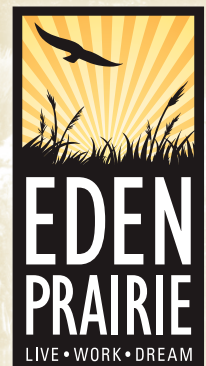


2016–2017 Budget

City of Eden Prairie, Minnesota



History of Eden Prairie

For most of its existence, Eden Prairie was a sleepy, pastoral village on the far southwestern fringes of the Twin Cities area. Between 1880 and 1960, Eden Prairie's population barely changed. During those 80 years, the population increase was only 1,300 people, from 739 in 1880 to 2,000 in 1960.

How times have changed! By 2000, the population swelled to almost 60,000, a 3,000 percent increase. It changed from a predominantly agricultural rural area to a thriving, business-rich community that is a highly desirable place to live and work.

The City owes its name to Elizabeth Fries Ellet, an East Coast writer who visited the area and proclaimed it to be the garden spot of the territory. American Indians were the first to live in the area. In 1851, a treaty opened land west of the Mississippi River to settlement, allowing pioneers to settle in what is now Eden Prairie.

The town board of Eden Prairie held its first meeting in a log school house on May 11, 1858, the same day Minnesota became a state. In 1929, the first graduating class left the Eden Prairie Consolidated School. Today that building serves as the main office for Eden Prairie School District 272.

Eden Prairie's farming community grew slowly over the years. Flying Cloud Airport was the first sign of big development in 1946. The 1960's and 1970's were decades of growth for the City's parks and recreation system. In the mid-70's, the community earned a higher profile with the addition of Interstate 494 and the Eden Prairie Shopping Center. Today, Eden Prairie is home to more than 2,300 businesses, nearly 25,000 households and about 62,000 residents.

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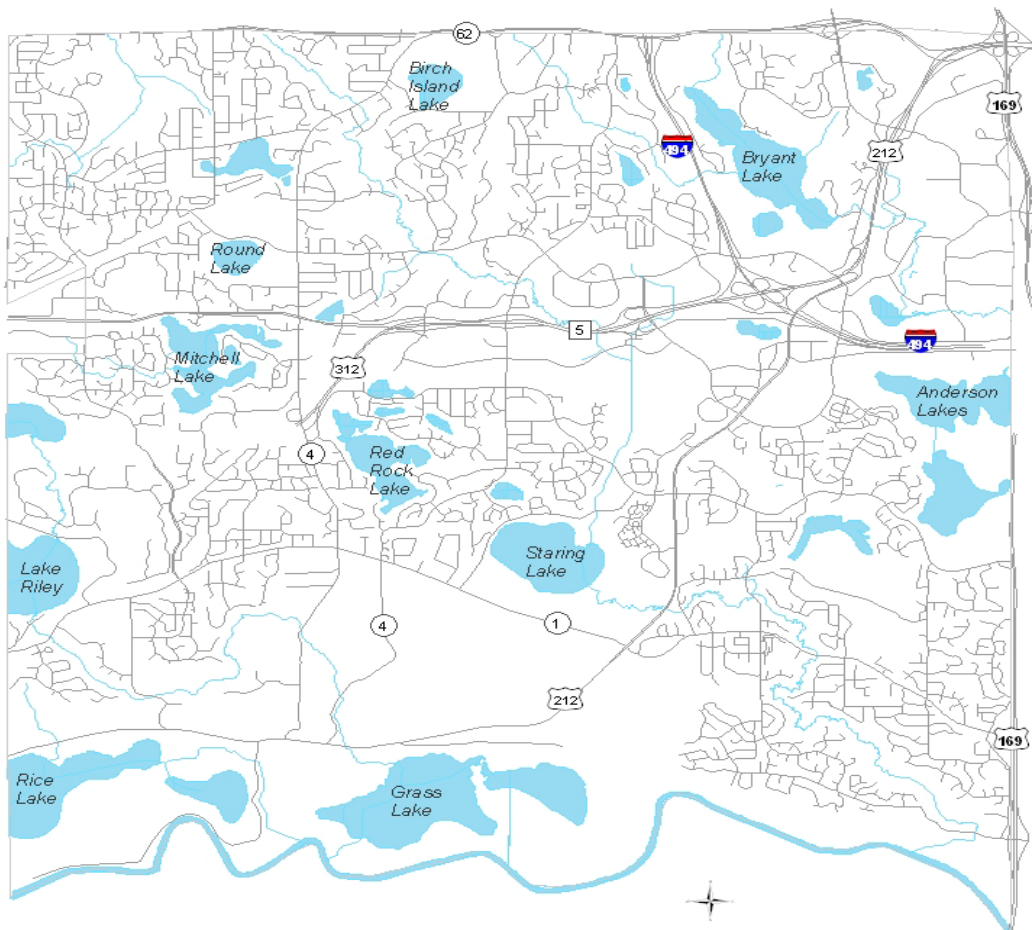
Introduction

Introduction

Eden Prairie

Eden Prairie is a suburban community of about 62,000 people located in the southwest corner of Hennepin County in a setting of rolling hills and picturesque lakes and creeks. Eden Prairie has a convenient location, a comprehensive system of highways, and is a short distance from downtown Minneapolis and St. Paul and the Minneapolis-St. Paul International Airport. Eden Prairie is 36 square miles and 22,594 acres. There are 17 lakes, 3 creeks, and the Minnesota River forms the southern city limits.

Map of Eden Prairie, MN



Introduction

Eden Prairie is known for its attractive residential neighborhoods, which are connected by more than 100 miles of multi-use trails and surrounded by 1,000 acres of parks and 1,400 acres of preserved land for open space. Eden Prairie is also home to a thriving business community with over 2,300 businesses.

Strategic Plan

Vision

Eden Prairie is a vibrant city characterized by the thoughtful integration of natural beauty and physical development that creates a highly desirable place for its residents and businesses.



Mission

Eden Prairie city government will foster respect for the past, plan for the future, and deliver high quality public services that contribute to a strong sense of community.

Goals

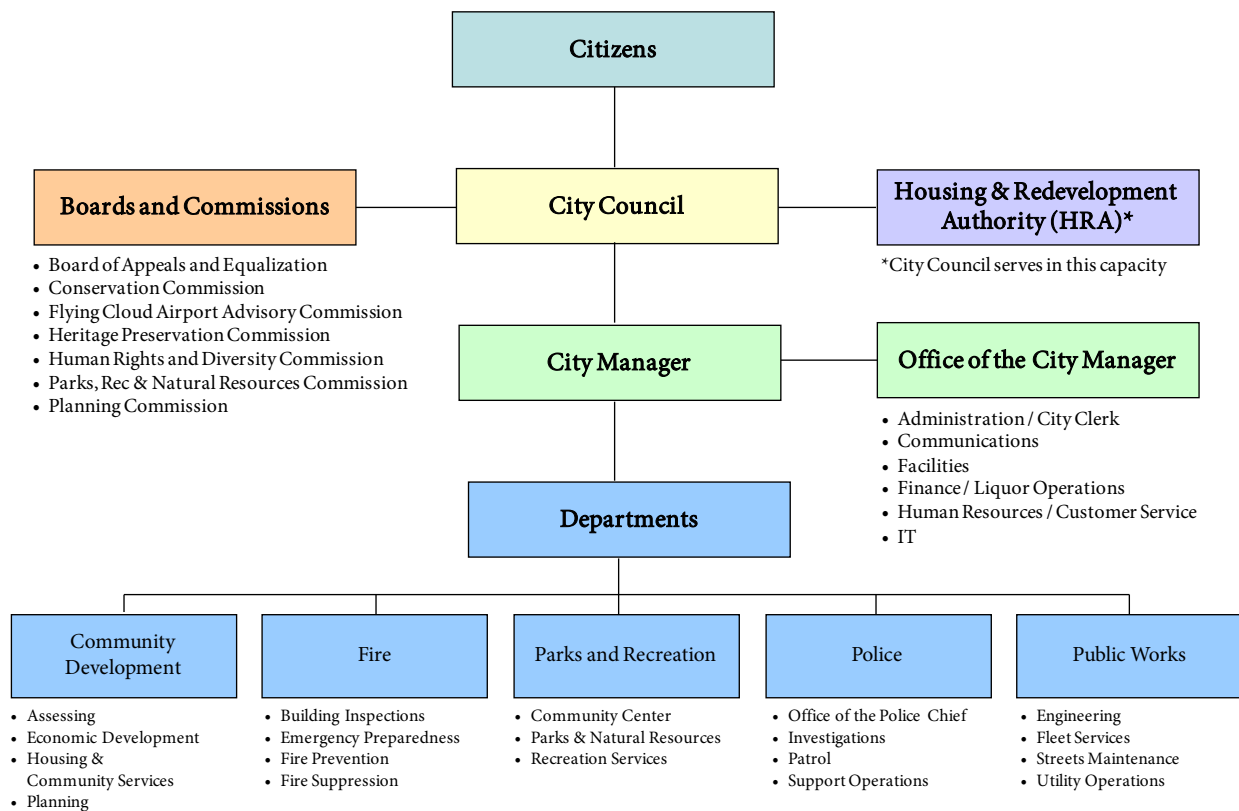
- Community Well-being & Safety
- High Quality Efficient Services
- Preserved & Beautiful Environment
- Sense of Community
- Innovative & Sustainable Practices
- Economic Vitality

Eden Prairie’s Strategic Plan is part of the “Eden Prairie Promise” to deliver on our goals. Our vision, mission and goals define how we work together as an organization to produce the best results possible for our community.

Introduction

Organizational Structure and Chart

The City operates under a Statutory Plan B (Council-Manager) form of government. All policy decisions and legislative activities are the responsibility of the Council, which consists of a mayor and a four-member council. The City Manager is responsible for overseeing the City's day-to-day operations. A primary duty of the City Manager is to prepare the budget for approval by the City Council.



Introduction

City Council



Mayor
Nancy Tyra-Lukens



Council Member
Ron Case



Council Member
Sherry Butcher Wickstrom



Council Member
Kathy Nelson



Council Member
Brad Aho

City Management Team

City Manager

Rick Getschow

Department Directors

Community Development..... Janet Jeremiah
Parks and Recreation.....Jay Lotthammer
Police..... Rob Reynolds
Fire..... George Esbensen
Public Works.....Robert Ellis

Introduction

Other Eden Prairie Facts

Date organized as Township	1858
Village	1963
Statutory City	1974
Area	36 square miles
City Bond Rating	Aaa by Moody's Investors Service Since August 2003 AAA by Standard & Poors Since June 2014
Population (December 2014)	62,729
Number of Housing Units	25,162
Single Family	13,125
Townhomes	5,698
Duplex	596
Multifamily	5,743
Employment Base	51,067
Building Square Feet	29.2 M
Public	3.5 M
Office	6.7 M
Commercial	5.7 M
Industrial	13.0 M
Rural	.3 M
Median Value Home	\$360,300
Miles of City Streets	233
Fire Protection	
Number of Stations	4
Number of Volunteer Firefighters	95

Introduction

Police Protection

Number of Stations	1
Number of Police Officers	67
Total Number of Police Dept Employees	92

Water System

Number of Wells	15
Total Pumping Capacity	28M gal/min
Total Storage Capacity	8.5M gal
Miles of Water Mains	326

Sewer System

Miles of Sanitary Sewer	262
Miles of Storm Sewer	186

Parks and Recreation

City Parks, Playgrounds, and Playfields	43 parks, 1,000 acres
Undeveloped	1,400 acres
Miles of Trails	128

City Employees (excluding volunteer fire dept)

Full - time	276
Part - time and Seasonal estimated	400

Introduction



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Eden Prairie
Minnesota**

For the Biennium Beginning

January 1, 2014

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan', is written in a cursive style.

Executive Director

Budget Overview



January 11, 2016

To the Honorable Mayor, Members of the City Council and the Citizens of Eden Prairie:

I am pleased to present the 2016/2017 Budget for the City of Eden Prairie that the City Council adopted on December 1, 2015. The 2016/2017 budget provides the resources to achieve the City's goals for Eden Prairie citizens. These goals include providing for community well-being and safety, high quality efficient services, preserved and beautiful environment, a sense of community, innovative and sustainable practices, and economic vitality. These goals are part of the Eden Prairie Promise which is the City's promise to its citizens which is embedded in the City vision, mission, and performance measures.

Every budget cycle the City Council reviews the City's Vision, Mission, and Goals and determines if any changes are warranted. The Council also discusses the priorities that they would like to emphasize. Current priorities include the following:

- Enhance service levels in specified areas
 - Parks and Recreation
 - Increased operations for the aquatics and fitness expansion starting in 2016
 - Public Safety
 - Hiring two additional police officers, one in 2016 and one in 2017
 - Transportation
- Preserve all other city service levels
 - Service levels have been maintained
- Sustain current levels of employee morale and engagement
 - The organization continues to implement efficiencies and innovations that motivate employees to continually improve the organization
 - The budget includes salary changes that are consistent with public and private sector trends
- Continual review for service efficiencies and innovations
 - The budget includes the following efficiencies and innovations:
 - Continue implementation of energy efficiencies

- Celebrate successful completion of the 20-40-15 energy program
 - Implement Step 4 – Green Step Cities
 - Plan for and implement next steps of the City’s green initiatives
 - Implement Business Licensing application
 - Implement technology for internal plan review process
 - Implement new intranet site
 - Implement design guidelines
- Preserve Eden Prairie’s exceptional image internally and externally
- Continue to improve Eden Prairie’s relative position in fiscal comparisons with comparable cities
 - Eden Prairie is in the lower quartile of taxes paid for the single value home when compared to the other MLC cities
- Enhance Sense of Community/Community Identity
 - Involve citizens in decisions including gathering input at neighborhood events and via electronic feedback. Engagement opportunities included the 2016/2017 budget process and will include the update to the City’s comprehensive plan update.
 - Seek input & feedback from diverse groups through town hall meetings and other opportunities
 - Redesign and enhance the website
 - Promote historic properties
 - Complete monument sign project
 - As trends and data warrant, change/improve park and recreation programs

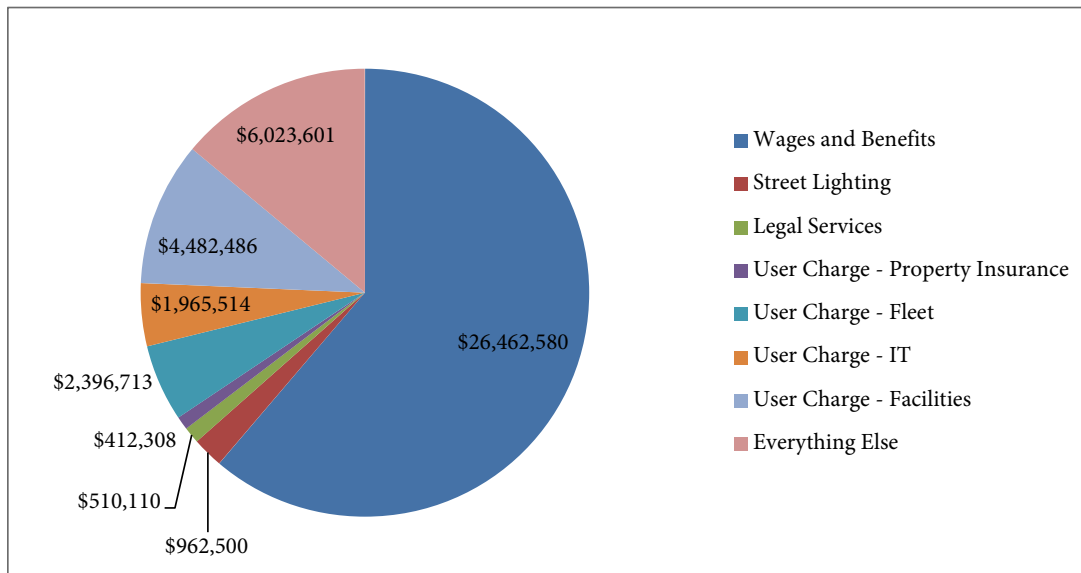
More information on these priorities can be found throughout this document. The City is continuing to meet the needs of its residents while finding ways for improvement and keeping costs affordable. The City continues to make efforts to stabilize taxes through long-term strategic budgeting, systematic replacement of assets and establishing reserves that allow for budget flexibility if needed. The City maintains its Aaa from Moody's and AAA from Standard & Poor's which reflects the City's healthy economy, conservative fiscal management and manageable debt levels.

2016/2017 Service Levels and Factors Guiding Current Budget

General Fund

It is a priority of the City Council to maintain high quality City services and satisfied customers. Overall, the 2016/2017 General Fund Budget maintains City services and includes increases for the aquatics and fitness expansion and for two new police officers. The General Fund provides for police and fire protection, street maintenance, recreation programs, park maintenance, community and economic development, building inspections, and general administration.

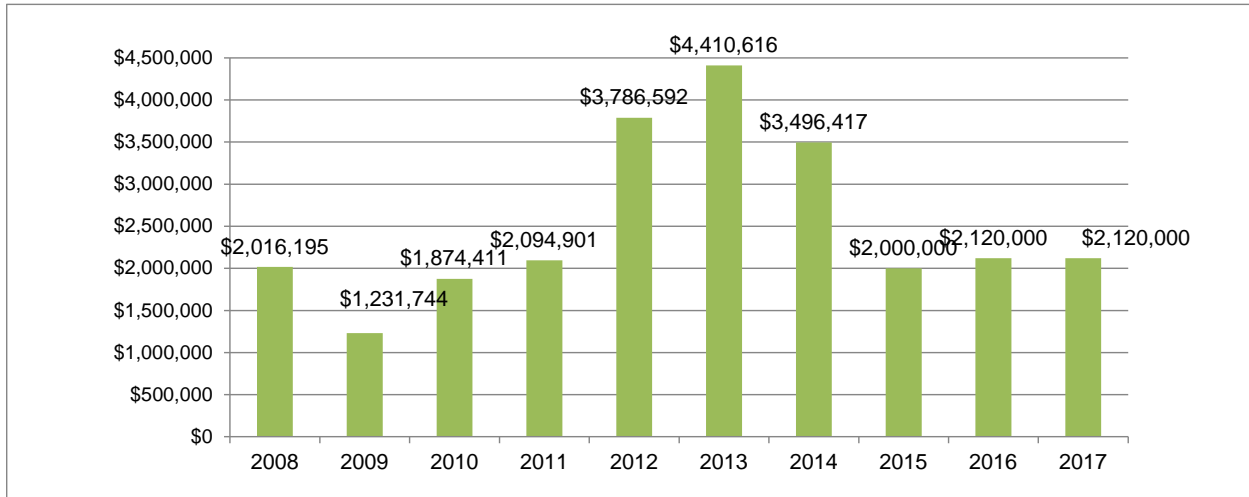
Expenditures are currently proposed to increase 3.9% in 2016 and 2.7% in 2017. Without the Community Center pool and fitness expansion, expenditures would increase 3.0% in 2016. Since the City provides significant services to the community, wages and benefits make up 62% percent of the general fund budget. The most significant categories include wages, pension and taxes, health insurance, part-time wages, and workers compensation insurance. Other significant costs include amounts to maintain facilities, fleet services, information technology, street lighting, and property insurance. These items make up another 24% of the budget. All other items make up 14% of the budget and consist of a variety of unique items on 84 different line items in each division's budget. The chart below illustrates the make-up of the budget.



General Fund Development Revenue

As can be seen from the graph below, development revenue can vary significantly each year. 2008 to 2014 shows actual revenue and 2015 to 2017 shows budgeted revenue. Development revenue in 2015 is expected to meet and slightly exceed the budget.

Development Revenue



The City increases development revenue fees six percent every other year. Staff has found this helps developers when planning for projects. The following businesses invested in Eden Prairie in 2015:

- North Memorial Clinic interior finish- \$1,290,000 valuation
- MN Jet/CH Robinson Hanger - \$1,153,120 valuation
- Byerlys remodel - \$1,050,000 valuation
- Lifetime Fitness addition - \$1,000,000 valuation
- SW Metro Bus Garage remodel - \$887,224 valuation
- ALDI's remodel - \$760,584 valuation
- New Aircraft Hangers - \$1,153,120 and \$750,000 valuation
- EdgeConnex interior finish - \$750,000 valuation
- Statusys interior finish - \$734,000 valuation
- Mission Animal Hospital interior finish - \$672,000 valuation

We expect businesses to continue to invest in Eden Prairie and to remain a favorable location to conduct business.

The City continues to monitor and manage the budget for building permits and fee revenue. The City wants to avoid being too aggressive and causing potential mid-year operational challenges, but also to recognize that increased development activity will increase revenue and service demand. The City has budgeted \$2,120,000 for 2016 and 2017. The City has historically collected

at least this amount except in significant economic recessions. The City has adequate fund balance to manage a downturn in the economy.

