation in City Council Meetings
- Participate in the Kids Voting Program at precincts one and two through the Roseville Rotary Club
- Conduct a council meeting with students
- Contact RAMS or RAHS to solicit youth commission members

Strategy 2: Host community/neighborhood events and activities.

Action Items:
- Sponsor Annual Ice Cream Social
- Sponsor Winterfest
- Encourage neighborhood gatherings
- Support the Neighborhood Block Parties and National Night Out activities
- Support the Fire Department/Public Safety Open House
- Encourage volunteers to be involved in community planning activities
- Hold an annual food drive in conjunction with Falcon Heights Elementary School and other community partners
- Review and explore existing and additional city sponsored events

Strategy 3: Explore, create and provide an array of recreation programming.

Action Item:
- Provide recreation programming for all age groups
- Provide referrals for alternate programming
- Manage recreation programming on a seasonal basis
- Provide space for and promote the Falconeers Senior program

Strategy 4: Encourage citizens to participate in city government.

Action Items:
- Promote resident participation
- Continue to web-stream televised council and planning commission meetings
- Promote, recruit, and publicize citizen participation in city commissions and task forces

Strategy 5: Build stronger community and neighborhood connections.

Action Items:
- Distribute the "Welcome to Falcon Heights" booklet
- Support and promote the Neighborhood Liaison Program
- Use conflict resolution resources for neighbors to use in resolving neighborhood conflicts
- Send out three newsletters per year
- Distribute monthly Falcon Flyer and post to city website
- Support and expand the city's website
- Promote and support the AARP Tax Assistance Program
- Continue implementation of "Aging-In-Place" in the City

Strategy 6: Maintain and promote our commitment to human rights and diversity.

Action Items:
- Promote diversity on our commissions
- Support the work of the Falcon Heights Human Rights Commission

Goal 4: To provide a responsive and effective city government.

Strategy 1: Communicate promptly and clearly with citizens, business owners and institutional representatives by anticipating information needs and quickly responding to questions.

Action Items:
- Provide a photo of new staff members and a description of jobs in the newsletter
- Publish a summary of the goals in the City's newsletter and on the website
- Educate residents about the property tax
- Hold a Truth in Taxation Hearing annually

Strategy 2: Maintain collaborative relationships with other entities.

Action Items:
- Participate in the U of M Campus/Community Advisory Committee and on the Stadium Area Advisory Group
- Maintain regular communication with the University of Minnesota, the Metropolitan Council, Ramsey County, the

Minnesota State Fair, the Capital Region Watershed District, the cities surrounding Falcon Heights, and the State of Minnesota
- Convey city goals to the City's representatives at the legislature, the Metropolitan Council and the County, as well as to neighboring communities
- Met Council presentation at future council meeting
- Participate in Northwest Youth and Family Service, North Suburban Communications Commission and CTV15, the Ramsey County League of Local Governments, and the Regional Council of Mayors
- Encourage Council members and staff to participate in service and professional organizations

Strategy 3: Effectively manage the City's consulting and personnel resources.

Action Items:
- Evaluate the performance and work assignments of City employees through annual performance reviews
- Provide employees with affordable resources they require to efficiently and effectively do their jobs, including a training plan and technology resources
- Provide adequate funds for personnel, equipment and contractors to maintain the City's infrastructure, facilities, public spaces and public improvements
- Evaluate and review consultants' performances and fees
- Retain highly skilled and high-functioning employees
- Provide salaries and benefits that are competitive with cities of a similar size, scale, and scope

Strategy 4: Effectively manage the city's financial resources.

Action Items:
- Update and provide a well-researched five year capital improvement program
- Review and adjust fees and policies as part of the annual budgeting process
- Research and pursue new revenue sources, including grants
- Pursue conduit bonding opportunities
- Review and evaluate the City's long term financial needs and the City's current and future financial resources to meet these needs
- Continue to research and pursue new opportunities for reducing expenses by using more contracts and joint powers

agreements to share equipment, personnel, and technology with other levels of government
- Maintain a contingency fund to be prepared for unexpected, but necessary, expenditures
- Retain highly skilled and high functioning employees
- Continue to meet the standards for the GFOA Award for Excellence in Financial Reporting

Strategy 5: Develop and expand an e-mail capability to communicate with residents

Action Items:
- Solicit e-mail addresses through the Falcon Flyer and newsletter, at the front desk, on the City website, and at community events
- Solicit new resident e-mail addresses
- Provide critical information in a timely manner utilizing city's list serv

Strategy 6: Expand the capability to conduct any city-to-resident transaction online

Goal 5: Provide for a clean, healthy, sustainable environment.