Health Insurance

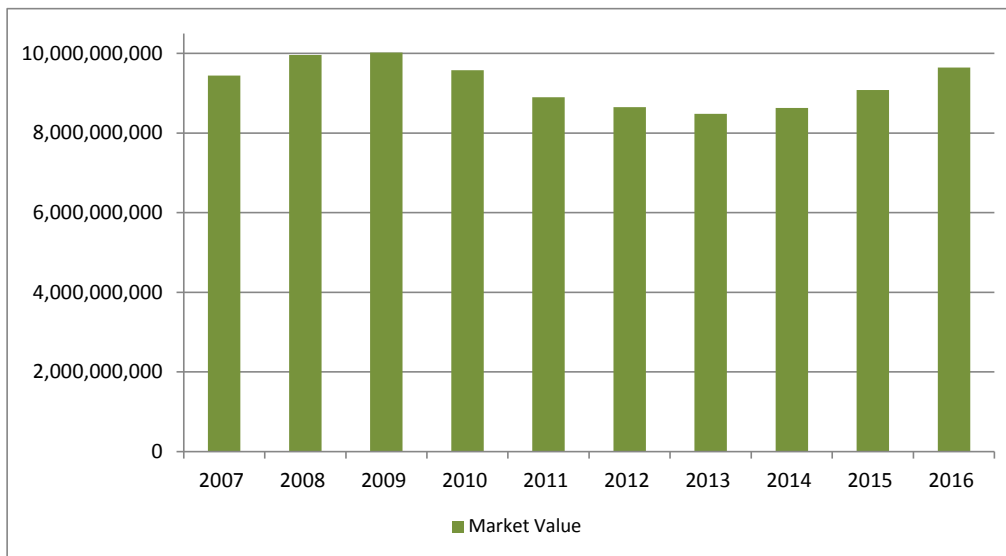
The health insurance budget is increasing 5% for premiums and an additional 3% for healthcare reform taxes. When the City last completed an RFP for health insurance, HealthPartners provided for a 5% cap. A ten percent increase was budgeted for 2017.

The actual budgeted increase is 3.8% for 2016. The increases are less than the premium and tax increases due to keeping the HRA/HSA contribution flat and employee insurance decisions.

Tax Base and Tax Revenue

As can be seen by the table below, 2016 values increased over 2015. Market value increased from \$9.1 billion to \$9.6 billion or 6.2%.

Market Value



For 2016, the median value home in Eden Prairie is valued at \$360,300 reflecting an average value increase of 4.8%. In 2015, the median value was \$343,800. Commercial properties have an average value increase of 2.5%, and apartments a value increase of 4.7%.

Property tax revenue is 74% of the General Fund Budget. For 2016, property tax revenue is increasing 2.9% and for 2017 tax revenue is increasing 3%. Below summarizes the City's tax impact for residential, apartment, and commercial properties.

	<u>2014/2015</u>	<u>2015/2016</u>	<u>Difference</u>	<u>% Change</u>
Residential (\$360,300)	\$ 1,173	\$ 1,173	\$ -	0.0%
Apartment (\$5M)	\$ 20,252	\$ 20,508	\$ 256	1.3%
Commercial (\$2)	\$ 8,057	\$ 7,849	\$ (208)	(2.6%)

One of the goals of the budget is to continue to improve Eden Prairie's relative position in fiscal comparisons with comparable cities. Eden Prairie is in the lower half of taxes paid for the single value home when compared to the other Minnesota Legislative Commission (MLC) cities. The cities that belong to the commission have similar characteristics including receiving limited revenue from the State and are contributors to the fiscal disparity pool.

Other Funds

Debt Service

The City funds certain projects through the issuance of debt which are supported by the tax levy. Current projects funded through the tax levy include fire station #4, fire equipment, energy improvements, and park improvements.

The City's debt tax levy is decreasing \$83,100 to \$2,562,000 in 2016 and decreasing \$9,000 to \$2,553,000 in 2017. In 2016, the 2005 Special Assessment Bonds for the Mitchell Road and Technology Drive improvements were paid off. Other debt levies changed due to changes in the debt payment schedule. Also, interest rates change each year on the principal amount owed which can change the debt payment by a small amount. For 2017, the 2011 equipment certificates were paid off in 2016 which reduced the 2017 debt levy by \$72,000. Also other debt levies changed due to changes in the debt payment schedule.

Capital Budget

The City plans for capital maintenance and improvements by preparing a ten year capital improvement plan (CIP). The CIP represents a framework for planning the preservation and expansion of capital including equipment, facilities, and infrastructure. It sets forth the estimated schedule, timing, and details of specific improvements by year, together with the

estimated cost, the need for the improvement, and sources of revenue to pay for the improvement.

The City updates the Capital Improvement plan (CIP) every two years during the second year of the two year operating budget cycle. Each department documents and prioritizes their requested projects. CIP workshops are held with the City Council to prioritize projects.

Water, Sewer, and Storm Drainage Funds

The Water, Sewer, and Storm Drainage funds charge Eden Prairie property owners for services. The City strives to maintain reasonable rates while ensuring adequate funds are collected to cover operating and capital costs. The City has worked with an outside vendor on its operating and capital plans for the operations to ensure adequate funds will be available to meet the operation's needs.

Conclusion

Eden Prairie continues to be a highly desirable place for residents and businesses. The City's two-year budget allocates resources to accomplish City goals and deliver high quality public services. The Council's effort in the review and adoption of the 2016/2017 Budget has been greatly appreciated. I would also like to express my appreciation to all City staff that assisted in the preparation of the 2016/2017 Budget.

Respectfully submitted,



Rick Getschow
City Manager



Sue Kotchevar
Chief Financial Officer

City Goals

Vision, Mission, and Goals

The City's vision and mission were developed during a 2003 strategic planning process and remain the same today. During 2006 and 2007, key results were developed to provide improved direction to City operations and as a method to demonstrate accountability to citizens. The City's Vision, Mission, and key results were renamed the "Eden Prairie Promise." In 2013, the City Council updated the key results and changed the designation to goals. As part of the budget process, management and budget preparers develop work plans and budgets which are consistent with the Promise.

The six goals and their definitions are listed below.

Community Well-being & Safety (CWS)

We provide unique and diverse opportunities for the community to live well. We protect and serve our community by delivering exceptional and community engaging public safety services.

High Quality Efficient Services (QES)

We deliver cost-effective, efficient and responsive services to residents and the public.

Preserved & Beautiful Environment (PBE)

We establish objectives and strategies that support upholding the natural beauty, physical development and history of the community.

Sense of Community (SOC)

We promote a sense of community by providing recreational amenities, programming and events for the entire community. We focus on inclusive and collaborative community engagement initiatives.

Innovative & Sustainable Practices (ISP)

We implement initiatives aligned to our strategy to be forward-thinking, progressive and environmentally conscious.

Economic Vitality (ECV)

We enhance the quality of life in Eden Prairie by sustaining a diverse and prosperous economic base while supporting business growth and development.

City Goals

Each division develops objectives and strategies to accomplish the City goals.

Performance Measures

To keep ourselves accountable, we track and measure our progress relative to the goals and measures established. When we meet our goals, in essence we meet the community's expectations of us. That's why we call it the **Eden Prairie Promise**, our promise to provide outstanding services to the community in the most efficient ways possible.

Examples of the measures can be found in the various division summaries in the budget document. Also, all of the City's performance measures can be found on the City of Eden Prairie website at <http://www.edenprairie.org/city-government/open-government/vision-mission-and-goals/goals-and-results>.

City Results

City Council

At the November 2014 elections, Mayor Nancy Tyra-Lukens, Councilmember Sherry Butcher Wickstrom, and Councilmember Kathy Nelson were reelected. Nancy Tyra-Lukens served on the City Council from 1994 through 2001 and as Mayor from 2002 through 2006 and 2010 to the current date. Her current term will end Dec. 31, 2018.

Tyra-Lukens has also served the community on numerous boards and commissions, including the Eden Prairie Community Foundation, Family Housing Fund, Southwest Transit Commission and Suburban Transit Association.

In 2010 she was appointed by the Board of Hennepin County Commissioners to a four-year term as an at-large member of the Capital Budget Task Force. She was reappointed to the Task Force in 2014 with her second term expiring Dec. 31, 2017.

Tyra-Lukens earned a master's degree in nutritional biochemistry from the University of Michigan and a master's degree in finance and business administration from the Carlson School of Management at the University of Minnesota.

Sherry Butcher Wickstrom is serving her fifth four-year term on the Eden Prairie City Council, having previously served from 1997 through 2008 and 2011 through 2014. Her current term will end Dec. 31, 2018.

Butcher Wickstrom has also served the community on numerous boards and commissions including the Advisory Board to the Hennepin South Services Collaborative, the Eden Prairie Foundation, the Board of Directors for the League of Minnesota Cities Insurance Trust and the Committee for Democratic Governance for the National League of Cities.

Butcher Wickstrom earned a bachelor's degree in anthropology/archaeology and a master's degree in American history with a program emphasis in museum studies, both from the University of Minnesota. She is a member of the Phi Beta Kappa society and was awarded course certification for mediation from the Dispute Resolution Institute at Hamline University School of Law. Currently, Butcher Wickstrom is the dean of academic affairs at Anoka Technical College.

Kathy Nelson is serving her third four-year term as a member of the Eden Prairie City Council. Her current term will end Dec. 31, 2018.

City Results

Nelson currently represents the City on the Southwest Light Rail Transit Policy Board and the Eden Prairie Community Foundation Board of Directors. She is also a member of the League of Women Voters and the Eden Prairie Chamber of Commerce where she is active with the Government Committee.

Prior to her election to the City Council, Nelson had been a longtime member of the City's Planning Commission. Nelson earned her bachelor's degree in communications from the University of Minnesota.

Office of the City Manager

Community Survey

The City uses the biannual citizen survey as one input tool for the budget. Surveys were randomly mailed to 1,200 households with 307 of the surveys completed. The survey results are used to monitor trends in resident opinion, measure government performance, inform budget, land use, and strategic planning decisions, and benchmark service ratings.

Overall, survey results were positive with the following results:

- Residents enjoy a high quality of life
- Residents value the natural environment and outdoor amenities
- Residents feel safe
- City services were highly rated
- Residents are engaged and they would like to see increased opportunities for engagement.
- A sense of community could be enhanced

95% of residents rated overall quality of life as good or excellent. This compares to 89% from the last survey. Also, 87% of residents rate the quality of City services as good or excellent. 62% of residents rated the value of services for taxes paid as good or excellent. The City Council recognizes the importance of balancing the value of City services with the cost.

The survey provided valuable input and the City Council budget goals include initiatives to increase opportunities for engagement and to increase sense of community.

City Results

20-40-15

The City of Eden Prairie implemented an energy initiative in 2006 called 20-40-15 that aimed to increase the overall efficiency of the City's use of electricity, fuel and other energy resources. The plan calls for increased energy efficiency in City-owned facilities by 20 percent; increased fuel efficiency in the City's fleet of vehicles by 40 percent; and accomplishing these goals by the year 2015. The City has achieved this goal.

Some of the projects that have been completed to achieve the goal include the following:

- Installing a more efficient energy management system at City Center which controls all heating, ventilating and air conditioning units as well as most of the interior lighting;
- Advanced energy recovery strategies for the Community Center ice rink cooling system, including recovery of waste heat from compressors, variable speed drives for pumps and fans;
- The installation of energy-saving ceilings in the ice rinks;
- The addition of electric vehicles to the City's fleet, as well as an electric vehicle charging station at City Center, and
- The retrofit of 250-watt high pressure sodium street lights with more energy efficient 100-watt LED street lights.

The City plans to launch another energy efficiency program in 2016 and continue the success of the 20-40-15 program.

Minnesota GreenStep Cities

Minnesota GreenSteps Cities is a program managed by the Minnesota Pollution Control Agency (MPCA). Minnesota GreenStep Cities is a voluntary challenge, assistance and recognition program to help cities achieve their sustainability and quality-of-life goals. This improvement program is based upon 28 best practices. Eden Prairie reached Step #1 in 2011, Step #2 in 2012, Step 3 in 2014 and Step 4 in 2015. The process included the following:

- Build community knowledge and interest
- Step 1 Cities:
 - Approve a city council resolution to work toward GreenStep Cities recognition
 - Register and post initial information on the GreenStep Cities web site

City Results

- Step 2 Cities: Complete 8 of the best practice requirements
- Step 3 Cities: Complete 16 of the best practice requirements
- Step 4 Cities: The City agreed to be one of four pilot cities for a trial run of Step 4 in the Spring 2015. This gave the City the opportunity to inform the parameters of the requirements to achieve Step 4. Because of the City's participation in the pilot project, and continuing to meet Step 3 criteria, the City obtained Step 4 Green Step Cities Status in 2015.

Some examples of the best practices the City has implemented to date include the following.

- 20/40/15 program
- The City of Eden Prairie adopted an ordinance which established standards for water usage.
- The City has a Historic Preservation section of the city code which allows reuse of historic buildings.

The City will continue to take actions to continue eligibility at the Step 4 level.

Technology Projects

The City has recently accomplished the following technology projects:

Infrastructure

- Switch replacements at Community Center, IT, Public Works, Water Plant and Fire Station 4. These upgrades ensure integrity of our network and allow us to prepare for expanded network traffic and continuity.
- Fiber from Liquor store 2 to Edina was completed. This provides a secondary (redundant) link to LOGIS and will help us leverage the community center as a disaster recovery site. Fiber to the Mall was also completed.
- Upgrading from server 2003 to server 2008 for several applications and this will continue in 2016.

Applications

- Upgraded the Advanced Public Safety (APS) Ticketwriter application (Police Department) to include statewide standard citations.

City Results

- Parks and Recreation went live with a new web based registration system in March 2015. IT supported the transition from CLASS to RecTrac and continues to work with Park & Rec and vendor Vermont Systems Inc. for updates and bringing additional functionality live on RecTrac.
- Upgraded Gasboy application for Fleet department to the latest version. This allows multiple users to access Gasboy fleet and fuel management software from any City computer.
- Continue work with the Liquor Store and Dailey Data for updates to Counterpoint, which will enable us to be compliant with the credit card EMV (chip and signature) technology.
- Continue to work on upgrading existing applications for improved user access and functionality including:
 - Utilities work order system (Elements) from XS2 to XS3
 - Public Safety Application (New World) from 10.0 SP3 to 10.2 SP7
 - Intranet site (Prairie Pages) to QP7.8

GIS

- Updates of Parkfinder and Public City map applications. These will be cross browser compatible, mobile friendly and built on industry standard platform.
- Pictometry upgrades which includes new imagery from April 2015. Oblique aerials, other than top downs, helps with historical reference for assessors, planning as well as situation planning for Public Safety.
- Working on upgrades for GIS Database and Server in 2016.

Hardware

- As part of the machine replacement cycle staff upgraded/ updated 60 machines (Desktops and laptops).
- 10 new iPads were added.
- Updates were made to 25 squad printers, six Metro printers throughout the city and one scanner.
- Working with the Fire Department to test New World Fire Mobile application on three to four different machines for a future deployment.

City Results

Community Development

United Health Group

The northeast corner of Eden Prairie has been transformed as reconstruction projects along Shady Oak Road and The United Health Group (UHG) campus have started. The first phase of the UHG project included the construction of two eight story buildings and a parking ramp in 2013. The second phase was completed in 2014 with the completion of the third building and the third phase is expected to be completed in the future with the completion of a fourth building. The total project includes four new buildings totaling almost 1.5 million square feet of office space on 71 acres. The \$240 M redevelopment project is transforming the wooded area just bordering Eden Prairie into a state-of-the-art walkable corporate campus with space for a light rail transit station.

Parks & Recreation

Aquatics and Fitness Expansion

In 2014, the Eden Prairie City Council approved a \$20M Aquatics & Fitness Expansion at the Community Center after a long review process. Initially a feasibility study identified facility deficiencies, challenges in programming and user group access, and changing demographic trends.

Improvements to the facility include the following:

Pools

- The current pool was replaced with the following pools:
 - An 8-lane competition pool which has water depths from 4.5 to 7 feet.
 - A second competition pool which has water depths of 3.5 to 12 feet. This pool also has two diving boards and a climbing wall.
- A recreational pool with zero-depth entry
- A water slide with plunge pool
- A hot tub
- Spectator seating for 300

City Results

- Men's and women's wet locker rooms

Fitness

- Expansion of the fitness floor and cardiovascular equipment
- Additional fitness studio
- Expansion of current fitness studio
- Accessible fitness area restrooms

The expansion addresses the challenges identified in the feasibility study and provides improved aquatic service to the community. The project will be complete in March of 2016.

Public Works

Light Rail Transit (LRT)

The proposed Southwest Light Rail Transit (LRT) line is a high-frequency train serving Eden Prairie, Minnetonka, Hopkins, St. Louis Park, and Minneapolis. It is part of the Green Line which includes the Central Corridor LRT currently under construction. Therefore, riders of Southwest LRT will be able to continue into St. Paul via the Central Corridor without changing trains.

The Southwest LRT line will also connect to other rail lines (Hiawatha, Northstar, and the future Bottineau) and high-frequency bus routes in downtown Minneapolis, providing access to the University of Minnesota, Minneapolis-St. Paul Airport, Mall of America, the State Capitol, downtown St. Paul, Big Lake, and eventually the northern Twin Cities suburbs. Connections to other rail lines will occur at the Intermodal Station in downtown Minneapolis. At this time, the Southwest LRT is projected to open in 2019 or 2020; the project schedule depends on securing federal and local funds.

There are currently three proposed Light Rail stations in Eden Prairie. Eden Prairie's LRT projects include planning and development of the stations, park-and-ride facilities, local roadway improvements, sidewalks, trails, streetscape and other infrastructure. The station areas also have great potential for additional housing, employment and shopping opportunities via infill or redevelopment.

City Results

Shady Oak Road

In conjunction with United Health Group's business expansion in Eden Prairie, the City in coordination with Hennepin County, MnDOT, and the City of Minnetonka has completed substantial improvements to Shady Oak Road (County Road 61) between and including the interchanges of Highway 62 and Highway 212. The proposed project was constructed in two phases called North and South.

The northern phase of the project which starts approximately 800 feet north of Rowland Road and extends northerly through the Highway 62 interchange was completed in 2013. The project cost approximately \$12 million dollars and was 100% assessed. The southern phase of the project, which includes the full reconstruction of Shady Oak Road from the intersection of Flying Cloud Drive to the limits of the north phase (800 feet north of Rowland Road), was substantially completed in 2015. The project cost approximately \$22 million dollars. This phase of the project was funded by State grant funds, municipal state aid, Hennepin County, and special assessment.

Pedestrian and Bicycle Plan

The City of Eden Prairie was awarded a Hennepin County Community Transformation Grant through the Centers for Disease Control to develop a Pedestrian and Bicycle Plan. The City has engaged the public through numerous meetings, listening sessions and an open house. Also the City received an impressive outpouring of comments and suggestions through our interactive website. This public engagement process helped develop a plan that considers the needs of walkers, runners and bikers at various levels of age and ability.

Recommendations that were made based on public comment and an analysis of existing conditions includes the following:

- Low-Stress Walking and Biking Network – Outlines where future trail, sidewalk and neighborhood slow streets should be considered.
- On-Street Bicycle Lane Network – Outlines four routes for consideration of on-street bicycle lanes.
- Priority Intersection/Crossing Improvements – Describes eight intersections for safety, convenience or comfort enhancements.
- Priority Route Improvements – Outlines six corridors for trail installation consideration.

City Results

- Southwest Light Rail Station Area Improvements – Outlines trail and sidewalk access improvements to light rail stations which are consistent with Hennepin County’s Transitional Station Area Action Plan.

A toolbox of approaches that can be deployed to address existing or future needs, leverage current city assets, or achieve success in carrying out the vision of the plan is included in the plan. The items within the toolbox are not specific recommendations for implementation, but rather a clearinghouse of approaches that could assist with enhancing the pedestrian and bicycle experience within our community. The pedestrian and bicycle plan will be implemented in conjunction with other City projects.

City Recognition

Human Resources

Star Tribune Best Work Places - June 2015

The Star Tribune published “Top Workplaces 2015”- a list of the best places to work in Minnesota. The City of Eden Prairie received the special recognition of being named a Top 150 Workplace for the second year in a row, ranking 22 in the mid-sized company category.

More than 2,100 organizations participated in the survey, with more than 69,100 employees sharing their views. The City’s ranking as a Top 150 Workplace is based upon feedback from an employee survey of the 282 employees of which 209 completed the survey. Eden Prairie is the only City in Minnesota to receive this recognition, further demonstrating how exceptional it is that Eden Prairie obtained this ranking.

2015 – Platinum Level +Green, Wellness by Design Award – 2015 (Hennepin County)

The Wellness by Design Worksite Award honors Hennepin County worksites that demonstrate accomplishments in the following areas:

- Management support
- Wellness infrastructure
- Assessment and evaluation
- Supportive environments

City Results

- Communication and engagement
- Programs and interventions

Additionally, in 2015, the Wellness by Design award added a +Green designation to workplaces to limit their environmental impact.

The City of Eden Prairie is a four-time Wellness by Design award winner. The City offers a wide variety of wellness programming focused on offering programming that interests employees and gets them involved. Support from management is vital for a successful wellness program, and this support allows employees to feel comfortable engaging in their health and well-being while at work.

The City's programming is ever-evolving to meet the needs of a diverse employee population. The next few years the City will continue to promote and engage employees in physical, financial, and nutritional activities but will also put more emphasis on emotional well-being, safety, and career health. The City of Eden Prairie had great success in offering team challenges encompassing several elements of health.

Workplace Well-Being Award – 2014 (HealthPartners)

In 2014 the City of Eden Prairie was awarded the Workplace Well-being Award from HealthPartners. This is awarded annually to three workplaces whose wellness programs go above and beyond the idea of traditional wellness by including additional dimensions of well-being such as social, financial, and emotional well-being.

Credit Rating

Moody's Investors Service has assigned a rating of Aaa to the City of Eden Prairie's (MN) bond for every debt issue since 2003, the highest rating from Moody's. Standard & Poor's has also assigned a rating of AAA to the City of Eden Prairie's bonds outstanding since 2014, their highest rating as well. This ensures the City receives the most competitive interest rates. The City's bond ratings reflect Eden Prairie's extensive and diversified tax base, low amount of rapidly amortized debt, and capably managed operations. Of the 854 cities in Minnesota, there are only 14 rated Aaa by Moody's Investors Service and 19 rated AAA by Standard & Poor's.

City Results

Finance

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Eden Prairie for its Comprehensive Annual Financial Report (CAFR) annually since 1990. In addition, the GFOA has awarded the Distinguished Budget Presentation award to the City of Eden Prairie for Budget for every budget document since 1998. Also, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Eden Prairie for its Popular Annual Financial Report annually since 1998.

2015 Key Communities Partner Award

The City of Eden Prairie and Senior Center received the 2015 Key Communities Partner Award from Senior Community Services. The City partners with Senior Community Services in many areas including the Senior Center and Housing and Community Services to provide resources, education, assistance and support to our community members.

The Eden Prairie Senior Center provides office space and coordination with a Senior Community Services social worker who assists Eden Prairie's older residents and their families in accessing the most appropriate and affordable combination of services that help them stay in the community for as long as possible. Other areas of partnership include one-on-one Medicare health insurance counseling services, the HOME program, and Senior Outreach and Caregiver Services. The City of Eden Prairie also partners with SouthWest Transit for the SW Prime bus service to provide door to door service for the senior population.

The Eden Prairie Fire Department and Police Department were also recognized as key community partners in serving senior residents, specifically Eden Prairie's participation in the Park Nicollet-Methodist Hospital firefighter visit program.

Tree City USA designated community

Eden Prairie is a Tree City USA designated community. The Tree City USA program, sponsored by the Arbor Day Foundation in cooperation with the USDA Forest Service and the National Association of State Foresters, provides direction, technical assistance, public attention, and national recognition for urban and community forestry programs. To qualify as a Tree City

City Results

USA community, a town or city must meet four standards established by The Arbor Day Foundation and the National Association of State Foresters. The City must have the following:

1. A Tree Board or Department
2. A Tree Care Ordinance
3. A Community Forestry Program With an Annual Budget of at Least \$2 Per Capita
4. An Arbor Day Observance and Proclamation

The City has been a Tree City USA designated community since 1982.

Police

Various police officers received recognition for their work in 2015 including the following:

- Officer Matt Mohn received a Commendation Medal from the Bloomington Police Department for his work in apprehending a bank robbery suspect who had fled from Bloomington through Eden Prairie in December 2014.
- Officer Todd Groves was named to the Minnesota DWI All-Star Team by the Minnesota Department of Public Safety for having one of the highest numbers of DWI arrests in Minnesota in 2014.
- Lieutenant. Jim Morrow was awarded a Lifetime Achievement Award from the Special Operations Training Association of the Upper Midwest for his leadership and dedication to the SWAT community.
- At their conferences this year the Edina/Eden Prairie Explorer Post took home 1st place awards in Crime Prevention, Crime Scene, Domestic Violence and Traffic Stops and 2nd place awards for Crime Scene Search, Domestic Crisis and First Aid.
- At this fall's Minnesota Tactical Officers Association Training Conference, Eden Prairie's SWAT Team received second place in the Iron Man competition and second place in the Top Gun competition.
- Detective Travis Serafin and the other members of the Southwest Hennepin Drug Task Force received a Unit Citation from the Hennepin County Sheriff's Office for their work targeting meth and heroin traffickers.

City Results

Fire

The City received the Life Safety Achievement award for 2012, 2013 and 2014 from the National Association of State Fire Marshals Fire Research and Education Foundation. The Life Safety Achievement Award recognizes local fire prevention efforts that have contributed to reducing the number of lives lost in residential fires. Award recipients also demonstrate active and effective fire prevention programs as well as a clear commitment to reducing the number of house fires in the community. Firefighters in Eden Prairie visit elementary schools attend block parties and use other opportunities to educate the public about fire safety. The Department also offers a hands-only CPR training and has established a community EMT program so that citizens are prepared to assist in a life threatening situation.

Public Works

In 2015, the City received a City of Excellence award from the Minnesota League of Cities for improvement to snow plowing operations. During the 2011-2012 winter snow seasons, the city decided to re-examine how snow and ice control operations were performed. Based on comments received from the public, as well as employees involved in snow removal operations, it became apparent that delivery of this critical service needed to be revisited with a goal of clearing all roadways within nine hours of the end of a snow event. An internal task force was appointed consisting of employees from the city's utilities, streets, fleet services, parks and public works division. The work of the task force resulted in a rewritten snow and ice removal policy, the installation of two non-intrusive road and weather stations, deployment of automatic vehicle location systems and material tracking systems, and the creation of an incident command room. By the end of the 2014 snow season, city employee morale was at an all-time high and satisfaction among Eden Prairie residents had greatly improved.

Budget Development

The budget is the vehicle through which the City establishes the appropriations of the City and reflects the allocation of limited revenue among competing uses. The allocation is accomplished through a comprehensive budget process. The City Council approves a budget resolution which authorizes spending based on estimates of the financial resources required to support these expenditures.

The two-year budget process began in January of 2015 and finished with approval and adoption of the budget in December 2015. For the 2016/2017 budget, the process for the City Council and staff was as follows:

2016/2017 Budget Process Timeline	
March 31, 2015	City Council Workshop on Community Survey
April 8, 2015	City Council Planning Session
March/April, 2015	Prepare internal service fund budget and calculate charges, planning meetings held with internal service fund preparers
April 23, 2015	Budget preparation (kick-off) meeting held
April 27 to May 1, 2015	Departmental budget meetings held
May 19, 2015	City Council Workshop, presentation 2014 financial results
May 22, 2015	Staff budget preparation work due
June 8 to June 19, 2015	Departmental budget follow up meetings held
June/July/August 2015	City Manager, Directors, and Finance prepare for City Council Workshop
July 14 and August 18, 2015	City Council Budget Workshops
August to October 2015	Budget Engagement
September 1, 2015	Council adopts a preliminary tax levy and budget
October 6, 2015	City Council Workshop on Enterprise Funds
December 1, 2015	Public Meeting and Council adopts final tax levy and budget

Budget Development

May 2016 to August 2016	Tax revenue projections and tax impacts are updated for the 2017 budget. Based on this and other new information, the budget may be amended before the Council approves the 2017 tax levy to be certified.
Capital Improvement Plan	The City's Ten Year Capital Improvement Plan will be updated in 2016 for the 2017 to 2026 timeframe. Departments submit requests and the finance division analyzes the requested projects and compares the requests to funds available. A CIP committee consisting of the department directors meets to make a final recommendation to the City Manager of the proposed CIP projects. The City Manager makes the final recommendation to the City Council on which projects to include and fund in the CIP.
September 2016	<ul style="list-style-type: none"> • Proposed budget amendments presented to the City Council • Workshop held on the proposed Capital Improvement Plan • Staff directed to certify the proposed levy to Hennepin County • Amended budget and tax levy certified to Hennepin County by September 15th
December 2016	<ul style="list-style-type: none"> • City Council holds a public meeting on the 2017 budget • Council discusses and adopts the 2017 budget and tax levy • Final property tax levy certified to Hennepin County • City Council holds a public meeting on the proposed Capital Improvement Plan • City Council adopts the 2017 to 2026 Capital Improvement Plan

Budget Monitoring and Amendments

The budget is prepared by Department and Division. The Department Directors and Division managers may make transfers of appropriations within a division. Transfers of appropriations

Budget Development

between divisions require the approval of the City Manager. Any changes in the total budget of each fund must be approved by a majority vote of the City Council.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as unassigned fund balance and do not constitute expenditures or liabilities because the amount will be reappropriated and honored during the subsequent year.

Budget Structure

The financial reporting and budgeting systems of the City are organized on a fund basis. A fund is a fiscal and accounting entity with a self balancing set of accounts. Funds are the control structures that ensure that public moneys are spent only for those purposes authorized and within the amounts authorized. Funds are established to account for the different types of activities and legal restrictions that are associated with a particular government function.

The City budgets for the following funds:

- The General Fund is the City's primary operating fund. It accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. It carries the basic activities of the City including Administration, Community Development, Parks and Recreation, Police, Fire, and Public Works.
- Debt Service Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest.
- Capital Project Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlay, other than those financed by proprietary funds.
 - Capital Improvement/Maintenance Fund – accumulates resources from the tax levy and other sources to pay for capital projects. Generally, projects budgeted in this fund do not have other funding sources.
 - Pavement Management Fund – accumulates franchise fee revenue to pay for the City's pavement management program.
 - Trails – accumulates resources from the Capital Improvement/Maintenance Fund to provide funding for new trails and sidewalks..

Budget Development

- Enterprise Funds are used to account for those government activities that are self-supporting; where the cost of providing a service is recovered primarily through user charges, similar to private business enterprises. The City has the following Enterprise Funds:
 - Water Fund - accounts for the operations of the City-owned water system.
 - Sewer Fund - accounts for the operations of sanitary sewer service.
 - Storm Drainage Fund – accounts for the operations of the City’s storm drainage system.
 - Liquor Fund - accounts for the operations of the City's retail liquor stores.
- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost-reimbursement basis. The City has the following Internal Service Funds:
 - Benefits - accounts for the accumulation and allocation of costs associated with health, dental, and other benefits.
 - Workers Compensation - accounts for the accumulation and allocation of costs associated with workers compensation insurance.
 - Property Insurance - accounts for the accumulation and allocation of costs associated with property insurance.
 - Fleet Services - accounts for the accumulation and allocation of costs associated with fleet service operations.
 - Information Technology - accounts for the accumulation and allocation of costs associated with information technology operations.
 - Facilities – accounts for the accumulation and allocation of costs associated with maintaining city owned buildings.

The City has other funds which are not formally budgeted including some Special Revenue Funds, Capital Project Funds, Permanent Funds, and Trust and Agency Funds.

Basis of Accounting

The City is required to account for revenues and expenditures according to generally accepted accounting principles (GAAP). The budget was prepared using the following basis of accounting, which is consistent with the accounting methods used for financial reporting:

Budget Development

Governmental Funds include the General Fund, Debt Service Funds, and Capital Project Funds: All governmental funds are maintained on a modified accrual basis with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Proprietary Funds include the Enterprise Funds and Internal Service Funds: Proprietary funds are maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which the liability is incurred.

Financial Policies

The City of Eden Prairie has an important responsibility to its citizens to manage its resources responsibly and adopting financial policies is an important first step to ensure that resources are managed responsibly. The policies provide the framework for the overall fiscal management of the City and guide the decision-making processes. The policies operate independently of changing circumstances and conditions.

The objectives of the policies include:

- Providing sound principles to guide the decisions of the City Council and management.
- Protecting the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- Protecting and enhancing the City's credit rating and prevent default on any municipal obligations.

All actions of the City should be consistent with these policies. The policies are presented in the following categories: financial management, revenue and expenditure, debt, accounting, auditing, and financial reporting, capital improvement, and fund balance.

Financial Management Policies

- The City will develop two-year budgets. In the second year of the two year budget process, the previously developed budget for the following year will be fine tuned as necessary. Each year the City will certify only the following year's budget and levy to Hennepin County.
- The City will adopt a balanced budget with current revenues equal to or greater than current expenditures. It is not the City's policy to finance ongoing operations with one-time revenues. One-time revenues will be used for one-time expenditures.
- The City, through its capital and operating budgets, will provide for the adequate maintenance, replacement and improvement of the City's physical assets in order to protect the City's capital investment and to minimize future maintenance and replacement costs.
- The City will maintain a budgetary control system to ensure adherence to the budget and will prepare quarterly reports comparing actual revenues and expenditures to budgeted amounts.
- The City will attempt at all times to maintain the Distinguished Budget Presentation Award of the Government Finance Officers Association.

Financial Policies

- The City will review and update the financial policies at the beginning of each two year budget cycle.

Revenue and Expenditure Policies

- The City will provide long-term financial stability through sound short and long term financial planning.
- The City will estimate its annual revenues and expenditures in a conservative manner so as to reduce exposure to unforeseen circumstances.
- The City will project revenues and expenditures for the next five years and will update this projection each budget process.
- The City will review fees and charges annually to ensure that reasonable rates are set and at a minimum are adjusted for inflation.
- The City will project its annual revenues by an objective and thorough analytical process.
- The City, recognizing the potential cash flow problems associated with property tax collections, will budget 98% of the amount levied for tax revenue.

Debt Policies

- The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. Where the issuance of long-term debt is required, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- The City will attempt at all times to adopt plans and undertake actions in a manner that allows maintenance of the highest possible bond rating.
- The City will follow a policy of full disclosure in every financial report and bond prospectus. The City will maintain a sound relationship with all bond rating agencies and will keep them informed regarding material changes in financial condition and developing events, which may influence current or future ratings.

Accounting, Auditing and Financial Reporting Policies

- The City will establish and maintain the highest standard of accounting practices, in conformity with Generally Accepted Accounting Principles (GAAP) and with

Financial Policies

recommended best practices as promulgated by the Government Finance Officers Association (GFOA).

- The City shall prepare Quarterly Financial Reports and a Comprehensive Annual Financial Report (CAFR) for the purposes of providing finances to interested parties and the public at large.
- The City will contract with an independent audit firm to perform an annual audit of the financial statement of the City.
- The City will attempt at all times to maintain the Certificate of Excellence in Financial Reporting of the Government Finance Officers Association.

Capital Improvement Policies

- The City will support a scheduled level of maintenance and replacement of its assets.
- The City will maintain a five year Capital Improvement Plan for all projects over \$25,000 and will update the plan every two years.
- Liquor profits are a dedicated funding source of the Capital Improvement Plan.

Fund Balance Policy – General Fund

The City Council authorizes the Finance Manager and/or City Manager to assign fund balance that reflects the City's intended use of those funds. When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned 3) unassigned. These fund balance classifications apply only to Governmental Funds, not Enterprise or Internal Service Funds.

Unassigned Fund Balance – Working Capital Policy

The City's unassigned fund balance – working capital as of the end of the year should equal 50% of the next year's budgeted tax revenue. Any amount in excess of 50% will be used for budget stabilization. If the balance falls below 50%, a plan will be developed and implemented to replenish the funds. A balance equal to 50% of the next year's budgeted tax revenue is needed to fund the following year's operations until the tax settlement is received at the end of June.

Unassigned Fund Balance – Emergency/Maintain Bond Rating

Financial Policies

In recognition that the amount for working capital only covers operating costs for the first six months of the years, the City wants to maintain additional resources on hand to provide for contingencies. Therefore, at the end of each year, the City will maintain an amount for emergencies and maintenance of the Aaa bond rating of 10% of the next year's budget. The intent is not to use this balance except in extreme emergencies.

If for any reason the balance falls below 10%, a plan would be developed and implemented to replenish the fund.

Unassigned Fund Balance – Budget Balancing

In recognition that the City's budget is volatile, the City wants to maintain a balance to help manage the fluctuations in the budget. Therefore, at the end of each year, the City will maintain an amount for budget balancing. This amount will vary as positive financial results increase the amount and negative financial results and one-time uses decrease the amount. At all times, the City will implement a balanced budget. Generally, the balance will be maintained at 5% to 7% of the next year's budget.

After the end of each calendar year as part of the annual financial reporting, the City Manager will update the City Council on the status of the budget balancing amount. The update will include the current balances and the changes from the previous year. The City Manager will inform the City Council of any one-time uses throughout the year that were not planned for during the budget process.

Use of Budget Balancing Amount

Some examples of when and how the balance would be used include the following:

- When the balance is greater than 5%, the City Manager may recommend that amounts be used for one-time purchases in the next year's operating budget. These will help to level expenditures from year to year.
- When workload demand increases significantly, the City Manager may recommend the use of the balance for short term support. For example, temporary staffing to assist with the light rail transit projects. Many times there will be an increase in revenue due to this activity but the need for support and the timing of the revenue may differ.
- When other one-time operating needs become apparent after the budget is adopted, the City Manager may recommend the use of the balance.

Financial Policies

- When financial results are negative, the balance would be used.

If for any reason the balance falls below 5% and staff believes this will not self correct, a plan would be developed and implemented to replenish the fund.

Fund Balance Policy (Unrestricted Net Assets) – Internal Service Funds

The City maintains internal service funds as a tool to purchase goods and services centrally and then charge the costs back to the departments that use the service. This provides more accurate information of the cost to provide City Services. The City maintains the following internal service funds:

- Health & Benefits
- Severance
- Workers Compensation
- Property Insurance
- Facilities
- Fleet
- Information Technology

Internal service funds will maintain unrestricted net assets of 15% to 20% of the annual budget. Funds with a capital component, facilities and fleet will also maintain one year of the capital budget. This will provide for adequate cash flow for operations and provide flexibility to meet the City's capital needs.

Fund Balance Policy (Unrestricted Net Assets) – Enterprise Funds

The City of Eden Prairie maintains enterprise funds for the following activities:

Liquor operations, one fund for each liquor store

Liquor building, accounts for the Den Road building that the City owns

Water enterprise

Sewer enterprise

Storm Drainage

Financial Policies

Liquor

Generally all liquor store profit from operation is transferred to the capital improvement and maintenance funds. Exceptions may include maintaining profit for planned leasehold improvements. The liquor building fund will maintain unrestricted net assets to provide for capital and other tenant related costs. The amount will be reviewed when City balances are reviewed annually.

Utility

The City of Eden Prairie periodically works with a vendor on a utility rate study for financial planning purposes to ensure that revenue collected will provide for operating and capital costs for the systems. The last update to the study was completed in 2013. The study included an analysis of the cost of service, capital improvement planning, utility rate design, and revenue adequacy evaluation and proposed rate adjustments. The study also provided a recommended policy for the amounts to maintain in unrestricted net assets. The City's policy agrees with this recommendation. The unrestricted net asset policy is as follows:

- An amount equal to 90 days of operating expense
- An amount equal to the following year's debt service principal and interest
- A capital reserve of two years capital expense, except for storm drainage which will be one year

The expectation is that these reserves will provide for the long term funding needs of the utility operations.

Budget Summary – All Budgeted Funds

	2014 Actual	2015 Budget	2016 Budget	% Change	2017 Budget	% Change
Revenues By Source						
Taxes	\$ 32,784,969	\$ 33,311,000	\$ 34,104,897	2.4%	\$ 35,036,664	2.7%
Assessments	497,743	4,703	-	(100.0%)	-	-
Licenses and Permits	6,980,191	3,495,863	3,505,469	0.3%	3,505,559	0.0%
Intergovernmental Revenue	1,699,213	1,054,205	1,236,048	17.2%	1,236,048	0.0%
Charges for Services	47,550,392	50,096,904	52,752,242	5.3%	54,253,701	2.8%
Fines and Penalties	391,010	577,000	500,000	(13.3%)	500,000	0.0%
Investment Earnings	167,745	194,786	156,236	(19.8%)	156,236	0.0%
Other Revenue	1,313,706	2,683,563	3,212,705	19.7%	3,212,705	0.0%
Other Financing Sources	2,441,440	1,149,654	1,049,197	(8.7%)	1,071,182	2.1%
Total	\$ 93,826,409	\$ 92,567,678	\$ 96,516,794	4.3%	\$ 98,972,095	2.5%

Expenditures (Expenses) by Department

Administration	\$ 3,946,531	\$ 3,989,914	\$ 4,150,521	4.0%	\$ 4,143,355	(0.2%)
Community Development	2,203,967	2,248,579	2,311,009	2.8%	2,382,572	3.1%
Parks and Recreation	10,239,926	10,234,275	10,954,750	7.0%	11,190,160	2.1%
Police	12,833,058	13,236,544	13,609,527	2.8%	14,129,370	3.8%
Fire	5,664,111	5,486,286	5,594,473	2.0%	5,790,835	3.5%
Public Works	5,677,946	5,980,421	6,196,987	3.6%	6,333,493	2.2%
Capital Outlay	6,389,379	4,886,401	7,372,000	50.9%	5,597,000	(24.1%)
Utilities	18,408,919	19,293,421	19,991,284	3.6%	19,711,748	(1.4%)
Internal Service	15,935,867	16,484,949	16,950,131	2.8%	18,206,384	7.4%
Liquor Operations	10,864,727	10,029,270	10,312,621	2.8%	10,622,453	3.0%
Debt Service	2,921,561	2,776,430	2,681,120	(3.4%)	2,604,198	(2.9%)
Other	2,454,328	1,173,044	1,199,197	2.2%	1,221,182	1.8%
Total	\$ 97,540,320	\$ 95,819,534	\$ 101,323,620	5.7%	\$ 101,932,750	0.6%

Expenditures (Expenses) by Object

Wages and Benefits	\$ 36,375,664	\$ 36,763,610	\$ 38,289,750	4.2%	\$ 39,658,366	3.6%
Contractual Services	19,394,088	15,924,375	15,662,442	(1.6%)	16,936,267	8.1%
Supplies	3,697,337	8,218,964	9,230,746	12.3%	9,501,502	2.9%
User Charges	10,121,407	10,659,671	10,826,162	1.6%	11,172,507	3.2%
Capital Outlay	7,466,189	6,281,445	8,995,188	43.2%	6,160,300	(31.5%)
Depreciation	6,350,405	6,185,713	6,368,771	3.0%	6,368,616	(0.0%)
Cost of Goods Sold	8,805,885	7,882,827	8,116,789	3.0%	8,361,010	3.0%
Debt Service	2,875,017	2,729,885	2,634,575	(3.5%)	2,553,000	(3.1%)
Other	2,454,328	1,173,044	1,199,197	2.2%	1,221,182	1.8%
Total	\$ 97,540,320	\$ 95,819,534	\$ 101,323,620	5.7%	\$ 101,932,750	0.6%