Strategy 1: Undertake efforts to maximize recycling.

Action Items:

- Research an incentive program to encourage recycling

Strategy 2: Consider environmental benefits in city purchasing.

Action Items:
- Consider environmentally-friendly options in city vehicles and public works
- Change to energy-efficient, compact light bulbs

Strategy 3: Continue support of Community Garden.

Action Items:

- Continue publicity in newsletter, on website, and in the Falcon Flyer

Strategy 4: Create an inventory of greenhouse/global warming emissions.

TO: Mayor Lindstrom, Council members Harris, Kuettel, Long, and Mercer-Taylor

FROM: Justin Miller, City Administrator

Re: 2009/2010 City Financial Update

Explanation:

As has been widely reported, the 2009 legislative session ended without a consensus budget bill being approved. As a result, Governor Pawlenty used his unallotment powers to reduce local government aid (LGA), among other items, to balance the state's biennial budget. The impact to Falcon Heights results in an LGA reduction of $46,786 in 2009 and $107,953 in 2010.

The council anticipated this possibility, and in January implemented several cost-saving measures to address the expected shortfall. A summary of these actions is attached to this report. In total, the preliminary actions resulted in a net impact to the general fund of $133,800. On the surface, these actions would be enough to account for the loss of LGA, but a deeper look reveals that much of this was dependent on conduit bonding fees (which are not guaranteed to occur), freezing salaries, and consolidating the deputy clerk and recreation supervisor positions for the entire year. Further, other revenue sources, such as building permits, emergency response fines, and parking fines are projected to be lower than anticipated.

Staff has begun to prepare the draft 2010 budget, and we are looking for any guidance that the city council might provide to assist us in this process. Right now, it appears that state mandated levy limits will be in place, and that our maximum levy increase will be less than 1%. There are several special levies that could be implemented that would create some flexibility in the budgeting process. The legislature authorized the following that could be enacted outside of the levy limit calculation:
  • Existing debt obligations (such as we levied for in 2009 for street debt). This amount could be as high as $125,000 in 2010.
  • Increase in fire and police wages (roughly $12,000)
  • Unallotted 2008 ($51,683), 2009 ($46,786), and possibly 2010 ($107,953) LGA.

Staff will be prepared to answer any questions the council has at our Wednesday workshop.

2009 Budget Revisions	Target = $125,000	
Budget Item	**Savings**	**Impact**
Eliminate publication of newsletters	$ 2,800	Will only be available on web, could lower rec program participants
Change janitor to every-other week	$ 2,500	Staff would be responsible for weekly cleaning, overall appearance of city hall may be diminished
Freeze salaries at 2008 levels	$ 16,000	Total savings of $21,266 - only 73% is allocated to general fund
Eliminate parks program (1 FTE)	$ 63,000	Would force layoff, no rec programs offered
Eliminate finance intern	$ 11,000	Allows for assistance with audit prep (through March); risk futher findings from auditor for lack of segregation of duties
No warming houses/rink attendants	$ 11,000	Would still flood rinks, but not staff warming houses
Reduce Public Works staff (1 FTE)	$ 26,000	$52,600 total personnel, only 50% allocated to general fund; delayed snow clearance from sidewalks, fewer sidewalk repairs, delay in park maintenance
Combine Deputy Clerk/Rec Supervisor	$ 60,000	Longer wait time on permits, other deputy clerk functions; would possibly need to outsource election official duties
Eliminate either Winterfest or Ice Cream Social	$ 1,500	
Eliminate fire department attendance at National Night Out, block parties, open house, Ice Cream Social and Winterfest	$ 2,800	No fire department presence at community events
Change to 3" snow emergency/plowing	$ 10,000	Unpredictable savings; less snowplowing of streets
Eliminate one summer public works position	$ 5,000	Longer grass at city parks, delay in sidewalk replacement program
New Revenue Sources	**Amount**	
Streetlight Utility	$ 24,000	Surcharge put on water bills to pay for city's streetlights (this is the amount paid to Xcel Energy for operating city's streetlights
Use conduit bonding fee as general fund revenue	$ 50,000	Planned to help pay for fire truck refurbuishment; not guaranteed to occur
Pet licenses	$ 1,500	Would need to purchase tags; more staff time to process
Total	$ 285,600	
Items in yellow are being implemented	**$ 133,800**	
Other items may be necessary if further cuts are needed		