2014 Actual Summary by Fund

	General Fund	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total 2014
Revenues By Source						
Taxes	\$ 29,912,869	\$ 2,780,100	\$ 92,000	\$	\$	\$ 32,784,969
Assessments	-		35,892	461,851		497,743
Licenses and Permits	4,893,715		2,086,476			6,980,191
Intergovernmental Revenue	1,341,289			357,924		1,699,213
Charges for Services	4,841,857			27,133,504	15,575,031	47,550,392
Fines and Penalties	391,010					391,010
Investment Income	52,185		50,946	44,755	19,859	167,745
Other Revenue	500,883		372,514	150,014	290,295	1,313,706
Bond Proceeds	-		-	16,246		16,246
Other Financing Sources	285,319		2,139,875			2,425,194
Total	42,219,127	2,780,100	4,777,703	28,164,294	15,885,185	93,826,409
Beginning Fund Balances	21,534,243	-	14,468,327	145,862,132	7,955,469	189,820,171
Expenditures (Expenses) by Department						
Administration	3,946,531					3,946,531
Community Development	2,203,967					2,203,967
Parks and Recreation	10,239,926					10,239,926
Police	12,833,058					12,833,058
Fire	5,664,111					5,664,111
Public Works	5,677,946					5,677,946
Capital outlay	84,821		6,304,558			6,389,379
Utilities				18,408,919		18,408,919
Internal Service					15,935,867	15,935,867
Liquor Operations				10,864,727		10,864,727
Debt Service	46,544	2,780,100		94,917		2,921,561
Other	724,435			1,729,893		2,454,328
Total	41,421,339	2,780,100	6,304,558	31,098,456	15,935,867	97,540,320
Ending Fund Balances	\$ 22,332,031	\$ -	\$ 12,941,472	\$ 142,927,970	\$ 7,904,787	\$ 186,106,260
Expenditures (Expenses) by Object						
Personal Services	24,707,815			4,118,716	7,549,133	36,375,664
Contractual Services	5,052,527			8,097,226	6,244,335	19,394,088
Supplies	1,420,292			853,789	1,423,256	3,697,337
User Charges	9,234,685			886,722		10,121,407
Capital Outlay	281,585		6,304,558	880,046		7,466,189
Depreciation				5,631,262	719,143	6,350,405
Cost of Goods Sold				8,805,885		8,805,885
Debt Service		2,780,100		94,917		2,875,017
Other	724,435			1,729,893		2,454,328
Total	41,421,339	2,780,100	6,304,558	31,098,456	15,935,867	97,540,320

2015 Budget Summary by Fund

	General Fund	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total 2015
Revenues By Source						
Taxes	\$ 30,570,531	\$ 2,645,100	\$ 95,369	\$	\$	\$ 33,311,000
Assessments	-		4,703			4,703
Licenses and Permits	3,495,863					3,495,863
Intergovernmental Revenue	1,054,205					1,054,205
Charges for Services	4,810,219			28,737,401	16,549,284	50,096,904
Fines and penalties	577,000					577,000
Investment Earnings	100,000		50,000	37,800	6,986	194,786
Other Revenue	254,263		2,388,600	30,700	10,000	2,683,563
Bond Proceeds	-					-
Other Financing Sources	406,610		743,044			1,149,654
Total	41,268,691	2,645,100	3,281,716	28,805,901	16,566,270	92,567,678
Beginning Fund Balances	22,332,031	-	12,941,472	142,927,970	7,904,787	\$ 186,106,260
Expenditures (Expenses) by Department						
Administration	3,989,914					3,989,914
Community Development	2,248,579					2,248,579
Parks and Recreation	10,234,275					10,234,275
Police	13,236,544					13,236,544
Fire	5,486,286					5,486,286
Public Works	5,980,421					5,980,421
Capital Outlay	214,901		4,671,500			4,886,401
Utilities				19,293,421		19,293,421
Internal Service					16,484,949	16,484,949
Liquor Operations				10,029,270		10,029,270
Debt Service	46,545	2,645,100		84,785		2,776,430
Other	160,000			1,013,044		1,173,044
Total	41,597,465	2,645,100	4,671,500	30,420,520	16,484,949	95,819,534
Ending Fund Balances	\$ 22,003,257	\$ -	\$ 11,551,688	\$ 141,313,351	\$ 7,986,108	\$ 182,854,404
Expenditures (Expenses) by Object						
Personal Services	24,881,476			4,357,567	7,524,567	36,763,610
Contractual Services	5,153,961			8,674,007	2,096,407	15,924,375
Supplies	1,253,498			852,821	6,112,645	8,218,964
User Charges	9,684,617			975,054		10,659,671
Capital Outlay	463,913		4,671,500	1,146,032		6,281,445
Depreciation				5,434,383	751,330	6,185,713
Cost of Goods Sold				7,882,827		7,882,827
Debt Service		2,645,100		84,785		2,729,885
Other	160,000			1,013,044		1,173,044
Total	41,597,465	2,645,100	4,671,500	30,420,520	16,484,949	95,819,534

2016 Budget Summary by Fund

	General Fund	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total 2016
Revenues By Source						
Taxes	\$ 31,442,897	\$ 2,562,000	\$ 100,000	\$	\$	\$ 34,104,897
Assessments						0
Licenses and Permits	3,505,469					3,505,469
Intergovernmental Revenue	1,236,048					1,236,048
Charges for Services	5,680,185			29,834,571	17,237,486	52,752,242
Fines and penalties	500,000					500,000
Investment Earnings	50,000		50,000	42,750	13,486	156,236
Other Revenue	254,000		2,658,005	75,700	225,000	3,212,705
Bond Proceeds						-
Other Financing Sources	270,000		779,197			1,049,197
Total	42,938,599	2,562,000	3,587,202	29,953,021	17,475,972	96,516,794
Beginning Fund Balances	22,003,257	-	11,551,688	\$ 141,313,351	7,986,108	182,854,404
Expenditures (Expenses) by Department						
Administration	4,150,521					4,150,521
Community Development	2,311,009					2,311,009
Parks and Recreation	10,954,750					10,954,750
Police	13,609,527					13,609,527
Fire	5,594,473					5,594,473
Public Works	6,196,987					6,196,987
Capital Outlay	202,000		7,170,000			7,372,000
Utilities				19,991,284		19,991,284
Internal Service					16,950,131	16,950,131
Liquor Operations				10,312,621		10,312,621
Debt Service	46,545	2,562,000		72,575		2,681,120
Other	150,000			1,049,197		1,199,197
Total	43,215,812	2,562,000	7,170,000	31,425,677	16,950,131	101,323,620
Ending Fund Balances	\$ 21,726,044	\$ -	\$ 7,968,890	\$ 139,840,695	\$ 8,511,949	\$ 178,047,578
Expenditures (Expenses) by Object						
Personal Services	26,002,149			4,554,147	7,733,454	38,289,750
Contractual Services	5,395,653			8,550,889	1,715,900	15,662,442
Supplies	1,473,649			993,833	6,763,264	9,230,746
User Charges	9,869,673			956,489		10,826,162
Capital Outlay	324,688		7,170,000	1,500,500		8,995,188
Depreciation				5,631,258	737,513	6,368,771
Cost of Goods Sold				8,116,789		8,116,789
Debt Service		2,562,000		72,575		2,634,575
Other	150,000			1,049,197		1,199,197
Total	43,215,812	2,562,000	7,170,000	31,425,677	16,950,131	101,323,620

2017 Budget Summary by Fund

	General Fund	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total 2017
Revenues By Source						
Taxes	\$ 32,383,664	\$ 2,553,000	\$ 100,000	\$	\$	\$ 35,036,664
Assessments						0
Licenses and Permits	3,505,559					3,505,559
Intergovernmental Revenue	1,236,048					1,236,048
Charges for Services	5,957,769			30,388,011	17,907,921	54,253,701
Fines and penalties	500,000					500,000
Investment Earnings	50,000		50,000	42,750	13,486	156,236
Other Revenue	254,000		2,658,005	75,700	225,000	3,212,705
Bond Proceeds						-
Other Financing Sources	270,000		801,182			1,071,182
Total	44,157,040	2,553,000	3,609,187	30,506,461	18,146,407	98,972,095
Beginning Fund Balances	21,726,044	-	7,968,890	139,840,695	8,511,949	178,047,578
Expenditures (Expenses) by Department						
Administration	4,143,355					4,143,355
Community Development	2,382,572					2,382,572
Parks and Recreation	11,190,160					11,190,160
Police	14,129,370					14,129,370
Fire	5,790,835					5,790,835
Public Works	6,333,493					6,333,493
Capital Outlay	207,000		5,390,000			5,597,000
Utilities				19,711,748		19,711,748
Internal Service					18,206,384	18,206,384
Liquor Operations				10,622,453		10,622,453
Debt Service	51,198	2,553,000				2,604,198
Other	150,000			1,071,182		1,221,182
Total	44,377,983	2,553,000	5,390,000	31,405,383	18,206,384	101,932,750
Ending Fund Balances	\$ 21,505,101	\$ -	\$ 6,188,077	\$ 138,941,773	\$ 8,451,972	\$ 175,086,923
Expenditures (Expenses) by Object						
Personal Services	26,846,912			4,703,053	8,108,401	39,658,366
Contractual Services	5,396,026			9,191,722	2,348,519	16,936,267
Supplies	1,470,021			1,019,375	7,012,106	9,501,502
User Charges	10,178,224			994,283		11,172,507
Capital Outlay	336,800		5,390,000	433,500		6,160,300
Depreciation				5,631,258	737,358	6,368,616
Cost of Goods Sold				8,361,010		8,361,010
Debt Service		2,553,000				2,553,000
Other	150,000			1,071,182		1,221,182
Total	44,377,983	2,553,000	5,390,000	31,405,383	18,206,384	101,932,750

Projected Changes in Fund Balance-All Funds

Fund	Year	Fund Balance January 1	Revenues	Expenditures	Fund Balance December 31	Increase / (Decrease)	% Change in Fund Balance	Reason for Greater than 10 Percent Variance
General Fund	2014	\$ 21,534,243	\$ 42,219,127	\$ 41,421,339	\$ 22,332,031	\$ 797,788	3.7%	
	2015	22,332,031	41,268,691	41,597,465	22,003,257	(328,774)	(1.5%)	
	2016	22,003,257	42,938,599	43,215,812	21,726,044	(277,213)	(1.3%)	
	2017	21,726,044	44,157,040	44,377,983	21,505,101	(220,943)	(1.0%)	
Debt Service	2014	-	2,780,100	2,780,100	-	-	0.0%	
	2015	-	2,645,100	2,645,100	-	-	0.0%	
	2016	-	2,562,000	2,562,000	-	-	0.0%	
	2017	-	2,553,000	2,553,000	-	-	0.0%	
Capital Projects:								
Capital Improvement/ Maintenance	2014	14,280,097	2,639,192	4,128,424	12,790,865	(1,489,232)	(10.4%)	Expenditures vary annually
	2015	12,790,865	1,015,013	2,411,500	11,394,378	(1,396,487)	(10.9%)	Expenditures vary annually
	2016	11,394,378	1,310,202	4,895,000	7,809,580	(3,584,798)	(31.5%)	Expenditures vary annually
	2017	7,809,580	1,322,187	3,105,000	6,026,767	(1,782,813)	(22.8%)	Expenditures vary annually
Capital Improvement/ Pavement Management	2014	464,919	2,112,764	1,929,156	648,527	183,608	39.5%	Expenditures vary annually
	2015	648,527	2,002,000	2,000,000	650,527	2,000	0.3%	
	2016	650,527	2,002,000	2,000,000	652,527	2,000	0.3%	
	2017	652,527	2,002,000	2,000,000	654,527	2,000	0.3%	
Capital Improvement/ Trails	2014	(276,689)	25,747	246,978	(497,920)	(221,231)	80.0%	Expenditures vary annually
	2015	(497,920)	264,703	260,000	(493,217)	4,703	(0.9%)	
	2016	(493,217)	275,000	275,000	(493,217)	-	0.0%	
	2017	(493,217)	285,000	285,000	(493,217)	-	0.0%	

Projected Changes in Fund Balance-All Funds

Fund	Year	Fund Balance January 1	Revenues	Expenditures	Fund Balance December 31	Increase / (Decrease)	% Change in Fund Balance	Reason for Greater than 10 Percent Variance
Enterprise:								
Water	2014	75,605,426	7,990,217	10,128,005	73,467,638	(2,137,788)	(2.8%)	
	2015	73,467,638	10,039,119	10,287,127	73,219,630	(248,008)	(0.3%)	
	2016	73,219,630	10,415,051	10,804,304	72,830,377	(389,253)	(0.5%)	
	2017	72,830,377	10,422,627	9,950,908	73,302,096	471,719	0.6%	
Sewer	2014	44,865,991	5,861,942	6,405,106	44,322,827	(543,164)	(1.2%)	
	2015	44,322,827	6,056,240	6,756,973	43,622,094	(700,733)	(1.6%)	
	2016	43,622,094	6,235,576	7,205,701	42,651,969	(970,125)	(2.2%)	
	2017	42,651,969	6,192,754	7,245,241	41,599,482	(1,052,487)	(2.5%)	
Storm Drainage	2014	24,186,962	2,323,164	2,700,618	23,809,508	(377,454)	(1.6%)	
	2015	23,809,508	1,938,228	2,604,106	23,143,630	(665,878)	(2.8%)	
	2016	23,143,630	2,210,576	2,323,854	23,030,352	(113,278)	(0.5%)	
	2017	23,030,352	2,467,445	2,785,599	22,712,198	(318,154)	(1.4%)	
Liquor	2014	1,203,753	11,988,971	11,864,727	1,327,997	124,244	10.3%	Profit to be used for projects within the operations
	2015	1,327,997	10,772,314	10,772,314	1,327,997	-	0.0%	
	2016	1,327,997	11,091,818	11,091,818	1,327,997	-	0.0%	
	2017	1,327,997	11,423,635	11,423,635	1,327,997	-	0.0%	

Projected Changes in Fund Balance-All Funds

Fund	Year	Fund Balance January 1	Revenues	Expenditures	Fund Balance December 31	Increase / (Decrease)	% Change in Fund Balance	Reason for Greater than 10 Percent Variance
Internal Service Funds:								
Benefits	2014	(638,702)	5,099,330	5,464,213	(1,003,585)	(364,883)	57.1%	Change in OPEB and planned use of funds
	2015	(1,003,585)	5,171,837	5,171,837	(1,003,585)	-	0.0%	
	2016	(1,003,585)	5,461,132	5,461,132	(1,003,585)	-	0.0%	
	2017	(1,003,585)	5,752,292	5,752,292	(1,003,585)	-	0.0%	
Workers Compensation	2014	242,848	643,560	696,525	189,883	(52,965)	(21.8%)	Bring revenues in alignment with expenditures
	2015	189,883	803,325	629,215	363,993	174,110	91.7%	
	2016	363,993	776,095	775,712	364,376	383	0.1%	
	2017	364,376	864,290	861,127	367,539	3,163	0.9%	
Property Insurance	2014	22,187	726,739	640,262	108,664	86,477	389.8%	Revenues and expenditures adjusted in 2015
	2015	108,664	642,423	641,221	109,866	1,202	1.1%	Bring revenues in alignment with expenditures
	2016	109,866	706,454	706,454	109,866	-	0.0%	
	2017	109,866	743,466	743,466	109,866	-	0.0%	

Projected Changes in Fund Balance-All Funds

Fund	Year	Fund Balance January 1	Revenues	Expenditures	Fund Balance December 31	Increase / (Decrease)	% Change in Fund Balance	Reason for Greater than 10 Percent Variance
Internal Service Funds:								
Fleet Services	2014	3,425,493	2,663,213	2,187,769	3,900,937	475,444	13.9%	Expenditures vary annually
	2015	3,900,937	2,645,520	2,400,987	4,145,470	244,533	6.3%	
	2016	4,145,470	2,736,415	2,361,726	4,520,159	374,689	9.0%	
	2017	4,520,159	2,792,926	2,394,330	4,918,755	398,596	8.8%	
Information Technology	2014	744,215	2,037,601	2,032,319	749,497	5,282	0.7%	Planned use of balance
	2015	749,497	2,100,006	2,213,806	635,697	(113,800)	(15.2%)	
	2016	635,697	2,087,193	2,057,892	664,998	29,301	4.6%	
	2017	664,998	2,114,505	2,208,049	571,454	(93,544)	(14.1%)	
Facilities	2014	4,159,428	4,714,742	4,914,779	3,959,391	(200,037)	(4.8%)	
	2015	3,959,391	5,203,159	5,427,883	3,734,667	(224,724)	(5.7%)	
	2016	3,734,667	5,708,683	5,587,215	3,856,135	121,468	3.3%	
	2017	3,856,135	5,878,928	6,247,120	3,487,943	(368,192)	(9.5%)	
Grand Total	2014	189,820,171	93,826,409	97,540,320	186,106,260	(3,713,911)	(2.0%)	
	2015	186,106,260	92,567,678	95,819,534	182,854,404	(3,251,856)	(1.7%)	
	2016	182,854,404	96,516,794	101,323,620	178,047,578	(4,806,826)	(2.6%)	
	2017	178,047,578	98,972,095	101,932,750	175,086,923	(2,960,655)	(1.7%)	

Operating Fund Crosswalk

Operating Fund Crosswalk

This matrix shows the relationship between functional units and funds. For example, the Police Department has some authorized appropriations in the General Fund and in the Capital Improvement Fund.

Operating Fund	Administration of Fund					
	Police	Fire	Public Works	Community Development	Parks & Recreation	Administration
General Fund	x	x	x	x	x	x
Enterprise Funds:						
Water			x			x
Sewer			x			x
Storm Sewer			x			x
Liquor						x
Capital Improvement Funds	x	x	x	x	x	x

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Governmental Funds:				
Administration				
City Manager Employee Count				
City Manager	1	1	1	1
Administrative Assistant	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
City Clerk Employee Count				
City Clerk	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Communication Employee Count				
Communications Manager	1	1	1	1
Sr. Communications Coordinator	1	1	1	1
Communications Coordinator	1	1	1	1
Assistant Communications Coordinator	0.5	0.5	0.5	0.5
	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>
Finance Employee Count				
Finance Manager	1	1	1	1
Finance Supervisor	1	1	1	1
Accountant	1.5	1.5	1.5	1.5
Accounts Payable Technician I	1	1	1	1
Technician I	1	1	1	1
	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
Customer Service Employee Count				
Customer Service / Office	3	3	3	3
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Human Resources Employee Count				
Human Resources Manager	1	1	1	1
Human Resources Supervisor	1	1	1	1
Human Resources Representative	1.7	1.7	1.7	1.7
Human Resources Tech II	1	1	1	1
Payroll Technician III	1	1	1	1
	<u>5.7</u>	<u>5.7</u>	<u>5.7</u>	<u>5.7</u>
Community Development				
Assessing Employee Count				
City Assessor	1	1	1	1
Appraiser	5	5	5	5
Technician I	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Planning				
Planning Employee Count				
City Planner	1	1	1	1
Senior Planner	1	1	1	1
Planner	1.6	1.6	1.7	1.7
Administrative Assistant I	1	1	1	1
	<u>4.6</u>	<u>4.6</u>	<u>4.7</u>	<u>4.7</u>
Community Development Employee Count				
Community Development Director	1	1	1	1
Administrative Assistant I	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Economic Development Employee Count				
Manager of Economic Development	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Housing & Cmty Services Employee Count				
Manager Housing & Community Srv	1	1	1	1
Community Services Technician	0.75	0.75	0.75	0.75
	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>
Parks and Recreation				
Park Admin. Employee Count				
Park and Recreation Director	1	1	1	1
Administrative Assistant II	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Park & Natural Resources Employee Count				
Manager of Parks and Natural Resource	1	1	1	1
Forestry Technician	1	1	1	1
Supervisor of Park Maintenance	1	1	1	1
Supervisor Park Construction/Repair	1	1	1	1
Maintenance Worker Parks	16	16	16	16
	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Recreation Programming Employee Count				
Recreation Manager	1	1	1	1
Recreation Supervisor	3.25	3.25	3.25	3.25
Outdoor Center / Nature Programmer	0.6	0.6	0.6	0.6
	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>
Community Center				
Recreation Supervisor	2	2	3	3
Community Center Manager	1	1	1	1
Customer Support/Accounting Tech	2.5	2.5	2.5	2.5
	<u>5.5</u>	<u>5.5</u>	<u>6.5</u>	<u>6.5</u>

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Art Center Employee Count				
Manager - Art Center	0.75	0.75	0.75	0.75
	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>
Senior Center Employee Count				
Recreation Coordinator	1	1	1	1
Administrative Assistant I	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Police Employee Count				
Police Chief	1	1	1	1
Deputy Police Chief	1	1	1	1
Lieutenants	3	3	3	3
Sergeants	12	12	12	12
Police Officers	49	49	50	51
Animal Control Officer	2	2	2	2
Telecommunications Supervisor	1	1	1	1
Telecommunicators	10.5	10.5	10.5	10.5
Records Supervisor	1	1	1	1
Records Tech	6	6	6	6
Investigative Aide	1	1	1	1
Administrative Assistant	1	1	1	1
Law Enforcement Analyst	1	1	1	1
Projects Coordinator	0.50	0.50	0.50	0.50
Zoning Administrator	1	1	1	1
	<u>91</u>	<u>91</u>	<u>92</u>	<u>93</u>

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Fire				
Fire Employee Count				
Fire Chief	1	1	1	1
Assistant Fire Chief	2	2	2	2
Fire Prevention Specialist	3	3	3	3
Rental Housing Inspector	1	1	1	1
Electronic Communications Specialist	1	1	1	1
Administrative Assistant II	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Inspections Employee Count				
Manager of Building Inspections	1	1	1	1
Building Inspectors II	7	7	6	6
Technician I	2.5	2.5	2	2
	<u>10.5</u>	<u>10.5</u>	<u>9</u>	<u>9</u>
Public Works				
Engineering Employee Count				
Public Works Director	0.8	0.8	0.8	0.8
City Engineer	1	1	1	1
Assistant City Engineer	1	1	1	1
Engineering Technician I	1	1	1	1
Senior Project Engineer	1	2	2	2
Senior Engineering Tech	3.5	3.5	3.5	3.5
	<u>8.3</u>	<u>9.3</u>	<u>9.3</u>	<u>9.3</u>
Street Maintenance Employee Count				
Manager of Street Maintenance	1	1	1	1
Maintenance Workers	13	13	13	13
Administrative Assistant I	0.5	0.5	0.5	0.5
	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>
Total Governmental Funds				
Office of the City Manager	20.70	20.70	20.70	20.70
Community Development	16.35	16.35	16.45	16.45
Parks & Recreation	35.10	35.10	36.10	36.10
Police	91.00	91.00	92.00	93.00
Fire	19.50	19.50	18.00	18.00
Public Works	22.80	23.80	23.80	23.80
	<u>205.45</u>	<u>206.45</u>	<u>207.05</u>	<u>208.05</u>

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Enterprise Funds:				
Liquor				
Liquor Operations Manager	1	1	1	1
Purchasing / Events Manager	1	1	1	1
Store Manager	1	1	3	3
Assistant Store Manager	3	3	3	3
Leads	3	3	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Utilities				
Public Works Director	0.2	0.2	0.2	0.2
Manager of Utilities	1	1	1	1
Water Treatment Supervisor	1	1	1	1
Water Treatment Lead	1	1	1	1
Water Treatment Maintenance Lead	1	1	1	1
Water Treatment Operators	9	9	9	9
Utility Field Operations Supervisor	1	1	1	1
Utility Field Operations Lead	1	1	1	1
Water Treatment Maintenance Technician	1	1	1	1
Utility Field Operators	11	11	11	11
Project Coordinator	1	1	1	1
Storm Utility Maintenance Operator	1	1	1	1
Storm Utility Maintenance Lead			1	1
Administrative Assistant	1	1	1	1
Utility Meter Lead	1	1	1	1
Technician II	1	1	1	1
Customer Service / Office Assistant	1	1	1	1
Environmental Coordinator	1	1	1	1
Senior Engineering Tech	0.5	0.5	0.5	0.5
	<u>34.7</u>	<u>34.7</u>	<u>35.7</u>	<u>35.7</u>

Employees by Function

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Internal Service Funds:				
Workers Compensation Employee Count				
Risk and Safety Analyst	0.5	0.5	0.5	0.5
	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Property Insurance Employee Count				
Risk and Safety Analyst	0.5	0.5	0.5	0.5
	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Fleet Services Employee Count				
Public Works Superintendent	1			
Fleet Services Manager	1	1	1	1
Lead Fleet Mechanic	1	1	1	1
Fleet Mechanics	3	3	3	3
Support Specialist	0.5	0.5	0.5	0.5
	<u>6.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
Information Technology Employee Count				
Information Technology Manager	1	1	1	1
Technology Business Analyst	1	1	1	1
IT Systems Engineer	1	1	1	1
GIS Specialist	1	1	1	1
IT Systems Administrator	3	3	3	3
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Facilities Employee Count				
Facilities Manager	1	1	1	1
Facilities Supervisor City Center	1	1	1	1
Facilities Engineer City Center	2	2	2	2
Facilities Technician City Center	2	2	2	2
Facilities Supervisor Cmty Center	1	1	1	1
Facilities Engineer Cmty Center	1	1	1	1
Facilities Technician Cmty Center	1	1	1	1
Technician I	0.88	0.88	0.88	0.88
	<u>9.9</u>	<u>9.9</u>	<u>9.9</u>	<u>9.9</u>
Grand Total	<u>273.53</u>	<u>273.53</u>	<u>275.13</u>	<u>276.13</u>



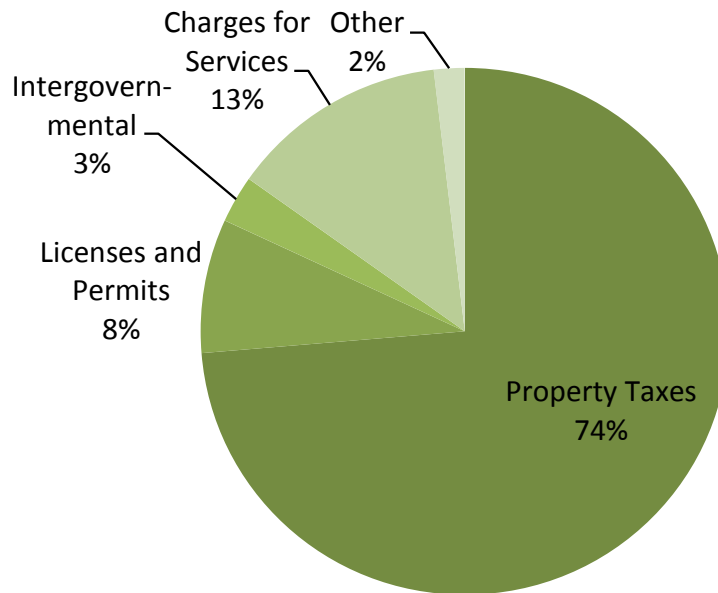
General Fund

General Fund Overview

Below summarizes General fund Revenue for 2016 and 2017.

Revenue	2016	2017
Property Taxes	\$ 31,442,897	\$ 32,383,664
Licenses and Permits	3,505,469	3,505,559
Intergovernmental Revenue	1,236,048	1,236,048
Charges for Services	5,680,185	5,957,769
Other	804,000	804,000
Total Revenue	\$ 42,668,599	\$ 43,887,040

2016 General Fund Revenue

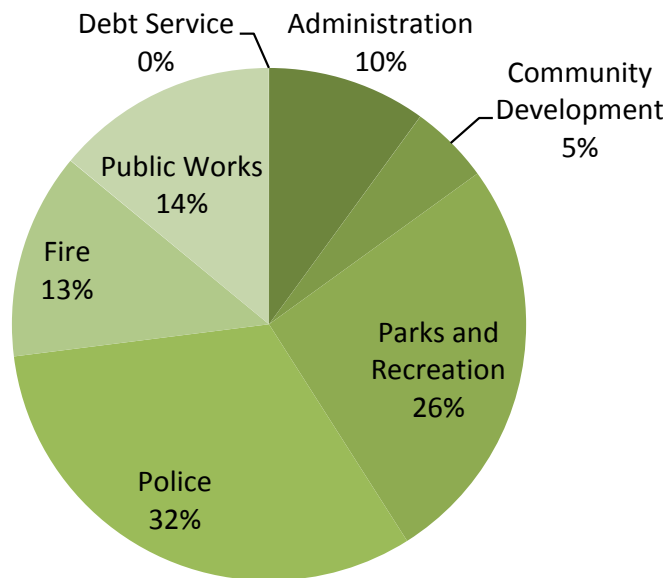


2017 has the same revenue allocation.

General Fund Overview

Expenditures	2016	2017
Administration	\$ 4,150,521	\$ 4,143,355
Community Development	2,311,009	2,382,572
Parks and Recreation	11,104,750	11,340,160
Police	13,609,527	14,129,370
Fire	5,644,473	5,845,835
Public Works	6,198,987	6,335,493
Debt Service	46,545	51,198
Total Expenditures	\$ 43,065,812	\$ 44,227,983

2016 General Fund Expenditures



2017 has the same expenditure allocation.

General Fund Overview

The General Fund is the chief operating fund of the City of Eden Prairie. The General Fund accounts for a full range of municipal services including police and fire protection, street maintenance, recreation programs, park maintenance, community and economic development, and building inspections.

Goals

The City Council 2016/2017 budget goals include the following:

- Enhance service levels in specified areas
 - Parks and Recreation
 - Increased operations for the aquatics and fitness expansion starting in 2016
 - Public Safety
 - Hiring two additional police officers, one in 2016 and one in 2017
 - Transportation
- Preserve all other city service levels
 - Service levels have been maintained
- Sustain current levels of employee morale and engagement
 - The organization continues to implement efficiencies and innovations that motivate employees to continually improve the organization
 - The budget includes salary changes that are consistent with public and private sector trends
- Continual review for service efficiencies and innovations
 - The budget includes the following efficiencies and innovations:
 - Continue implementation of energy efficiencies
 - Celebrate successful completion of the 20-40-15 energy program
 - Implement Step 4 – Green Step Cities
 - Plan for and implement next steps of the City’s green initiatives
 - Implement Business Licensing application
 - Implement technology for internal plan review process
 - Implement new intranet site
 - Implement design guidelines
- Preserve Eden Prairie’s exceptional image internally and externally

General Fund Overview

- Continue to improve Eden Prairie's relative position in fiscal comparisons with comparable cities
 - Eden Prairie is in the lower quartile of taxes paid for the single value home when compared to the other MLC cities
- Enhance Sense of Community/Community Identity
 - Involve citizens in decisions including gathering input at neighborhood events and via electronic feedback. Engagement opportunities included the 2016/2017 budget process and will include the update to the City's comprehensive plan update.
 - Seek input & feedback from diverse groups through town hall meetings and other opportunities
 - Redesign and enhance the website
 - Promote historic properties
 - Complete monument sign project
 - As trends and data warrant, change/improve park and recreation programs

Overview

The 2016/2017 budget maintains City operations and reasonable debt levels. General Fund expenditures are increasing 3.9% in 2016 and 2.7% in 2017. Some of the increases in the 2016 budget include \$477,954 for the Community Center (increased revenues of \$815,379), \$116,008 for elections, \$49,000 for a mid-year hire of a new police officer. For 2017, an additional \$127,500 is budgeted for a full year of the officer hired in 2016 and a mid-year hire of new officer in 2017.

Besides the items noted above, the budget maintains services including the following:

- Maintain Service to 62,000 Residents & 2,300 Businesses
 - Service
 - 50,000 Police calls
 - 1,600 Fire calls
 - 3,500 Street lights
 - 100,000 Participants in Park and Recreation programs
 - 7,500 building permits issued
 - 5,300 property appraisals completed

General Fund Overview

- Maintain
 - 43 Parks
 - 233 Miles of streets
 - 33 Buildings
 - 290 Vehicles

Revenue Manual

Overview

The City of Eden Prairie's Revenue Manual is prepared every two years by the Finance Division. The Revenue Manual includes a detailed analysis of the major revenue sources identified by the City for the General Fund. A listing of the non-major revenue sources can be found at the end of this manual. The information in the Revenue Manual was periodically updated during the budget process because of the critical significance of revenues in the budget decision process. This section reflects the final information for the various sources and provides a tool for use in monitoring performance during the two-year budget cycle.

A review of all revenue sources is completed with the biennial budget. Based on information from City Staff, Hennepin County, other external sources, and analytical review, revenues are projected. The General Fund revenue policies include:

- The City will review fees and charges annually to ensure that reasonable rates are set and at a minimum are adjusted for inflation.
- The City will project its annual revenues by an objective and thorough analytical process.

Overall, the General Fund revenues (including transfers in) for 2016 and 2017 are projected to increase by 4.4% and 2.9% respectively. Property taxes are budgeted to increase 2.9% and 3% in 2016 and 2017 respectively. Recreation revenue is expected to increase 18% in 2016 and 5% in 2017 primarily due to the Aquatics & Fitness expansion at the community center. License and permits are expected to increase .3% in 2016 and remain consistent in 2017. Building permits and fees are increasing 6% which is an increase of \$120,000 for development revenue. Staff continues to discuss what a good base number is for development revenue to avoid being too aggressive and causing potential mid-year operational challenges, but also to recognize that increased development activity will increase revenue and service demand. Other licenses and permits are expected to decreased in 2016 and remain stable in 2017. The decrease in 2016 is due mainly to the Point of Sale Inspection Program that the City decided not to move forward with.

General Fund Overview

Intergovernmental revenue is expected to increase by 17.2% in 2016 and remain flat in 2017. The increase is primarily due to police pension aid and grants for the police department.

General Fund Revenues	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Property Taxes	\$ 29,912,869	\$ 30,570,531	\$ 31,442,897	\$ 32,383,664
Recreation Charges for Services	4,744,488	4,726,719	5,577,685	5,855,269
Building Permits and Fees	3,496,417	2,000,000	2,120,000	2,120,000
Intergovt Revenue	1,341,289	1,054,205	1,236,048	1,236,048
Cable TV	820,975	813,000	813,000	813,000
Fines and Penalties	391,010	577,000	500,000	500,000
Beer, Liquor and Wine Licenses	329,388	322,400	323,725	323,725
Inspection Fees	115,990	236,168	120,000	120,000
Non-Major Revenue	1,052,676	968,668	805,244	805,334
Total Revenue	\$ 42,205,102	\$ 41,268,691	\$ 42,938,599	\$ 44,157,040

Property Taxes

Property tax revenue is the single largest source of revenue and the City strives to balance increases in property taxes with the demand for City services. Property taxes account for 74% of the General Fund budget.

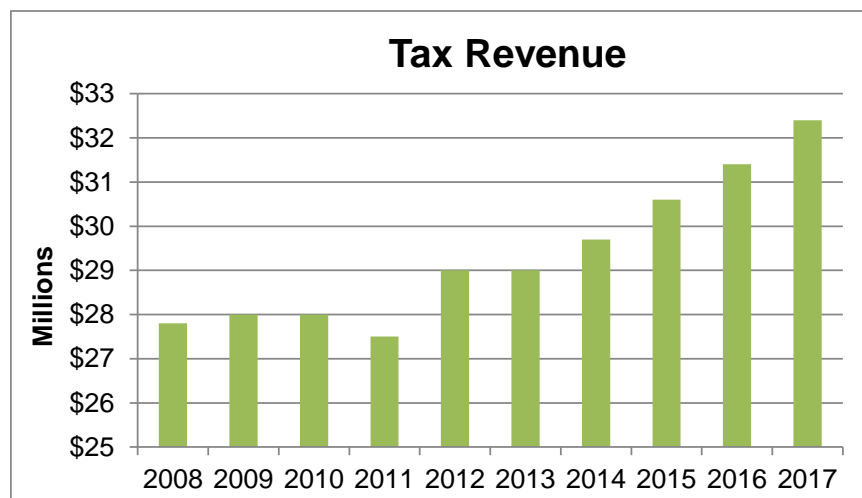
Statute/Authority: Within the Minn. Constitution article. X,1, the constitution vests all taxing authority to the Minnesota Legislature. Legislation has authorized cities to levy and collect taxes on real property. This tax authority has its limits and is always within the framework of the entire state-local fiscal relationship. Property tax revenues are collected by the County and passed through to the City. Every property owner is subject to property tax by at least three units of government - the County, the school district, and the City in which the property is located. Special authorities like the Watershed district may also levy taxes. The property tax is determined by the tax capacity of the property and the tax levy for general operations and debt. If either of these variables increases or decreases, there is a relative change to taxes on a particular property.

Revenue Calculation: The estimated market value is a valuation set upon real estate and certain personal property by the City Assessor as a basis for levying property taxes. This value is converted to tax capacity by a formula specified in state law.

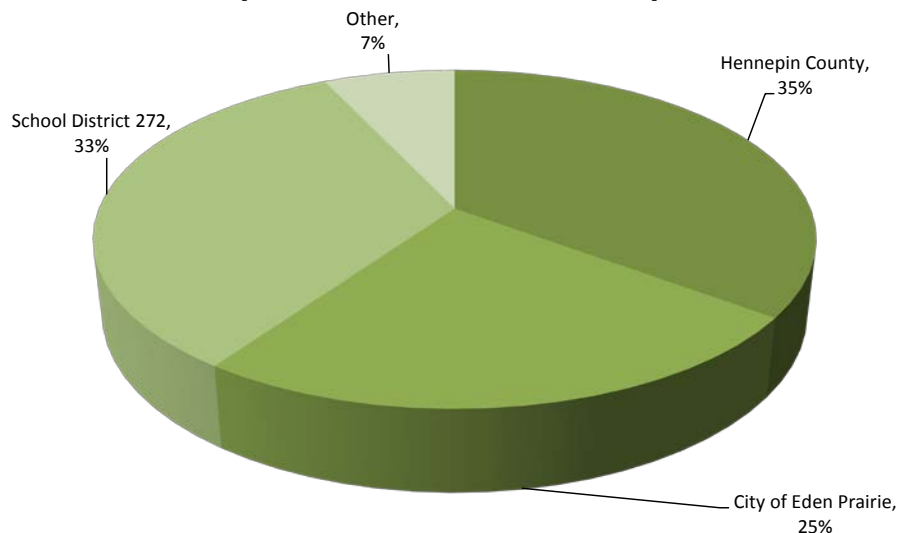
General Fund Overview

The tax levy is the amount to be raised by general property taxes for the purposes stated in the resolution certified to the County Auditor. For 1998-2000, 2002-2004, 2009-2011, and 2014 the Minnesota Legislature mandated “levy limits” which limits cities ability to raise the tax levy to a formula based on growth plus inflation excluding debt levies. Levy limits are currently not in force for 2016 and 2017.

Projections: Property taxes are budgeted to increase by 2.9% and 3% for 2016 and 2017 respectively.



2016 Property Tax Distribution (Median Value Home)



General Fund Overview

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Property Taxes				
Property Taxes (4011-4013, 4306)	\$ 29,912,869	\$ 30,570,531	\$ 31,442,897	\$ 32,383,664
		2.2%	2.9%	3.0%

Tax Impacts

The ability to levy and collect taxes is based on property market values, tax capacities, and the City tax rates. Changes in market value, net tax capacity and the City tax rate since 2013 are shown below:

	2013	2014	2015	2016
Market Value	\$8.5 Billion	\$8.6 Billion	\$9.1 Billion	\$9.6 Billion
Adjusted Net Tax Capacity	\$86,172,400	\$88,092,563	\$92,696,474	\$100,438,848
City Tax Rate	34.40%	34.49%	33.74%	32.08%

For 2016, the median value home in Eden Prairie is valued at \$360,300 reflecting an average value increase of 4.8%. In 2015, the median value was \$343,800. A commercial property valued at \$2M had a value increase of 2.5% and a \$5M apartment had a value increase of 6.6%.

Below summarizes the **City's tax impact** for residential, apartment, and commercial properties.

Property Type	2014/2015	2015/2016	Difference	Percent Change
Residential (\$360,300)	\$ 1,173	\$ 1,173	\$ -	0.0%
Apartment (\$5M)	\$ 20,252	\$ 20,508	\$ 256	1.3%
Commercial (\$2M)	\$ 8,057	\$ 7,849	\$ (208)	(2.6%)

A \$333,000 change in the tax levy will impact the median value home by 1% or \$12.00.

Below summarizes **the total tax impact** for residential, apartment, and commercial properties. The total tax impact includes the City, County, school district and other taxing districts.

	2014/2015	2015/2016	Difference	Percent Change
Residential (\$360,300)	\$ 4,722	\$ 4,780	\$ 58	1.2%
Apartment (\$5M)	\$ 78,766	\$ 80,845	\$ 2,079	2.6%
Commercial (\$2M)	\$ 75,178	\$ 72,855	\$ (2,323)	(3.1%)

General Fund Overview

Below summarizes the total tax impact by taxing authority:

Entity	2015	2016	Difference	Percent Change
Hennepin County	\$ 1,627	\$ 1,678	\$ 51	3.1%
City of Eden Prairie	1,173	1,173	\$ -	0.0%
School District	1,583	1,587	\$ 4	0.3%
Metro Spec Tax District	102	103	\$ 1	1.0%
Other Districts	237	239	\$ 2	0.8%
Total	\$ 4,722	\$ 4,780	\$ 58	1.2%

As you can see by the table below, Eden Prairie is fortunate to have a diverse tax base with limited concentration from any one business or industry. This provides for a stable tax collection environment. Eden Prairie has always met the budgeted goal of collecting 98% of taxes levied.

Taxpayer	Tax Capacity
CAPREF Eden Prairie, LLC (Eden Prairie Mall)	\$ 2,509,100
Liberty Property Limited Partnership	2,503,440
United Healthcare Serv Inc	1,394,430
AGNL Health	815,130
PRIT Core Realty Holdings LLC	747,088
CPE Holding 32607 LLC, Etal	629,250
Lifetouch Inc.	594,962
Gelco Corp.	559,740
Windsor Plaza LLC	536,298
IRET Properties	472,660
Total Principal Taxpayers	10,762,098
All Other Taxpayers	77,330,465
Total	<u>\$ 88,092,563</u>

General Fund Overview

Recreation Charges for Services

Recreation charges for services include membership dues, daily fees, and program fees and accounts for 13% of the General Fund revenues.

Statute/Authority: The Parks and Recreation Department's primary purpose is to provide a comprehensive parks and recreation program, including park acquisition, planning and development, maintenance of the parks, trails and recreation facilities, forestry, and leisure services programs that compliment and supplement the leisure services provided by the school districts and other community service organizations.

Revenue Calculation: The City collects fees for recreation programs based on the policy approved by the City Council in 2008. Fee schedules are reviewed annually by the Parks department and adjusted accordingly. Cost recovery for the various recreation programs depends on the type of service offered. *Basic services* are those that every taxpayer is entitled to receive. Cost recovery within the basic services range from 0% to 75%. *Enhanced services* are special events or activities to which the community is invited without a fee. Minimum cost recovery for these types of programs range from 10%-50% with the goal to obtain sponsorship of the entire cost of the programs. *Fee assisted services* are programs that have a high cost recovery as well as programs with mandated fee levels. These programs recover costs up to 85%-100%. *Fee supported services* are programs provided at no cost to the taxpayers and in many cases show a profit.