Proposed City Unallotments: 2009 & 2010

Cities under 1,000 population exempt if their ANTC per capita is below statewide average
City of St. Charles excluded in CY 2009
Unallotment limited to $22 per capita in CY 2009 and $55 per capita in CY 2010

CITY NAME	2007 Pop	Pay 2009 Levy + Aid	Certified Pay 2009 LGA	Est. Total Pay 2009 MV Credit	Estimated Pay 2010 LGA	Est. Total Pay 2010 MV Credit	2009 Unallotment — LGA Unallotment	MV Credit Unallotment	Unallotment % of Levy + Aid	2009 LGA Remaining	2009 MVHC Remaining	2010 Unallotment — LGA Unallotment	MV Credit Unallotment	Unallotment % of Levy + Aid	2010 LGA Remaining	2010 MVHC Remaining
TOTALS	4,283,123	2,293,118,025	526,141,547	77,195,589	536,671,457	81,207,602	(44,619,614)	(19,580,386)	3.31%	-	-	(102,384,067)	(25,915,933)	7.64%	434,287,390	55,291,669
ELBOW LAKE	1,234	1,136,323	415,161	59,604	417,012	60,695	(27,148)	0	-2.39%	388,013	59,604	(67,870)	0	-5.97%	349,142	60,695
ELGIN	982	647,112	282,691	28,916	288,710	35,523	0	0		282,691	28,916	0	0		288,710	35,523
ELIZABETH	174	60,128	28,947	6,298	30,813	6,250	0	0		28,947	6,298	0	0		30,813	6,250
ELK RIVER	23,187	11,877,573	666,820	388,065	686,820	402,101	(393,476)	0	-3.31%	273,344	388,065	(686,820)	(221,078)	-7.64%	0	181,023
ELKO NEW MARKET	3,788	2,043,895	366,101	52,306	331,360	51,676	(67,709)	0	-3.31%	298,392	52,306	(156,231)	0	-7.64%	175,129	51,676
ELKTON	148	48,544	13,507	4,996	13,507	5,310	0	0		13,507	4,996	0	0		13,507	5,310
ELLENDALE	651	390,514	136,008	31,102	130,602	31,158	0	0		136,008	31,102	0	0		130,602	31,158
ELLSWORTH	518	331,837	162,837	24,245	167,141	23,657	0	0		162,837	24,245	0	0		167,141	23,657
ELMDALE	104	22,391	5,855	2,571	5,568	2,395	0	0		5,855	2,571	0	0		5,568	2,395
ELMORE	658	421,473	217,162	27,862	223,391	25,824	0	0		217,162	27,862	0	0		223,391	25,824
ELROSA	158	53,791	26,330	4,535	25,738	4,667	0	0		26,330	4,535	0	0		25,738	4,667
ELY	3,541	3,487,250	1,834,174	153,059	1,908,398	145,509	(77,902)	0	-2.23%	1,756,272	153,059	(194,755)	0	-5.58%	1,713,643	145,509
ELYSIAN	569	663,518	56,966	30,641	51,819	30,524	(12,518)	0	-1.89%	44,448	30,641	(31,295)	0	-4.72%	20,524	30,524
EMILY	914	831,131	0	23,243	0	21,611	0	(20,108)	-2.42%	-	3,135	0	(21,611)	-2.60%	-	0
EMMONS	412	216,663	82,727	21,292	84,830	20,975	0	0		82,727	21,292	0	0		84,830	20,975
ERHARD	137	49,206	25,206	6,505	26,875	7,002	0	0		25,206	6,505	0	0		26,875	7,002
ERSKINE	427	258,371	99,622	14,315	99,358	14,436	0	0		99,622	14,315	0	0		99,358	14,436
EVAN	89	28,692	14,842	2,488	15,136	2,407	0	0		14,842	2,488	0	0		15,136	2,407
EVANSVILLE	563	344,777	121,470	28,131	122,612	30,177	0	0		121,470	28,131	0	0		122,612	30,177
EVELETH	3,617	3,957,147	2,323,283	156,513	2,386,173	156,724	(79,574)	0	-2.01%	2,243,709	156,513	(198,935)	0	-5.03%	2,187,238	156,724
EXCELSIOR	2,437	1,308,669	107,265	8,967	95,125	8,849	(43,353)	0	-3.31%	63,912	8,967	(95,125)	(4,907)	-7.64%	0	3,942
EYOTA	1,825	1,067,928	484,412	45,787	504,401	47,299	(35,378)	0	-3.31%	449,034	45,787	(81,630)	0	-7.64%	422,771	47,299
FAIRFAX	1,257	859,816	453,316	57,524	464,736	58,187	(27,654)	0	-3.31%	425,662	57,524	(65,723)	0	-7.64%	399,013	58,187
FAIRMONT	10,675	6,921,848	4,161,228	276,725	4,251,825	326,247	(229,304)	0	-3.31%	3,931,924	276,725	(529,092)	0	-7.64%	3,722,733	326,247