Projections: For the 2016 and 2017 budget, the City has projected an 18% and 5% increase in Recreation user fees respectively primarily due to the Community Center. A more detailed review of the community center budget can be found in the General Fund-Park and Recreation section of this budget document.

General Fund Overview

	2014	2015	2016	2017
Recreation User Fees	Actual	Budget	Budget	Budget
Community Center	\$3,658,624	\$3,704,826	\$4,520,205	\$4,799,059
Organized Athletics	245,536	299,260	277,520	267,720
Youth Programs	329,246	305,200	333,900	338,400
Oak Point	127,651	108,153	61,500	56,500
Outdoor Center	69,544	62,300	71,050	72,050
Park Facilities	93,718	74,600	92,550	92,550
Art Center	70,129	68,900	69,700	72,900
Senior Center	103,752	57,000	102,150	105,680
Arts	22,715	24,360	24,610	24,710
Special Events	532	1,000	500	500
Therapeutic Recreation	23,041	21,120	24,000	25,200
Total Recreation User Fees	\$4,744,488	\$4,726,719	\$5,577,685	\$5,855,269
		(0.4%)	18.0%	5.0%

Development Revenue

Building permits and fees is the third largest revenue source to the General Fund and accounts for 4.9% of the General Fund revenues.

Statute/Authority: Per MN Statutes 462.353, subd. 4(a), a city may charge fees that are sufficient to defray the costs incurred by the city in reviewing, investigating, and administering an application for an amendment to an official control, or an application for a permit or other approval required under an official control. Fees are required by law to be fair, reasonable, and proportionate and have a nexus to the actual cost of the service for which the fee is imposed. All cities are required to adopt management and accounting procedures to ensure fees are maintained and used only for the purpose for which they are collected.

Revenue Calculation: Revenue from building permits and fees is dependent on the number of housing starts, subdivision plats, and commercial development applications. Every two years, City staff reviews the fees charged and recommend adjustments based on inflation and the cost to provide the service.

Projection: Total building permits and fees is budgeted at \$2,120,000 which is \$120,000 more than the 2015 budget. Business continues to invest in Eden Prairie and we expect this to continue and to remain a favorable location to conduct business. Staff continues to discuss what a good base number is for development revenue to avoid being too aggressive and causing potential mid-year operational challenges, but also to recognize that increased development activity will increase revenue and service demand.

General Fund Overview

Below summarizes recent building permit and fee activity.

Building Permits and Fees	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Building (4151)	\$2,535,282	\$1,535,000	\$1,627,000	\$1,627,000
Mechanical (4152)	492,086	231,000	245,000	245,000
Plumbing (4153)	212,385	112,000	117,000	117,000
Fire-Development (4160)	72,876	43,000	47,000	47,000
Grading (4157)	7,200	4,000	6,000	6,000
Reinspection Fees (4108)	850	200	800	800
Planning and Zoning Fees (4402-4405)	37,834	32,000	33,000	33,000
Street Lighting Fees (4708)	14,212	-	-	-
Engineering Fees (4521-4529)	123,692	42,800	44,200	44,200
Total Building permits and fees	\$3,496,417	\$2,000,000	\$2,120,000	\$2,120,000
		(42.8%)	6.0%	0.0%

Intergovernmental Revenue

This revenue source is comprised of Federal grants, State aids and grants, and other local grants the City receives. Currently, 85% of these revenues come from the State. Any reductions in these State aids would need to be offset by increasing property taxes or funding from other sources of revenue. Intergovernmental revenue accounts for 3% of the General Fund revenues.

Police Pension Aid - Amount collected from the State for police pension. The State allocates resources to the program which is then distributed among eligible entities. The amount allocated is 104 percent of the reported premium taxes paid to the state by fire and casualty insurers who offer auto insurance policies written in the state. The state calculates the individual cities aid by the number of months and the number of employed full-time police officers.

Fire Relief Aid - Amount collected from the State for fire relief aid. The State allocates resources to the program which is distributed among eligible entities. The amount allocated is 107 percent of the reported fire premiums taxes paid by insurers who write fire, lightning, sprinkler leakage, and extended coverage insurance on risks within the state. Cities will receive not less than 2% of this amount.

State Street Aid - The Minnesota Constitution requires that state gasoline and motor vehicle registration fees be allocated to certain city, county, and state roads. Cities with a population over 5,000 receive 9% of this revenue. It is apportioned among the cities on the basis of two

General Fund Overview

factors: Fifty percent is distributed based on population as established by the latest federal census and the remaining fifty percent on fiscal need, as defined by law.

School Liaison - Amount received from the school district for the school liaison program. The levy amount calculated each year is the population times \$1.50. The school district also pays an additional \$20,000 for additional coverage. Three police officers work a full time position for the school district. The levy should cover the cost of one full time police officer plus benefits.

Police Training - State aid to reimburse cities for the costs of continued education for police officers. The funds are from a surcharge on criminal and traffic violations and fees collected from the reinstatement of a driver's license in non-DWI related instances (suspension for failure to appear and unpaid fines). The reimbursement rate that the city receives is calculated based on the total amount allocated by the legislature divided by the number of eligible officers.

PERA Aid - Aid to communities for relief of payments made to the Public Employee Retirement Account (PERA) for employees retirement. The City receives an amount equal to .7% of PERA payroll from July 1, 1996 to June 30, 1997. The amount of this aid remains the same from year to year.

Projections: Intergovernmental revenues are budgeted to increase by 17.2% for 2016 and remain flat for 2017. The Police and Fire Aid budgets were increased to reflect the 2014 amount received. Additional intergovernmental revenue was added for various grants the City receives on a regular basis. The City has not budgeted for these grants in the past but based on the consistent history, staff felt comfortable budgeting a conservative amount for the amount expected. These grants include \$50,000 for a Towards Zero Death grant for seat belt and DUI enforcement, \$10,000 for fire training and education grant from the MN Board of Firefighters, and \$5,000 for a federal bullet proof vest grant.

	2014	2015	2016	2017
Intergovernmental Revenue	Actual	Budget	Budget	Budget
Police Pension Aid (4234)	\$ 500,116	\$ 415,000	\$ 500,000	\$ 500,000
Fire Relief Association Aid (4235)	414,343	381,000	414,000	414,000
State Street Aid (4233)	68,865	68,866	68,866	68,866
Police Training (4239)	19,952	20,000	20,000	20,000
Grants (4202, 4231,4276)	169,831	-	65,000	65,000
PERA Aid (4238)	52,384	52,384	52,384	52,384
School Liasion (4278)	115,798	116,955	115,798	115,798
Total Intergovernmental Revenue	\$ 1,341,289	\$ 1,054,205	\$ 1,236,048	\$ 1,236,048
		(21.4%)	17.2%	0.0%

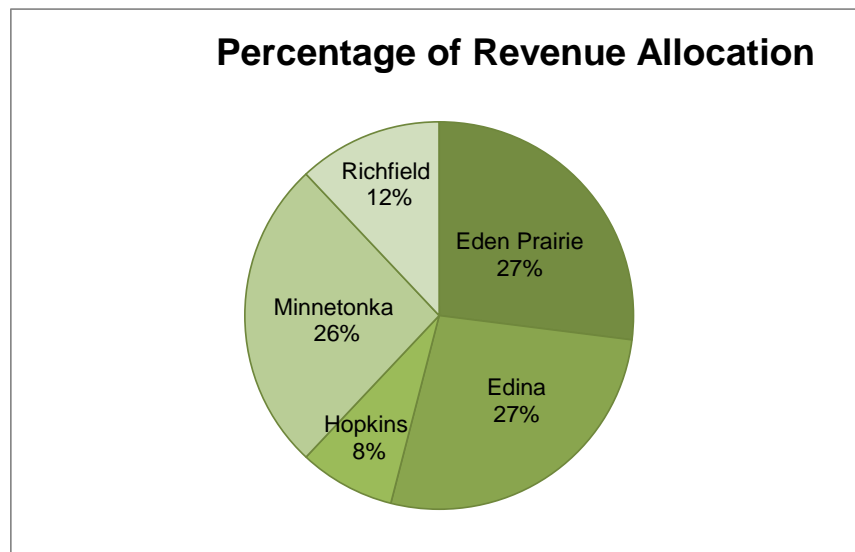
General Fund Overview

Cable TV

The City is a member of the Southwest Suburban Cable Commission which consists of Eden Prairie, Edina, Hopkins, Minnetonka and Richfield. The City renewed its franchise agreement with Comcast in August 2012 for ten years. Cable TV revenue accounts for 1.9% of the General fund revenues.

Statute/Authority: Per City Ordinance No. 26-2016 and applicable federal and state law, the City is authorized to grant one or more nonexclusive cable television franchises to construct, operate, maintain and reconstruct Cable Television Systems within the City limits.

Revenue Calculation: Revenues are based on a percentage of the gross sales earned by the cable company less an allowance for uncollectible accounts. Quarterly, Comcast submits 5% of the gross sales to the participating cities. Comcast also submits \$0.60 per subscriber per month in support of PEG (Public, Educational and Governmental) capital. The PEG fee is dedicated to a Capital Project fund. For 2016, the City’s percentage of the total revenue allocated is approximately 27%.



Projections: For 2016 and 2017, the city is budgeting \$813,000.

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Cable TV				
Cable TV (4191)	\$ 820,975	\$ 813,000 (1.0%)	\$ 813,000 0.0%	\$ 813,000 0.0%

General Fund Overview

Fines and Penalties

Court imposed fines and citations comprise this revenue category. These fees are shared with Hennepin County. Fines and penalties accounts for 1.2% of the General Fund revenues.

Statute/Authority: Per Minnesota Statute 488A.03 subd. 11, the city receives a portion of the fines and penalties collected by Hennepin County. The distribution of the fines depends upon what violation, fines, or forfeiture occurred and if the arresting officer was an Eden Prairie police officer or a State Patrol officer.

Revenue Calculation: The number of infractions and the pay schedule of each fine is the basis for the City's fine revenue.

Projections: The city is budgeting a 13.3% decrease for 2016 and remaining flat for 2017. Fines and penalties have decreased significantly the past two years and vary each year. The budget decreased \$77,000 to reflect the expected activity in 2016 and 2017.

	2014	2015	2016	2017
Fines and Penalties	Actual	Budget	Budget	Budget
Fines and Penalties (4551)	\$ 391,010	\$ 577,000	\$ 500,000	\$ 500,000
		47.6%	(13.3%)	0.0%

Beer, Liquor and Wine Licenses

The City receives an application fee yearly from each establishment within the City that wishes to sell liquor. Liquor licenses account for 0.8% of the General fund revenues.

Statute/Authority: MN Statutes 340A gives cities the authority to license and regulate the retail sale of intoxicating liquor. The Alcohol and Gambling Enforcement Division of the Department of Public Safety is responsible for interpreting the state laws and regulations concerning liquor licensing and sales. MN State Statute 340A.413 restricts the number of on-sale liquor licenses that a City may issue. State Statutes does not provide a limit for wine and malt liquor licenses.

Revenue Calculation: The City's liquor license revenue is based on the number of applicants and the amount charged per the fee resolution. The maximum amount allowed for a wine license is set by state statute. Per the fee resolution, the City has elected to annually charge \$8,750 for liquor, \$2,000 for wine and \$800 for non-intoxicating malt liquor. An additional

General Fund Overview

investigation fee of \$500 is charged if this is the first year for the license, \$50 if there is a new manager and \$150 for other license changes. In order to raise the amounts of on-sale liquor and 3.2 malt liquor license fees, the city must first hold a public hearing. The city must give mailed notice of the hearing to all affected licensees at least 30 days before the hearing.

Projections: Liquor license revenue is projected to remain flat in 2016 and 2017. Currently the City has 30 on-sale liquor, 17 wine and 19 malt liquor licenses.

	2014	2015	2016	2017
Beer, Liquor and Wine Licenses	Actual	Budget	Budget	Budget
Liquor (4102)	\$ 280,171	\$ 270,000	\$ 270,000	\$ 270,000
Beer and Wine (4103)	49,217	52,400	53,725	53,725
Total Liquor, Beer and Wine Licenses	\$ 329,388	\$ 322,400	\$ 323,725	\$ 323,725
		(2.1%)	0.4%	0.0%

General Fund Overview

Inspection Fee

Inspection revenue is generated from the licensure of rental housing units. Inspection revenue account for .3% of the General fund revenues.

Statute/Authority: In 2007, City Council amended City Code Chapter 5 by adding a new Section 5.72 entitled Licensing of Rental Housing and amended City Code Chapter 9 entitled Rental Housing. The new section requires the annual licensure of rental residential dwellings within the City. Rental dwelling units will be inspected once every four years; and rental dwelling units must conform to Eden Prairie’s rental housing code. The City of Eden Prairie has approximately 6,700 licensed rental housing units. Currently 20% of the units within the city have reached 28 years of age. 25 years is the age at which buildings begin to show signs of stress. Initiating an active Rental Housing Licensure / Inspection program prior to buildings showing distress significantly impacts the level of standards that the Rental Housing Code can address.

Revenue Calculation: The City’s rental housing inspection revenue is based on the number of dwelling units. The licensing fee for 2016 was calculated at \$57.50 for the first dwelling unit and \$10.50 for each additional unit.

Projections: For 2016 and 2017, \$120,000 is budgeted for inspection fees respectively which is a 49.2% decrease from 2015. This is due to \$130,000 that was budgeted for a Point of Sale Inspection Program. This fee was eliminated due to the City deciding not to move forward with this program.

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Inspection Fee				
Rental Housing (4112)	\$ 115,990	\$ 106,000	\$ 120,000	\$ 120,000
Point of Sale (4112)	-	130,168	-	-
Total Inspection Fee	\$ 115,990	\$ 236,168	\$ 120,000	\$ 120,000
		103.6%	(49.2%)	0.0%

General Fund Revenues

Non-Major Revenue Sources

Other Licenses and Permits includes the following:

- **Cigarette license:** Per the fee resolution, \$300 is charged annually to establishments selling cigarettes. The City has budgeted for 26 licenses.
- **Solid Waste license:** Per the fee resolution, \$145 is charged annually for the first vehicle and \$32 for each additional vehicle providing solid waste services in Eden Prairie. In 2015, the City licensed 18 different companies.
- **Peddler's license:** Per the fee resolution, \$40 is charged annually for a peddler's license. Per City ordinance 4592, a peddler is a person who goes from house to house, from place to place, or from street to street, conveying or transporting goods, wares or merchandise or offering or exposing the same for sale, or making sales where payment is received immediately for future delivery to purchasers. It does not include vendors of milk, bakery products or groceries who distribute their products to regular customers on established routes. City issued identification is a requirement for this permit.
- **Dog Registration:** Permits are issued for a two year period so the revenue fluctuates each year. Per the fee resolution, the biannual fee is \$20. For the 2013/2014 license period, 1,695 licenses were issued.
- **Other permits:** This category includes sign permits, non-development fire permits, and shooting permits.
- **Precious Metal/Pawn license:** Per the fee resolution \$10,000 is charged annually for a gold silver or platinum license. Per City ordinance this fee shall pay for the investigation of the business. In 2015 the City licensed 2 companies.

Public Safety fees: Includes false alarm fees, police reports, supplemental employment, and impound fees. Supplemental employment is received from customers needing police security for events such as security at a wedding reception, directing traffic for a business, etc. False alarm fees are the 2nd largest source of public safety revenue. Per the fee resolution, each resident and business is allowed three false alarms within a calendar year without a penalty. Once the fourth false alarm occurs, they are charged \$100 for the fourth, \$200 for the fifth and \$300 for the sixth

General Fund Revenues

and any additional false alarms. In 2014, the police department and fire department responded to 1,831 false alarm calls.

Other: Includes Industrial Revenue Bonds charges, reimbursements and other miscellaneous charges. The 2014 actual revenue collected is more than prior years due to the City receiving delinquent payments on Industrial Revenue bonds.

Investments: Interest revenue is based on available cash balances that can be invested in high quality investments and the current rate of return on the investments. Cash balances are invested in high quality investments to obtain best market rates. Investment earnings, as well as gains and losses on sales of securities, are allocated to the various funds on the basis of average cash balances. Funds with an average negative balance are charged interest expense.

Transfers: For 2016 and 2017, the city is budgeting \$270,000 each year. The transfer consists of \$260,000 from the Water Fund and \$10,000 from the Storm Fund to help offset overhead costs.

	2014	2015	2016	2017
Non-Major Revenues	Actual	Budget	Budget	Budget
Cigarette Licenses (4106)	\$ 7,800	\$ 8,700	\$ 7,800	\$ 7,800
Solid Waste Licenses (4104)	5,220	5,325	5,714	5,804
Peddlers Licenses (4109, 4113)	5,040	4,000	5,000	5,000
Dog Registration Licenses (4107, 4110)	19,433	18,020	20,020	20,020
Sign Permits (4156)	6,525	8,000	7,000	7,000
Shooting Permits (4111)	210	250	210	210
Fire-Non-Development (4155)	66,717	60,000	63,000	63,000
Precious Metal/Pawn License (4113)	20,000	20,000	20,000	20,000
False Alarm Fee (4504)	18,525	21,000	20,000	20,000
Bike Registration and Reports (4502, 4503)	470	500	500	500
Supplemental Employment	76,256	60,000	80,000	80,000
Impound Fees (4501)	2,117	2,000	2,000	2,000
Other (4702-4706, 4710-4716, 4445, 4807)	500,883	254,263	254,000	254,000
Investments (4601-4604)	52,185	100,000	50,000	50,000
Transfers (5001)	271,295	406,610	270,000	270,000
Total Non-Major Revenues	\$1,052,676	\$ 968,668	\$ 805,244	\$ 805,334
		(8.0%)	(16.9%)	0.0%

General Fund Revenues

	2014	2015	2016	Incr / (Decr) from 2015 Budget		2017	Incr / (Decr) from 2016 Budget		
	Actual	Budget	Budget	Dollar	Percent	Budget	Dollar	Percent	
REVENUES									
Taxes									
General Property Taxes									
Current	\$ 29,863,591	\$ 30,445,531	\$ 31,358,897	\$ 913,366	3.0%	\$ 32,299,664	\$ 940,767	3.0%	
Delinquent	12,862	75,000	38,000	(37,000)	(49.3%)	38,000	-	0.0%	
Penalty and Interest	36,416	50,000	46,000	(4,000)	(8.0%)	46,000	-	0.0%	
Total Taxes	29,912,869	30,570,531	31,442,897	872,366	2.9%	32,383,664	940,767	3.0%	
Licenses and Permits									
Beer, Liquor and Wine Licenses	329,388	322,400	323,725	1,325	0.4%	323,725	-	0.0%	
Building Permits and Fees									
Building	2,535,282	1,535,000	1,627,000	92,000	6.0%	1,627,000	-	0.0%	
Mechanical	492,086	231,000	245,000	14,000	6.1%	245,000	-	0.0%	
Plumbing	212,385	112,000	117,000	5,000	4.5%	117,000	-	0.0%	
Fire	72,876	43,000	47,000	4,000	9.3%	47,000	-	0.0%	
Grading	7,200	4,000	6,000	2,000	50.0%	6,000	-	0.0%	
Resinspection Fees	850	200	800	600	300.0%	800	-	0.0%	
Planning and Zoning Fees	37,834	32,000	33,000	1,000	3.1%	33,000	-	0.0%	
Street Lighting	14,212	-	-	-	0.0%	-	-	0.0%	
Engineering Fees	123,692	42,800	44,200	1,400	3.3%	44,200	-	0.0%	
Total Building Permits and Fees	3,496,417	2,000,000	2,120,000	120,000	6.0%	2,120,000	-	0.0%	
Inspection Fees	115,990	236,168	120,000	(116,168)	(49.2%)	120,000	-	0.0%	
Cable TV	820,975	813,000	813,000	-	0.0%	813,000	-	0.0%	
Other Licenses and Permits	130,945	124,295	128,744	4,449	3.6%	128,834	90	0.1%	
Total Licenses and Permits	4,893,715	3,495,863	3,505,469	9,606	0.3%	3,505,559	90	0.0%	
Intergovernmental Revenue									
Police Pension Aid	500,116	415,000	500,000	85,000	20.5%	500,000	-	0.0%	
Fire Relief Association Aid	414,343	381,000	414,000	33,000	8.7%	414,000	-	0.0%	
State Street Aid	68,865	68,866	68,866	-	0.0%	68,866	-	0.0%	
Police Training	19,952	20,000	20,000	-	0.0%	20,000	-	0.0%	
Grants	169,831	-	65,000	65,000	n/a	65,000	-	0.0%	
PERA Aid	52,384	52,384	52,384	-	0.0%	52,384	-	0.0%	
School Liaison	115,798	116,955	115,798	(1,157)	(1.0%)	115,798	-	0.0%	
Total Intergovernmental Revenue	1,341,289	1,054,205	1,236,048	181,843	17.2%	1,236,048	-	0.0%	