FALCON HEIGHTS	5,709	1,412,296	438,064	30,404	436,768	36,488	(46,786)	0	-3.31%	391,278	30,404	(107,953)	0	-7.64%	328,815	36,488
FARIBAULT	22,798	11,834,598	5,905,341	477,418	5,677,361	491,619	(392,052)	0	-3.31%	5,513,289	477,418	(904,613)	0	-7.64%	4,772,748	491,619
FARMINGTON	18,509	9,311,415	355,390	411,810	355,380	411,810	(308,531)	0	-3.31%	46,859	411,810	(355,380)	(356,012)	-7.64%	0	55,798
FARWELL	46	22,812	15,112	1,801	14,652	2,138	0	0		15,112	1,801	0	0		14,652	2,138
FEDERAL DAM	94	52,012	2,012	2,938	1,875	2,869	(1,723)	0	-3.31%	289	2,938	(1,875)	(2,101)	-7.64%	0	768
FELTON	192	45,007	29,441	3,152	27,550	3,275	0	0		29,441	3,152	0	0		27,550	3,275
FERGUS FALLS	13,971	8,228,686	4,143,945	370,002	4,193,341	389,069	(272,597)	0	-3.31%	3,871,348	370,002	(628,985)	0	-7.64%	3,564,356	389,069
FERTILE	862	427,567	259,567	24,527	267,129	25,642	0	0		259,567	24,527	0	0		267,129	25,642
FIFTY LAKES	403	536,000	0	8,738	0	7,961	0	(8,738)	-1.63%	-	0	0	(7,961)	-1.49%	-	0
FINLAYSON	332	146,078	36,143	10,340	34,625	11,375	0	0		36,143	10,340	0	0		34,625	11,375
FISHER	387	174,394	75,946	13,385	73,441	13,900	0	0		75,946	13,385	0	0		73,441	13,900
FLENSBURG	236	39,493	21,493	5,234	20,226	5,102	0	0		21,493	5,234	0	0		20,226	5,102
FLOODWOOD	533	404,624	129,124	24,958	134,320	23,290	0	0		129,124	24,958	0	0		134,320	23,290
FLORENCE	45	19,757	9,757	922	9,645	1,076	0	0		9,757	922	0	0		9,645	1,076
FOLEY	2,624	1,592,771	776,254	55,950	755,987	45,586	(52,765)	0	-3.31%	723,489	55,950	(121,748)	0	-7.64%	634,239	45,586
FORADA	192	80,000	5,583	5,562	5,562	5,562	0	0		5,583	5,562	0	0		5,562	5,562
FOREST LAKE	17,494	7,114,054	0	272,688	0	299,820	0	(235,672)	-3.31%	-	37,016	0	(299,820)	-4.21%	-	0
FORESTON	507	135,880	65,764	7,913	68,543	7,500	0	0		65,764	7,913	0	0		68,543	7,500
FORT RIPLEY	64	16,500	0	2,394	0	1,847	0	(547)	-3.32%	-	1,847	0	(1,261)	-7.64%	-	586
FOSSTON	1,522	901,408	605,776	37,487	616,242	39,952	(29,862)	0	-3.31%	575,914	37,487	(68,902)	0	-7.64%	547,340	39,952
FOUNTAIN	381	214,775	60,100	19,047	64,078	19,057	0	0		60,100	19,047	0	0		64,078	19,057
FOXHOME	106	41,830	25,247	3,346	25,023	3,290	0	0		25,247	3,346	0	0		25,023	3,290
FRANKLIN	494	270,711	132,627	20,005	137,355	18,236	0	0		132,627	20,005	0	0		137,355	18,236
FRAZEE	1,364	716,190	458,334	34,800	484,120	37,851	(23,726)	0	-3.31%	434,608	34,800	(54,744)	0	-7.64%	429,376	37,851
FREEBORN	282	136,821	57,536	13,856	60,666	12,935	0	0		57,536	13,856	0	0		60,666	12,935
FREEPORT	517	415,569	77,889	31,601	84,959	31,589	0	0		77,889	31,601	0	0		84,959	31,589
FRIDLEY	26,459	10,805,340	1,332,853	416,660	1,585,497	416,660	(357,955)	0	-3.31%	974,898	416,660	(825,939)	0	-7.64%	759,558	416,660
FROST	225	151,709	53,172	11,330	52,079	11,721	0	0		53,172	11,330	0	0		52,079	11,721
FULDA	1,275	758,268	463,626	61,234	460,417	61,842	(25,120)	0	-3.31%	438,506	61,234	(57,961)	0	-7.64%	402,456	61,842
FUNKLEY	15	145	145	0	143	0	0	0		145	-	0	0		143	-
GARFIELD	304	107,340	33,272	9,649	32,985	9,978	0	0		33,272	9,649	0	0		32,985	9,978
GARRISON	226	160,116	0	5,681	0	5,973	0	(4,972)	-3.11%	-	709	0	(5,973)	-3.73%	-	0
GARVIN	140	90,191	38,575	4,869	37,175	4,612	0	0		38,575	4,869	0	0		37,175	4,612
GARY	191	93,725	53,217	6,254	51,307	6,533	0	0		53,217	6,254	0	0		51,307	6,533

2ND QUARTER REVENUES 2009

The large revenue payments from Property Taxes and other Intergovernmental sources occur later on in the year, during July and December.

REVENUES:

GENERAL FUND:

Property Taxes: The city received a partial prepayment on the property taxes of $395,000 at the end of June. During 2008, there was a $391,000 prepayment posted as ad valorem tax revenue. The balance of the ad valorem property revenue is received during the first week of July. No LGA payments are received until the end of July.

Licenses and Permits: Licensing of the businesses in Falcon Heights occurred in January.

	2009	2008
Contractor/Liquor/ Cigarette/Amusement Licenses:	$ 2,055	$ 1,864
Building permits:	8,859	12,225
Mechanical permits:	3,192	2,554
Miscellaneous Other permits:	714	3,659
	14,820	20,302

There has been a decrease in building permits in general. This reflects less remodeling projects during 2009 compared to 2008.

Intergovernmental Revenue: No LGA payments are received until the last week in July. Cable TV franchise fee 2009 revenue totaled $11,666 (this represents only the1st qtr's revenue). (The second quarterly payment is not received until July). In 2008, the revenue received for the 1st quarter was $11,290. The city also received from the State of Minnesota $2,000 of fire premium aid that goes to the fire relief association of Falcon Heights.

Charges for Services:

	2009	2008
Plan check fees:	$ 1,531	$ 3,141
Lauderdale Fire Contract	22,995	24,831
City Hall/Facility rentals	5,735	4,838
Other	1,134	2,662
	32,395	35,472

The plan check fees are down accordingly in relation to the decrease in building permits.

Fines and Forfeits: We now have five months of court fines totaling $37,509 for 2009 as compared to $35,601 for 2008 for the same time period.

Miscellaneous: The total interest revenue recorded for the first three months totaled $12,342 for the general fund. Second quarter interest has not been posted yet to the general fund. Second quarter interest is estimated to be $8,000 for the general fund. There was an insurance payment of $4,059 for one light pole. Other event community support revenue was $1,151.