General Fund Revenues

	2014	2015	2016	Incr / (Decr) from 2015 Budget		2017	Incr / (Decr) from 2016 Budget	
	Actual	Budget	Budget	Dollar	Percent	Budget	Dollar	Percent
Charges for Services								
Public Safety								
False Alarms	\$ 18,526	\$ 21,000	\$ 20,000	\$ (1,000)	(4.8%)	\$ 20,000	\$ -	0.0%
Bike Registrations and Reports	470	500	500	-	0.0%	500	-	0.0%
Supplemental Employment	76,256	60,000	80,000	20,000	33.3%	80,000	-	0.0%
Impound Fees	2,117	2,000	2,000	-	0.0%	2,000	-	0.0%
Total Public Safety	97,369	83,500	102,500	19,000	22.8%	102,500	-	0.0%
Recreation								
Community Center	3,658,624	3,704,826	4,520,205	815,379	22.0%	4,799,059	278,854	6.2%
Organized Athletics	245,536	299,260	277,520	(21,740)	(7.3%)	267,720	(9,800)	(3.5%)
Youth Programs	329,246	305,200	333,900	28,700	9.4%	338,400	4,500	1.3%
Oak Point	127,651	108,153	61,500	(46,653)	(43.1%)	56,500	(5,000)	(8.1%)
Outdoor Center	69,544	62,300	71,050	8,750	14.0%	72,050	1,000	1.4%
Park Facilities	93,718	74,600	92,550	17,950	24.1%	92,550	-	0.0%
Art Center	70,129	68,900	69,700	800	1.2%	72,900	3,200	4.6%
Senior Center	103,752	57,000	102,150	45,150	79.2%	105,680	3,530	3.5%
Arts	22,715	24,360	24,610	250	1.0%	24,710	100	0.4%
Special Events	532	1,000	500	(500)	(50.0%)	500	-	0.0%
Therapeutic Recreation	23,041	21,120	24,000	2,880	13.6%	25,200	1,200	5.0%
Total Recreation	4,744,488	4,726,719	5,577,685	850,966	18.0%	5,855,269	277,584	5.0%
Total Charges for Services	4,841,857	4,810,219	5,680,185	869,966	18.1%	5,957,769	277,584	4.9%
Fines and Penalties	391,010	577,000	500,000	(77,000)	(13.3%)	500,000	-	0.0%
Investment Income	52,185	100,000	50,000	(50,000)	(50.0%)	50,000	-	0.0%
Other Revenue	500,883	254,263	254,000	(263)	(0.1%)	254,000	-	0.0%
Total Revenues	\$ 41,933,808	\$ 40,862,081	\$ 42,668,599	\$ 1,806,518	4.4%	\$ 43,887,040	\$ 1,218,441	2.9%

General Fund Expenditures

Expenditures

The General Fund consists of six Departments including Administration, Community Development, Parks & Recreation, Police, Fire, and Public Works. Listed below are each Department and the divisions within each area:

Administration

- Legislative
- Office of the City Manger
- Legal Counsel
- City Clerk
- Communications
- Finance
- Customer Service
- Human Resources

Community Development

- Community Development
- Assessing
- Planning
- Economic Development
- Housing & Community Services

Parks and Recreation

- Park Administration
- Park Maintenance
- Recreation Administration
- Community Center
- Organized Athletics
- Youth Programs
- Oak Point Pool
- Outdoor Center
- Park Facilities
- Arts Center
- Senior Center

- Arts
- Special Events
- Therapeutic Recreation
- Beaches

Police

- Police

Fire

- Fire
- Inspections
- Public Safety Communications

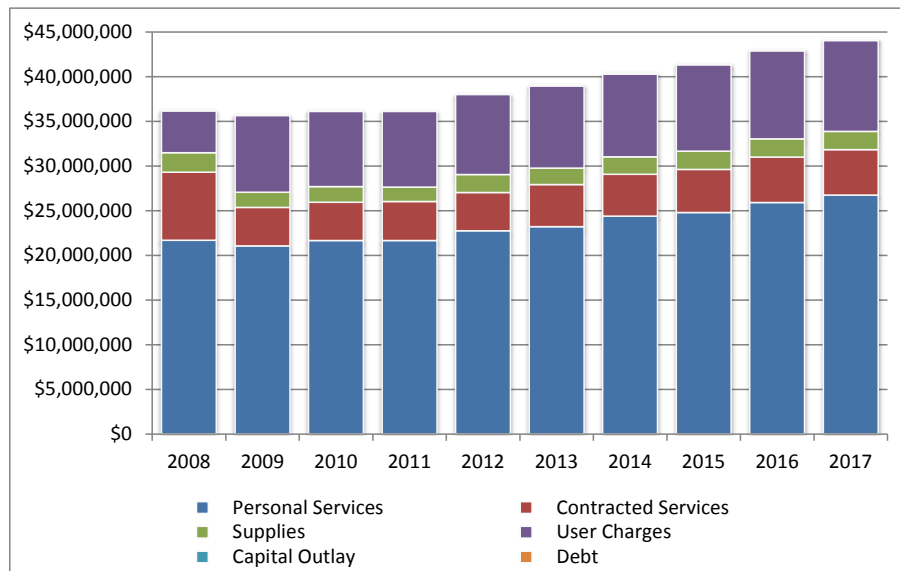
Public Works

- Engineering
- Street Maintenance
- Street Lighting

General Fund Expenditures

Below summarizes General Fund expenditures since 2008. 2008 to 2014 are actual expenditures and 2015 to 2017 are budgeted.

General Fund Expenditures

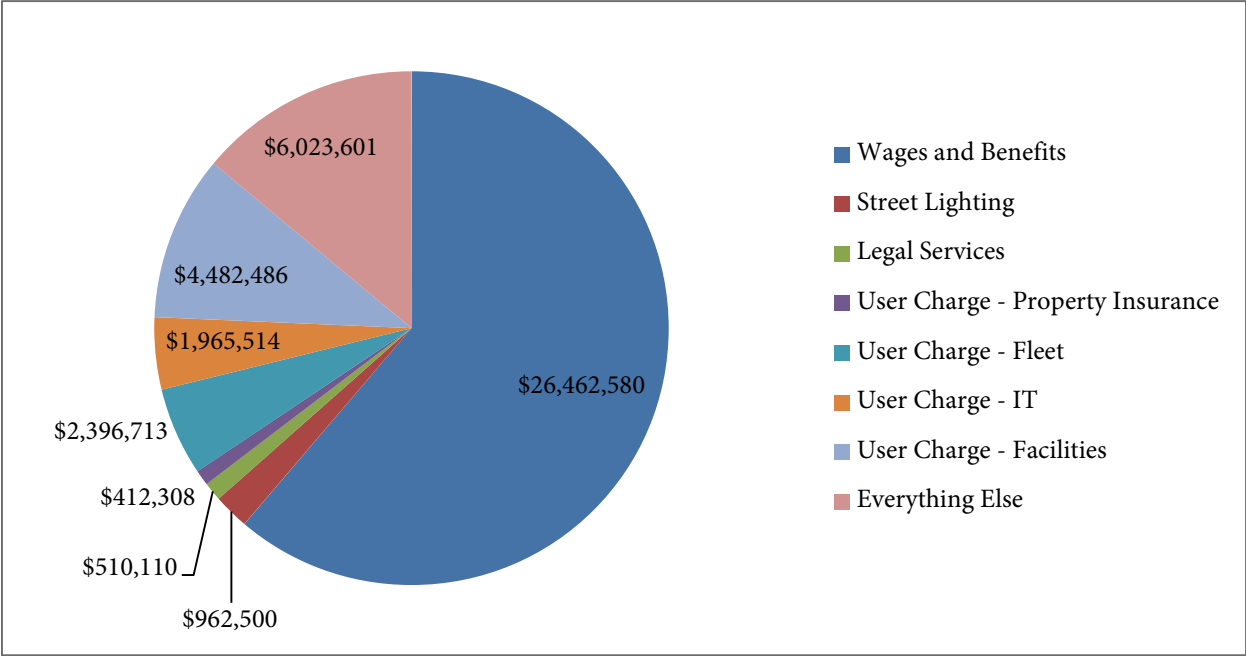


Budget

Total General Fund expenditures for 2016 are \$43.0 M, an increase of 3.9% over 2015. Without the Community Center pool and fitness expansion, expenditures would increase 3.0% in 2016. Total General Fund expenditures for 2017 are \$44.2 M, an increase of 2.7% over 2016. Below lists the most significant items in the General Fund.

Since the City provides significant services to the community, wages and benefits make up 62% of the general fund budget. The most significant categories include wages, pension and taxes, health insurance, part-time wages, and workers compensation insurance. Other significant costs include amounts to maintain facilities, fleet services, information technology, street lighting, and property insurance. These items make up another 24% of the budget. All other items make up 14% of the budget and consist of a variety of unique items on 84 different line items in each division's budget. The chart below illustrates the make-up of the 2016 budget.

General Fund Expenditures



General Fund Expenditures

Detailed Information

Below provides information on the significant items in the budget.

Wages

Wages are increasing 2.4% and 3.6% in 2016 and 2017 respectively. This includes a 2.5 percent base increase each year, step increases, performance pay, and staff turnover. There is a reduction of 1.5 employees for the point of sale program that was not implemented. There is an additional employee added for the community center, a fitness and administration supervisor. Also an additional police officer was added in 2016 and 2017.

The City prepares the budget for wages by looking at trends within the private sector labor market and our local government peer group. Based on the compensation trends we are seeing, we are proposing a 2.5% wage increase in 2016 and 2017. This proposal is in line with our peer cities and the private sector. In 2016 our local government peer group is estimating that the average increase will be 2.5%. Additionally, according to a recent study done by the Society of Human Resources Management (SHRM), private sector labor market is showing an average of 2.7% increases in 2016 after a 2.9% average increase in 2015.

In 2017, several cities are estimating increases averaging between 2.44% and 2.8%. The City needs to stay in line with our peers and the private sector if we want to retain our highly skilled workforce. Additionally, maintaining a competitive wage is important so that Eden Prairie maintains the lowest level unionization when compared to our benchmark communities. We will have an open labor contract for 2017 and will need to remain competitive with other contracts and communities. The results of a comprehensive 2012 wage study showed that the City was in line with the private and public sectors in the market. We must continue to provide similar increases as the private sector and our public sector peer cities to remain competitive.

Wages – Part time

Wages part-time is increasing \$368,000 or 18% in 2016 and decreasing \$61,600 or 2.6% in 2017. The reason for the large increase in 2016 includes \$177,000 for the community center aquatics and fitness expansion and \$99,000 for elections.

General Fund Expenditures

Volunteer Wages

Volunteer wages are increasing \$44,460 or 8% in 2016 and \$35,200 or 5.75% in 2017. In July of 2016 staff anticipates increasing duty crew wages from \$11.00 to \$12.00 and then in July 2017 increasing wages to \$13.00. Also, \$7,600 was added to increase the stipend for the command staff.

PERA

The City pays public employees retirement (PERA) benefits for all eligible employees. Generally all full time employees and part-time employees, who earn more than \$5,100 a year, are PERA eligible. The City currently contributes 7.50% of salary for PERA except for the police and fire employees where the percent is 16.2%. The City also pays 7.65% of salary for FICA except for police and fire where the percentage is 1.45%. The City has budgeted \$2,995,947 and \$3,097,923\$ for PERA/FICA in 2016 and 2017.

Health Insurance

The health insurance budget is increasing 5% for premiums and an additional 3% for healthcare reform taxes. When the City last completed an RFP for health insurance, HealthPartners provided for a 5% cap. A ten percent increase was budgeted for 2017.

The actual budgeted increase is 3.8% for 2016. The increases are less than the premium and tax increases due to keeping the HRA/HSA contribution flat and employee insurance decisions.

Workers Compensation

The workers compensation user charge is changing from \$650,979 in 2015 to \$612,652 in 2016 which is a 5.9% decrease. The 2015/2016 premium showed a 6.5% reduction. The City's experience modification improved. Also, workers compensation rates for each employee category change (increase and decrease) every year. For 2017 the charge is budgeted to increase to \$681,895 which is an 11% increase.

General Fund Expenditures

Property and Liability Insurance

The property insurance user charge is increasing from \$402,209 in 2015 to \$412,308 in 2016 and to \$439,310 in 2017. This is a 2.5% and 6.5% increase respectively. The 2017 increase is higher based on historical average increases and can be reviewed again in 2016.

Facilities User Charges

Facility user charges are increasing .7% in 2016 and 3% in 2017 excluding the pool and fitness expansion. With the expansion, charges are increasing 6.3% and 3% respectively. For the pool and fitness expansion, costs are increasing in all categories to pay for the additional square footage and pools.

IT User Charges

For the General Fund, IT user charges are decreasing 1.7% and increasing 1.2% in 2016 and 2017 respectively. The amount budgeted went from \$1,999,716 in 2015, \$1,965,514 in 2016, and \$1,988,504 in 2017. Some budget items to note include that the computer replacement cycle was changed. Computers will now be replaced every 3 years rather than every 4 years. This increased the budget by \$29,779. \$10,000 was added for GIS Staff Augmentation and \$45,000 was added for Contract Development related to CIS iPad. These budgets are expected to decrease in future years as IT staff become more familiar with these areas. Off-setting these increases include a reduction due to staff turnover.

Fleet Services User Charges

Fleet services user charges for the general fund are decreasing .8% in 2016 and increasing 2.2% in 2017. The Fleet Services budget is able to hold fairly constant through this budget cycle primarily due to the anticipated stability of fuel prices and the City's continued efforts to conserve fuel and improve vehicle and equipment fuel economy.

Long term outlooks for gasoline and diesel fuel indicate an annual cost increase of approximately 2% for gasoline and 2.5% for diesel fuel. These cost increases should be equally offset as we acquire new and more fuel efficient vehicles and equipment.

General Fund Expenditures

Budget by Division

Following is a summary of the expenditure budget by department and division. Information provided for each division includes a description of operations, objectives, goals, strategies, and performance measures, workload measures, and a budget summary.

General Fund Expenditures

EXPENDITURES	2014	2015	2016	Incr / (Decr) from 2015 Budget		2017	Incr / (Decr) from 2016 Budget	
	Actual	Budget	Budget	Dollar	Percent	Budget	Dollar	Percent
General Government								
Administration								
Legislative	\$ 276,361	\$ 273,909	\$ 277,804	\$ 3,895	1.4%	\$ 279,916	\$ 2,112	0.8%
Office of the City Manager	372,488	417,041	421,603	4,562	1.1%	429,405	7,802	1.9%
Legal Counsel	502,727	502,963	510,110	7,147	1.4%	517,433	7,323	1.4%
City Clerk	264,366	176,071	295,850	119,779	68.0%	187,283	(108,567)	(36.7%)
Communications	504,809	521,458	528,830	7,372	1.4%	558,125	29,295	5.5%
Finance	821,564	820,997	832,226	11,229	1.4%	859,847	27,621	3.3%
Customer Service	365,134	380,239	387,364	7,125	1.9%	391,101	3,737	1.0%
Human Resources	839,082	897,236	896,734	(502)	(0.1%)	920,245	23,511	2.6%
Total Administration	3,946,531	3,989,914	4,150,521	160,607	4.0%	4,143,355	(7,166)	(0.2%)
Community Development								
Community Development	219,114	233,642	242,756	9,114	3.9%	250,901	8,145	3.4%
Assessing	958,214	985,949	1,003,873	17,924	1.8%	1,036,405	32,532	3.2%
Planning	600,890	579,066	604,722	25,656	4.4%	626,789	22,067	3.6%
Economic Development	113,084	115,353	118,791	3,438	3.0%	122,158	3,367	2.8%
Housing and Community Services	312,665	334,569	340,867	6,298	1.9%	346,319	5,452	1.6%
Total Community Development	2,203,967	2,248,579	2,311,009	62,430	2.8%	2,382,572	71,563	3.1%
Total General Government	6,150,498	6,238,493	6,461,530	223,037	3.6%	6,525,927	64,397	1.0%

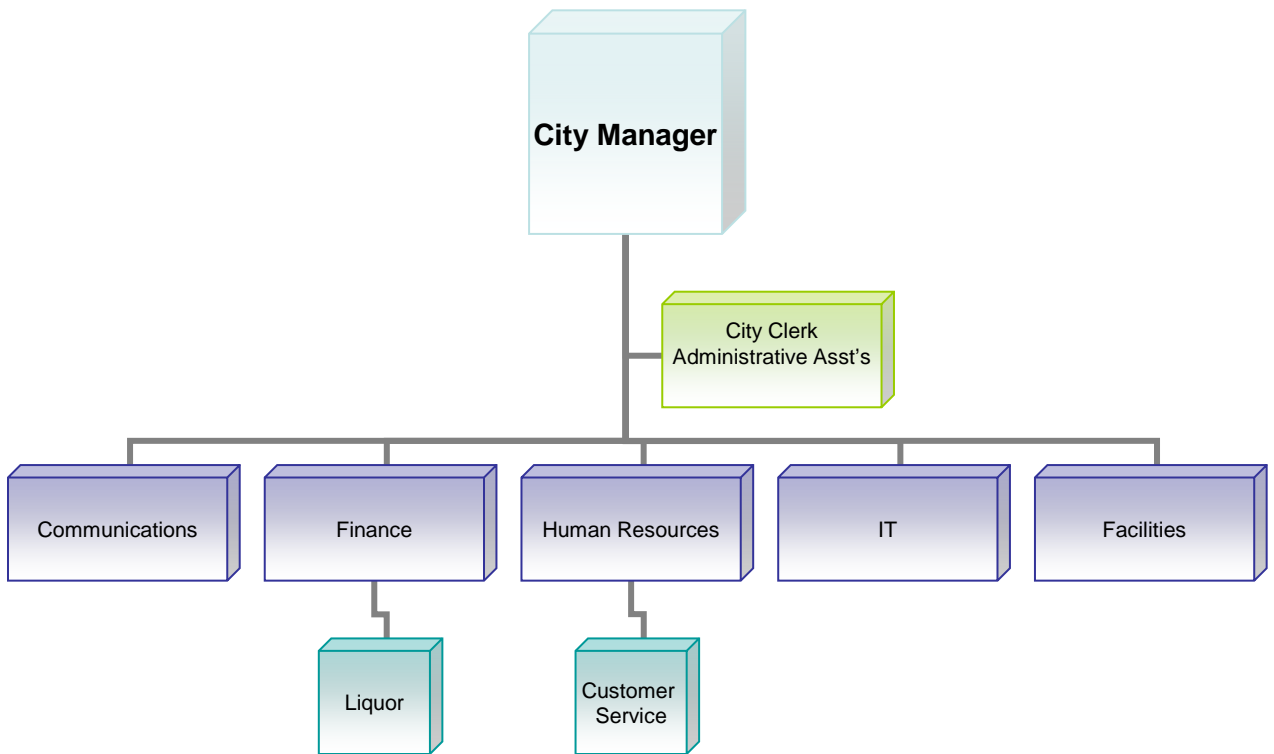
General Fund Expenditures

	2014	2015	2016	Incr / (Decr) from 2015 Budget		2017	Incr / (Decr) from 2016 Budget	
	Actual	Budget	Budget	Dollar	Percent	Budget	Dollar	Percent
Parks and Recreation								
Park Administration	378,652	387,221	414,036	26,815	6.9%	425,907	11,871	2.9%
Park Maintenance	3,703,370	3,784,183	3,880,009	95,826	2.5%	3,923,840	43,831	1.1%
Recreation Administration	259,945	286,959	308,914	21,955	7.7%	318,735	9,821	3.2%
Community Center	3,778,909	3,760,225	4,238,179	477,954	12.7%	4,363,081	124,902	2.9%
Organized Athletics	260,451	282,462	296,964	14,502	5.1%	282,371	(14,593)	(4.9%)
Youth Programs	439,943	438,084	475,083	36,999	8.4%	485,272	10,189	2.1%
Oak Point Pool	144,852	132,631	74,171	(58,460)	(44.1%)	67,951	(6,220)	(8.4%)
Outdoor Center	202,467	182,676	202,486	19,810	10.8%	208,952	6,466	3.2%
Park Facilities	53,425	52,083	59,050	6,967	13.4%	60,948	1,898	3.2%
Arts Center	262,634	251,647	278,205	26,558	10.6%	283,468	5,263	1.9%
Senior Center	371,060	384,704	378,738	(5,966)	(1.6%)	395,195	16,457	4.3%
Arts	105,358	114,160	124,375	10,215	8.9%	128,531	4,156	3.3%
Special Events	96,193	85,657	108,987	23,330	27.2%	114,994	6,007	5.5%
Therapeutic Recreation	175,989	176,790	190,535	13,745	7.8%	198,908	8,373	4.4%
Beaches	58,175	57,793	75,018	17,225	29.8%	82,007	6,989	9.3%
Total Parks and Recreation	10,291,423	10,377,275	11,104,750	727,475	7.0%	11,340,160	235,410	2.1%

General Fund Expenditures

	2014	2015	2016	Incr / (Decr) from 2015 Budget		2017	Incr / (Decr) from 2016 Budget	
	Actual	Budget	Budget	Dollar	Percent	Budget	Dollar	Percent
Public Safety								
Police	\$ 12,833,058	\$ 13,236,544	\$ 13,609,527	\$ 372,983	2.8%	\$ 14,129,370	\$ 519,843	3.8%
Fire								
Fire	4,395,075	4,179,289	4,345,191	165,902	4.0%	4,497,404	152,213	3.5%
Inspections	1,123,776	1,195,318	1,114,363	(80,955)	(6.8%)	1,154,536	40,173	3.6%
Public Safety Communications	178,584	182,580	184,919	2,339	1.3%	193,895	8,976	4.9%
Total Fire	5,697,435	5,557,187	5,644,473	87,286	1.6%	5,845,835	201,362	3.6%
Total Public Safety	18,530,494	18,793,731	19,254,000	460,269	2.4%	19,975,205	721,205	3.7%
Public Works								
Engineering	1,233,749	1,342,802	1,494,276	151,474	11.3%	1,497,593	3,317	0.2%
Street Maintenance	3,530,194	3,647,156	3,742,211	95,055	2.6%	3,837,400	95,189	2.5%
Street Lighting	914,003	991,463	962,500	(28,963)	(2.9%)	1,000,500	38,000	3.9%
Total Public Works	5,677,946	5,981,421	6,198,987	217,566	3.6%	6,335,493	136,506	2.2%
Debt Service								
Principal	43,107	44,224	45,370	1,146	2.6%	50,163	4,793	10.6%
Interest	3,437	2,321	1,175	(1,146)	(49.4%)	1,035	(140)	(11.9%)
Total Debt Service	46,544	46,545	46,545	-	0.0%	51,198	4,653	10.0%
Total Expenditures	40,696,904	41,437,465	43,065,812	1,628,347	3.9%	44,227,983	1,162,171	2.7%
Excess (Deficiency) of Revenues over Expenditures	1,236,904	(575,384)	(397,213)	178,171	(31.0%)	(340,943)	56,270	(14.2%)
Other Financing Sources / (Uses)								
Transfers in	271,295	406,610	270,000	(136,610)	(33.6%)	270,000	-	0.0%
Transfers out	(724,435)	(160,000)	(150,000)	10,000	(6.3%)	(150,000)	-	0.0%
Proceeds from Disposition of Capital Assets	14,024	-	-	-	0.0%	-	-	0.0%
Total other financing uses	(439,116)	246,610	120,000	(126,610)	(51.3%)	120,000	-	0.0%
Net Change in Fund Balance	\$ 797,788	\$ (328,774)	\$ (277,213)	\$ 51,561	(15.7%)	\$ (220,943)	\$ 56,270	(20.3%)

Administration



Administration Department Summary

Purpose

Administration supports City-wide efforts by providing necessary internal and external services including the following divisions: Legislative, Office of the City Manager, Legal Counsel, City Clerk, Communications, Finance, Customer Service, Human Resources, Information Technology, Facilities, Property Insurance and Workers Compensation Insurance. All the operations, except Information Technology, Facilities, Property Insurance and Workers Compensation Insurance, are funded within the General Fund. Information Technology, Facilities, Property Insurance and Workers Compensation are addressed in the Internal Service Fund section of this document.