SPECIAL REVENUE FUNDS:

The Park Programs Fund had total revenue of $36,639 with $20,800 of this being a budgeted transfer from the general fund. Program fees amounted to $15,651 for 2009 as compared to $13,009 for 2008. For 2007, we started online registration in addition to the registration over the counter. For 2009, there are considerably more parents registering and paying on line than during 2008.

The Community Garden Fund recorded total revenue of $760 through June of 2009. $725 of the revenue was from the community garden plot fees.

The Water Fund, and the Recycling Fund recognized limited revenue for the first six months. The Water Fund had 2009 charges of $5,923 as compared to 2008 charges of $3,360. The Recycling fund (previously solid waste) had 2009 charges of $11,203 as compared to 2008 charges of 11,334. These items appear on the water bill from St Paul Water Utility. Residential and commercial customers with water meter lines less than 2" in diameter are billed quarterly. The quarters run Nov-Jan, Feb-Apr, May-July, Aug-Oct. Therefore, for these customers, only the revenue for January-April would show up on the second quarter statistics. Commercial customers with water meter lines 2" or more are billed monthly with the revenue being received with a lag of one month. Therefore only January thru April residential and January thru May commercial revenue is recorded in the first 6 month's statistics. Also, in the Solid Waste Fund, the SCORE

grant reimbursement is not billed until the end of June and December resulting in a lag in the payments being received in July and January of the next year. Interest Revenue of $675 was recorded for the first quarter for the Recycling Fund, while the Water Fund has interest of $246 over this time.

The Community Development Fund recorded interest of $84 for the first quarter.

DEBT SERVICE FUNDS:

There was a $69,000 transfer into the 1999 NE Quadrant street bond from the infrastructure capital fund. There was also a $96,129 special levy yet to be received for the GO debt on the 1999 NE Quadrant street bond. In addition, $184,000 was transferred into the 1996 TIF Larpenteur bond from the TIF capital funds. It is desired that the balances in these debt service funds be small enough to avoid any arbitrage payments.

Capital Projects Funds:

For 2009, we have not received any conduit bond revenue (if we do, it will go into the general fund) In 2008, we received $60,000 from conduit bond fee from Coventry Apartments deposited into the Public Safety Capital Fund for future capital fire truck related purchases.

Once again, we did not receive any partial payments on the tax increments for our TIF districts. The payments were received in the first week of July.

There was $23,063 received for partial street maintenance from DOT that went into the Infrastructure fund. No special assessment revenue as of this date – June 24, 2009.

The other $21,335 revenue listed for the capital project funds represents interest income earned during the first three months allocated by fund based upon the investment balance within each fund. The second quarter interest has not been allocated as of this date. It is estimated to be approximately $16,000.

Enterprise Funds:

The Sanitary Sewer fund recognized revenues for charges for services totaling $196,862 for 2009 as compared to $186,215 for the 1st 6 months of 2008. The 2nd quarter charges of approximately $36,000 to the University of Minnesota and State Fair will be shown on the July revenue statistics instead of for June. Interest revenue earned on the investment balance within the sanitary sewer fund was $16,602 for the first quarter in interest revenue as compared to $12,535 in 2008. We have not received any SAC fees so far in 2009. There was a recognized gain on the sale of the sewer jetter for $15,000. The sanitary sewer charges appear on the water bill from Saint Paul Water Utility. The residential customers and commercial customers with water meter lines less than 2" get

billed quarterly. Commercial customers with water meter lines 2" or more get billed monthly. The billing quarters and lag in receiving the revenue is the same in the sanitary sewer fund and in the Storm Drainage Fund as is in the Water, and Solid Waste funds. The University of Minnesota and State Fair Grounds are billed quarterly by the city for sanitary sewer charges based upon water meter readings furnished by St. Paul Water Utility and posted each quarter.

The Storm Drainage Fund recognized charges for services of $41,608 as compared to $42,838 in 2008. Investment income was $3,632 for the first quarter. The storm drainage charges also appear on the water bill.

NOTE: At year-end, this lag in revenue recognition is updated for the year with receivables set up in the sanitary sewer, storm drainage, water, and solid waste funds.

2ND QUARTER EXPENDITURES 2009

General Fund:

Within the General Fund, the Legislative, Administrative, Finance, Police, and Parks & Public Works /Recreation Administration accounts usually reflect spending at a higher rate than normally expected if averaged throughout the year. These accounts almost always experience a higher rate during the first six months. Some of the expenses are paid once early in the year for the entire year.

The Legislative account reflects the cooperative service payments paid early in the year. Northwest Youth and Family Service has expenses of $8,340 as compared to $8097 in 2008. The City has not yet paid the yearly dues to the League of Minnesota cities. These dues are projected to be $5,036 in 2009 as compared to $4,881 for 2008. These dues are usually paid in September or October. Also, the city decreased it's assistance to $2,000 for the Housing Resource Center to aid the citizens in Falcon Heights in housing issues as compared to $5,000 in 2008.

The Administrative account reflects the insurance expenditures of $16,456 during the first half of 2009. The insurance costs are allocated among the accounts of the general fund. For example, the insurance cost for the fire trucks is allocated in the fire account (124). The insurance cost for city trucks is allocated in the city hall account (131). The insurance cost for the park buildings and playground equipment is allocated in the parks & recreation fund (141).

The Finance account reflects $8,100 audit costs allocated for the General Fund. The balance of the audit costs are allocated over the other funds. The General fund accounts for approximately 45% of the total audit fee. Software maintenance is $3,685 as compared to $3,527 in 2008.

The Communications account reflects the cooperative service payment to North Suburban Cable Company in the amount of $11,150 as compared to $10,857 in 2008. This is a yearly amount.

In the Planning & Inspections account, the building inspections expense is by contract with Little Canada. The expense of $7,786 represents the first three month period. The 2009 total is estimated to be $35,000. The 2nd quarter expense is estimated to be $8,750.

There has been $1,512 for compensation expenses for the City Administrator out of the Emergency Preparedness account.

The Police account reflects payment for services during January thru June. The City of St. Anthony requests payment the first of the month for the month, but we have not received the July invoice at this time. The first six months police expenditures total $289,125.

Prosecution legal fees are $16,343 in 2009 for the first six months. The total 2009 budgeted amount is $34,000.

The Streets account reflects expenditures for snowplowing and sanding totaling $9,895 for 2009 leaving a balance of $20,105 for the end of 2009. A couple of big snow falls this fall will quickly use up the remaining amount in this budget line item. Insurance on the city vehicles, equipment, and workman's compensation insurance totaled $7,444 as compared to $7800 in 2008.

The Parks & Recreation account reflects a $20,800 transfer out to the Special Revenue Recreational Program Fund. Also, insurance costs of $9,334 occurred out of a budgeted $10,500. Heavy expenses occur during the early summer months for the upkeep of the parks and also salaries for the park employees during the summer months. The repairs and maintenance line item was budgeted at $9,000 for 2009 with only expenses of $617 for the first six months. In 2008, sprinkler system repairs of $9,610 occurred at the Community Park building.

The 2009 Contingency budget is $ 0.00. There has been spent $7,535 in unallocated payroll for vacation and sick leave payout to Stacey when she moved to Australia.

SPECIAL REVENUE FUND EXPENDITURES:

In the Park Program Fund we have spent $17,039 for the summer recreation programs. Of this amount, $12,258 has been for compensation. $2,214 has been spent for materials and supplies for the programs. Additional service and charge expenditures of $2,064 have also occurred. These include specialty instructor fees, audit fees, rental of equipment and miscellaneous expenditures. With the high level of on line registrations for summer recreation programs, paypal expenses of $503 have occurred.

In the Recycling Fund, we have paid 6 months of recycling pick-up charges totaling $14,872.

DEBT SERVICE FUND EXPENDITURES:

The bond principal payments are made on February 1st of each year. Semiannual interest payments are also made at this time. August 1st of each year is the other semiannual interest payment. For 2009, we have paid $345,000 in bond principal payments and $22,339 in interest payments. For August 1st, we will be paying $14,078 in interest payments. Bond fees for the first six months totaled $2,028.

CAPTIAL PROJECTS EXPENDITURES:

The General Capital fund shows $2,848 being spent for the first six months. Steel shelving for the copy room and basement totaled $1,037. Laserfiche software totaled $934 and a scanner for scanning records totaled $ 877.

The Public Safety Capital account shows $1,045 being spent for two pagers.

The Parks/Public Works Capital Account shows $4,122 being spent. A hydraulic press was purchased for the shop and street light replacement expenses occurred..

In the Infrastructure Fund, there was a transfer out to the 1999 NE Quadrant Street Bond totaling $69,000. Tree trimming costs for the first six months totaled - $11,449. Tree Removal - $305. Tree Planting - $1550.

ENTERPRISE FUND EXPENDITURES:

The Metropolitan Council Environmental Services is now using a pricing policy based upon the prior year's flows. This has the effect of equalizing our monthly payments. MCES asks that the payment be made near the 1st of the month for the month. Therefore, the 6 months statistics reflect 7 months payment for sanitary flow treatment. We have spent $262,804 for sewer charges for the city. Other expenditures are: $14,934 for televising and jetting, $2,200 for insurance, $4,884 for billing fees, damage claims of $3,422.

The Storm Drainage Fund was made an enterprise fund during 2001. The major expense of this fund is street sweeping. Spring street sweeping is usually done during April. Fall street sweeping is usually done after the leaves have fallen. We originally budgeted $25,000 for this. The city recently purchased a street sweeper with Little Canada. Savings for this sweeper should provide savings to pay for the sweeper over the next 5 to 7 years while providing a higher level of service for the residents. Insurance totaled $2,000 for 2009.

YEARLY COMPARISON OF GENERAL FUND REVENUES AND EXPENDITURES

With the General Fund being most important, comparisons of actual to budgeted amounts for both revenue and expenditures demonstrate that we are very close to budget with both the revenue and expenditures as in the last four years.

Comparing the percentage of **REVENUES** received to budgeted amounts for the last 6 years:

2009	Yearly budgeted amount:	$1,699,786
	First 6 months:	513,086
	Percent of budgeted amt:	30.1%
2008	Yearly budgeted amount:	$1,725,628
	First 6 months:	514,567
	Percent of budgeted amt:	29.8%
2007	Yearly budgeted amount:	$1,654,492
	First 6 months:	509,682
	Percent of budgeted amt:	30.8% (increase due to allocation of prepayment of property taxes)
2006	Yearly budgeted amount:	$1,652,499
	First 6 months:	378,595
	Percent of budgeted amt:	22.9%

For 2006 and 2007, the transfer from the infrastructure to the general fund had not been done during the 1st six months. We wanted to wait until the end of year to do the transfer and see if the transfer amount could be minimized like it was done in 2006. In years 2003-2005, this transfer had been done during the 1st six months. Also, in 2007 the prepayment of property taxes from Ramsey County was totally allocated to the ad valorem property taxes and not allocated to any of the TIF capital funds resulting in a reported increase in property tax revenue.

2005	Yearly budgeted amount:	$1,580,237
	First 6 months:	640,879
	Percent of budgeted amt:	40.5%

2004   Yearly budgeted amount: $1,429,919
            First 6 months: 502,278
            Percent of budgeted amt: 35.1 %

Comparing the percentage of **EXPENDITURES** paid to the budgeted amounts for the last 6 years:

2009   Yearly budgeted amount: $1,699,786
            First 6 months: 783,158
            Percent of budgeted amt: 46.1%

2008   Yearly budgeted amount: $1,725,628
            First 6 months: 867,440
            Percent of budgeted amt: 50.3%

2007   Yearly budgeted amount: $1,654,492
            First 6 months: 841,295
            Percent of budgeted amt: 50.8%

2006   Yearly budgeted amount: $1,660,499
            First 6 months: 834,427
            Percent of budgeted amt: 50.3%

2005   Yearly budgeted amount: $1,635,238
            First 6 months: 796,747
            Percent of budgeted amt: 48.7%

2004   Yearly budgeted amount: $1,429,919
            First 6 months: 799,122
            Percent of budgeted amount: 55.8% *

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For 2004, the percentage of budget was higher than usual because of several factors: increased diseased tree removal costs, sick leave payouts for employees leaving first half of year, tree pruning usually done in the last months of the year has now been scheduled to be done during January and February, and the building inspection fees from SE Corner Redevelopment had occurred during the first half of the year. Usually the building inspections fees are received in the summer months when most of the construction is done.

Timing issues result in some differences.