Objectives

- Maintain and enhance the city's positive image
- Maintain City's leadership in the utilization of cutting-edge communication technology
- Expand the City's strategy to recruit and retain high quality candidates
- Conduct orderly and fair election in the Fall of 2016

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 2,147,778	\$ 2,091,083	\$ 2,267,310	\$ 176,227	\$ 2,236,626	\$ (30,684)
Contractual Services	1,045,424	1,107,713	1,141,732	34,019	1,156,415	14,683
Supplies	150,344	164,770	157,138	(7,632)	148,743	(8,395)
User Charges	602,985	626,348	584,341	(42,007)	601,571	17,230
Capital Outlay	-	-	-	-	-	-
Total	\$ 3,946,531	\$ 3,989,914	\$ 4,150,521	\$ 160,607	\$ 4,143,355	\$ (7,166)
				4.0%		(0.2%)

A 4% increase in expenditures is budgeted for 2016 and a .2% decrease for 2017. The increase is due mainly to the 2016 elections and then decreasing back down in 2017 since there is not an election in 2017.

Administration Department Summary

Division	2016 Budget	% of Total	2017 Budget	% of Total
Legislative	\$ 277,804	6.7%	\$ 279,916	6.8%
Office of the City Manager	421,603	10.2%	429,405	10.4%
Legal Counsel	510,110	12.3%	517,433	12.5%
City Clerk	295,850	7.1%	187,283	4.5%
Communications	528,830	12.7%	558,125	13.5%
Finance	832,226	20.1%	859,847	20.8%
Customer Service	387,364	9.3%	391,101	9.4%
Human Resources	896,734	21.6%	920,245	22.2%
Total	\$ 4,150,521	100.0%	\$ 4,143,355	100.0%

Legislative

Description of Operations

The City of Eden Prairie operates under the statutory Plan B form of government. Under this plan, a council-manager system operates within parameters set by State statute. The Council makes policy decisions for the City. The City Manager is responsible for implementing these policy decisions.

The City Council consists of a mayor and four council members. The mayor serves a four year term and council members are elected to four-year terms with two positions open every two years. Elections are held in even-numbered years and coincide with general elections conducted in November. All Council positions are representatives at-large.

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 79,526	\$ 74,398	\$ 74,398	\$ -	\$ 74,398	\$ -
Contractual Services	140,286	140,872	142,900	2,028	142,900	-
Supplies	1,648	1,796	1,861	65	1,861	-
User Charges	54,901	56,843	58,645	1,802	60,757	2,112
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 276,361</u>	<u>\$ 273,909</u>	<u>\$ 277,804</u>	<u>\$ 3,895</u>	<u>\$ 279,916</u>	<u>\$ 2,112</u>
				1.4%		0.8%

Legislative is increasing 1.4% and .8% respectively. Wages and Benefits include City Council salaries and amounts paid to the recording secretaries. Contractual Services include dues and subscriptions and the amount paid for the biannual community survey. Contractual Services were increased in 2016 to bring dues and subscriptions in line with 2014 actual costs.

Organizations to which dues are paid include the League of Minnesota Cities, Municipal Legislative Commission, National League of Cities, I-494 Corridor Commission, Southwest Suburban Cable Commission, Suburban Rate Authority, Association of Metropolitan Municipalities/Metro Cities and the United States Conference of Mayors.

Office of the City Manager

Description of Operations

The City Manager is the chief executive officer of the City. It is the City Manger’s duty to enforce all City ordinances and to expend funds according to the budget adopted by the City Council. Activities involve coordinating the work of all departments; preparing reports and making recommendations to the Council on financial, legislative, and management issues; and providing liaison between the Council, City Commissions, boards, and task forces, city staff, other governmental jurisdictions, the media, and the public. Other duties, such as administering the City’s strategic plan, and coordinating Council and City Commission relations are also performed.

Objectives

1. Coordinate and support all City Boards & Commissions through an effective recruitment and selection process, and monitor the work of these appointed officials and staff liaisons; also coordinate and support the corollary “Students on Commissions” program.
2. Work closely with other local governmental jurisdictions, local civic organizations and agencies to better serve the City.

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
City Manager Employee Count				
City Manager	1	1	1	1
Administrative Assistant	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Office of the City Manager

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 286,811	\$ 293,764	\$ 303,481	\$ 9,717	\$ 312,341	\$ 8,860
Contractual Services	56,328	95,286	88,420	(6,866)	87,420	(1,000)
Supplies	3,628	1,022	2,290	1,268	1,090	(1,200)
User Charges	25,721	26,969	27,412	443	28,554	1,142
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 372,488</u>	<u>\$ 417,041</u>	<u>\$ 421,603</u>	<u>\$ 4,562</u>	<u>\$ 429,405</u>	<u>\$ 7,802</u>
				1.1%		1.9%

Office of the City Manager is increasing 1.1% and 1.9% respectively. Wages and Benefits increases are related to the standard increase. Some Contractual Services and Supplies are increasing in 2016 and then decreasing in 2017 due to the City-wide Open House that is held every other year. Offsetting the increase in Contractual Services in 2016 is a decrease in employee events which results in an overall decrease in Contractual Services.

Legal Counsel

Description of Operations

State law requires that each City have a City Attorney. Under the Plan B form of government, the City Attorney is appointed by the City Manager with the consent of the Council.

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	502,727	502,963	510,110	7,147	517,433	7,323
Supplies	-	-	-	-	-	-
User Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 502,727</u>	<u>\$ 502,963</u>	<u>\$ 510,110</u>	<u>\$ 7,147</u>	<u>\$ 517,433</u>	<u>\$ 7,323</u>
				1.4%		1.4%

Since 1978, the City has retained the services of Gregerson, Rosow, Johnson & Nilan Ltd. to handle the City's legal affairs. The firm provides assistance to the City Manager, City Council, and staff on questions of law, and represents the City in court actions. Starting in 2013, prosecution services was switched from Bonner & Borhart to Gregerson, Rosow, Johnson & Nilan Ltd.

City Clerk

Description of Operations

The City Clerk is responsible for the duties of the City Clerk as stated in Minnesota State Statute §412.151, which includes the administration of elections, maintaining official records and the City Code, records management and data practices, and serves as the Data Practices Compliance Officer and Responsible Authority.

For the duties related to elections, the City Clerk is responsible for the coordination of elections, compliance with election laws, voter registration, absentee voting, ballots preparation, legal notices for publication and posting, candidate materials and monitoring of campaign financial reporting, hiring and training of judges, testing and validating election equipment, polling places, the delivery of equipment and materials, and the verification and canvass of election results.

Objectives

1. Protect the citizens' right to vote and right to access information
2. Preserve the history of the City through quality record management
3. Maintain working relationship with other government agencies

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Conduct fair and impartial Presidential Election	HAVA election complaints
QES	1	Provide accurate information promptly and efficiently	Data Practice violations at zero
QES	2	Continue conversion to digitized records	Progress on various projects

City Clerk

Workload Measures

City Clerk	2014	2015	2016	2017
Registered Voters (not including Election Day registrations)	38,430	N/A	39,500	N/A
Absentee Voters	4,088		9,000	
Total Voted	26,527		36,000	
Percent Voting	66%		88%	

N/A – not applicable, no election planned

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
City Clerk Employee Count				
City Clerk	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 226,758	\$ 132,794	\$ 242,533	\$ 109,739	\$ 144,205	\$ (98,328)
Contractual Services	14,880	21,832	25,050	3,218	22,250	(2,800)
Supplies	9,013	7,146	13,750	6,604	5,750	(8,000)
User Charges	13,715	14,299	14,517	218	15,078	561
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 264,366</u>	<u>\$ 176,071</u>	<u>\$ 295,850</u>	<u>\$ 119,779</u>	<u>\$ 187,283</u>	<u>\$ (108,567)</u>
				68.0%		(36.7%)

City Clerk is increasing 68% in 2016 and decreasing 36.7% in 2017. The majority of the increases in 2016 are due to the Primary and General elections, no-excuse absentee voting and new poll books. Budget costs will increase in even number years due to the election and decrease accordingly in odd number years.

Communications

Description of Operations

The Communications Division is responsible for internal and external communications activities for the City. These activities include media relations, marketing, brand management, internal communications, television broadcasting, still photography, videography, City newsletter, City website and other electronic communication vehicles, counseling senior management, serving public safety PIO function and crisis communications.

Objectives

1. Maintain and enhance the City's positive image.
2. Produce effective marketing and communications materials that reflect the City's high standards for quality, while providing excellent customer service for all departments and divisions.
3. Maintain City's leadership in the utilization of cutting-edge communication technology.

Communications

Goal	Objective	2016/2017 Strategies	Measures
SOC	1	Utilize communication industry-standard practices to strategically and effectively communicate to Eden Prairie residents and businesses via the City's communications vehicles and the media.	Quality of Life Survey results and awards and recognition
QES	2	Develop and implement EP Liquor strategic marketing plan	Increase in revenue and profit
SOC	2	Implement effective communications plan for new Aquatics Center	Positive media coverage and public sentiment via media outlets, direct contact and engagement via City's social media platforms. Overall participation and usage
ISP	3	Increase usage of and satisfaction with City's online engagement platforms	Social media site analytics and user survey data
ISP	3	Update City website design in 2017	Project completion, website analytics, and user survey data

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Communication Employee Count				
Communications Manager	1	1	1	1
Sr. Communications Coordinator	1	1	1	1
Communications Coordinator	1	1	1	1
Assistant Communications Coordinator	0.5	0.5	0.5	0.5
	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>

Communications

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 326,622	\$ 341,522	\$ 347,876	\$ 6,354	\$ 360,500	\$ 12,624
Contractual Services	113,078	98,763	115,750	16,987	125,750	10,000
Supplies	38,598	53,331	37,300	(16,031)	42,800	5,500
User Charges	26,511	27,842	27,904	62	29,075	1,171
Capital Outlay	-	-	-	-	-	-
Total	\$ 504,809	\$ 521,458	\$ 528,830	\$ 7,372	\$ 558,125	\$ 29,295
				1.4%		5.5%

Communications is increasing 1.4% and 5.5% respectively. Wages and Benefits increases are related to the standard increase. Contractual Services were increased in 2016 to bring other contracted services more in line with actual costs. The increase in 2017 for Contractual Services is for the website redesign. The decrease in Supplies in 2016 is due to reducing the number of issues of Life in the Prairie from six issues per year to four issues.

Finance

Description of Operations

The Finance Division provides financial management for the City and oversees all financial activity. This includes capital improvement planning, budget coordination, debt management, and the day-to-day accounting of the City's financial transactions. The Finance Division also oversees the City's liquor operations.

Objectives

1. Support and maintain sound financial management
2. Provide cost effective, efficient and responsive processes and services

Goal	Objective	2016/2017 Strategies	Measure
ECV	1	Coordinate the 2016/2017 bi-annual budget process	Ratio of tax revenue as a percentage of the general fund budget
ECV	1	Issuance of debt for various road construction projects	Bond Rating
ECV	1	Prepare the biennial budget document before 90 days after adoption of budget	National GFOA Budget Award
ECV	1	Coordinate and prepare the annual audit and comprehensive annual financial report before six months after year end.	National GFOA CAFR Award

Finance

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Finance Employee Count				
Finance Manager	1	1	1	1
Finance Supervisor	1	1	1	1
Accountant	1.5	1.5	1.5	1.5
Accounts Payable Technician I	1	1	1	1
Technician I	1	1	1	1
	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 535,107	\$ 528,155	\$ 547,980	\$ 19,825	\$ 566,159	\$ 18,179
Contractual Services	31,903	30,438	30,640	202	30,800	160
Supplies	2,671	930	1,355	425	1,355	-
User Charges	251,883	261,474	252,251	(9,223)	261,533	9,282
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 821,564</u>	<u>\$ 820,997</u>	<u>\$ 832,226</u>	<u>\$ 11,229</u>	<u>\$ 859,847</u>	<u>\$ 27,621</u>
				1.4%		3.3%

Finance is increasing 1.4% and 3.3% respectively. Wages and Benefits increases are related to the standard increase. Contractual Services increased in 2016, due to an increase in credit card processing fees as more customers choose to pay by credit card at the front counter. That was offset by a reduction in audit costs as an RFP was conducted for audit services and a new firm was hired at a lower cost. User Charges, overall, decreased in 2016 primarily due to information technology charges. Finance's portion of the software maintenance budget decreased.

The City has received GFOA rewards for the Comprehensive Financial Report (since 1990), the Budget Document, (since 1998), and the Popular Report (since 1998).

Moody's Investors Service assigned a rating of Aaa to the City of Eden Prairie's (MN) bond issue in 2003, the highest rating from Moody's. The City has maintained the rating.

Standard & Poor's assigned a rating of AAA to the City of Eden Prairie's (MN) bond issue in 2014.

Customer Service

Description of Operations

Customer Services provides common areas of office support. Those common areas include receptionist duties, mail, copy center operations, and back-up administrative support.

Objectives

1. Provide support services for internal City Divisions and Departments to ensure high quality, effective, and efficient service levels to the public.

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Provide administrative support to City divisions to help manage peak workloads and absences	No disruption to public services and feedback from other departments
QES	1	Utilize technology to streamline process for dog licenses and payment improving efficiency, registration, tracking and reporting	Feedback from citizens and Support Services
QES	1	Support Finance with moving the mailing of utility bills in-house	Reduction in expense, eliminating need of 3 rd party vendor

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Customer Service Employee Count				
Customer Service / Office	3	3	3	3
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

Customer Service

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 192,282	\$ 204,570	\$ 211,657	\$ 7,087	\$ 218,425	\$ 6,768
Contractual Services	38,165	33,082	33,382	300	33,382	-
Supplies	90,336	96,382	96,382	-	91,687	(4,695)
User Charges	44,351	46,205	45,943	(262)	47,607	1,664
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 365,134</u>	<u>\$ 380,239</u>	<u>\$ 387,364</u>	<u>\$ 7,125</u>	<u>\$ 391,101</u>	<u>\$ 3,737</u>
				1.9%		1.0%

Customer Service is increasing 1.9% and 1% respectively. Wages and Benefits increases are related to the standard increase. Supplies are decreasing in 2017 due to a reduction in postage needed since 2017 is a non-election year.

Human Resources

Description of Operations

The City of Eden Prairie needs highly talented staff to be able to excel at its mission. Human Resources enable the City to attract and retain individuals that can build a successful service based organization by: (1) Developing innovative systems for the recruitment, retention and development of staff; (2) Providing solution-driven support to managers, and; (3) Ensuring the trust of city staff through the fair application of human resources systems.

The Human Resources Division is responsible for labor relations, employee relations, and compensation, benefit program administration, employment, training, and individual and organization development.

Objectives

1. Develop a Positive, Engaged, and Passionate Culture
2. Expand the City's strategy to recruit and retain high quality candidates
3. Increase the City's transparency to the public
4. Provide support services for internal City Divisions and Departments to ensure high quality, effective, and efficient service levels to the public.
5. Improve Operational Effectiveness and Efficiency
6. Promote a culture in which employees are supported and encouraged to be innovative, share resources, and communicate cross-departmentally to maintain the City's reputation of a progressive organization.
7. Mitigate Risk and Liability to the City

Human Resources

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Provide a diverse and enriched training and development program to build the skills of future leaders, support the City's succession planning strategy, and build upon the competencies and shared expectations for all employees.	Feedback from Active Leadership and EP Academy participants Advanced Resignation Program Checklist Exit/Stay Interviews
QES	2	Develop a communication strategy around recruitment through social media to include advertising job postings as well as having an ongoing online presence to promote the City of Eden Prairie as a top employer.	
ISP	6	Organize overlapping cross-departmental efforts and communicate goals across City.	Partnership Meeting, Partnership Survey Focus Groups, Stay Interviews, City wide work plan meetings, All Admin work plan meeting
WBS	7	Research new Occupational Medicine providers to improve service to the City and employees	Cost and quality of service

Workload Measures

Number of New Hires	2014	2015	2016	2017
Regular Full and Part Time	27	18	20	20
Part-Time/Temporary/Seasonal (PTS)	165	165	165	165
Volunteer Firefighter	19	13	15	15

Human Resources

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Human Resources Employee Count				
Human Resources Manager	1	1	1	1
Human Resources Supervisor	1	1	1	1
Human Resources Representative	1.7	1.7	1.7	1.7
Human Resources Tech II	1	1	1	1
Payroll Technician III	1	1	1	1
	<u>5.7</u>	<u>5.7</u>	<u>5.7</u>	<u>5.7</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 500,672	\$ 515,880	\$ 539,385	\$ 23,505	\$ 560,598	\$ 21,213
Contractual Services	148,057	184,477	195,480	11,003	196,480	1,000
Supplies	4,450	4,163	4,200	37	4,200	-
User Charges	185,903	192,716	157,669	(35,047)	158,967	1,298
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 839,082</u>	<u>\$ 897,236</u>	<u>\$ 896,734</u>	<u>\$ (502)</u>	<u>\$ 920,245</u>	<u>\$ 23,511</u>
				(0.1%)		2.6%

Human Resources is decreasing .1% in 2016 and increasing 2.6% in 2017. Wages and Benefits increases are related to the standard increase. Contractual Services are increasing to bring bank and service charges more in line with 2014 actual costs. User Charges, overall, decreased in 2016 primarily due to information technology charges.



Community Development Department

Community Development Director

Planning

Assessing

Economic Development

Housing and Community Services

Community Development Department Summary

Purpose

The Community Development Department supports the long-term vitality of the City through city-wide land use planning and development review activities, maintaining a positive environment for business, addressing housing and community service needs, and enhancing revenue generation through responsible property valuations. The department includes eighteen full and part-time employees within the following divisions: Assessing, Planning, Economic Development, and Housing and Community Services. The department creates and administers current and long-range plans for the City and promotes and facilitates the orderly development, redevelopment and economic viability of the City. The department helps maintain the City's high quality of life by partnering with other departments and organizations in addressing community needs.

Objectives

- Provide City-wide land use planning and development review activities
- Maintain a positive environment for business
- Address housing and community service needs
- Enhance revenue generation through responsible property valuations

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 1,580,031	\$ 1,575,055	\$ 1,647,928	\$ 72,873	\$ 1,707,664	\$ 59,736
Contractual Services	267,960	300,258	303,703	3,445	303,703	-
Supplies	13,936	18,218	16,725	(1,493)	16,725	-
User Charges	342,040	355,048	342,653	(12,395)	354,480	11,827
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 2,203,967</u>	<u>\$ 2,248,579</u>	<u>\$ 2,311,009</u>	<u>\$ 62,430</u>	<u>\$ 2,382,572</u>	<u>\$ 71,563</u>
Percent Change				2.8%		3.1%

Community Development Department Summary

Division	2016		2017	
	Budget	% of Total	Budget	% of Total
Community Development Admin.	\$ 242,756	11%	\$ 250,901	11%
Assessing	1,003,873	43%	1,036,405	43%
Planning	604,722	26%	626,789	26%
Economic Development	118,791	5%	122,158	5%
Housing and Community Services	340,867	15%	346,319	15%
Total	\$ 2,311,009	100%	\$ 2,382,572	100%

Overall, Community Development 2016 expenditures will increase 2.8% and 2017 expenditures will increase 3.1%. Detailed information about the division budgets comprising the Community Development budget can be found on the following pages.

Community Development Administration

Description of Operations

Community Development Administration supervises the Community Development Division Managers and provides oversight and support to their activities.

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Community Development Employee Count				
Community Development Director	1	1	1	1
Administrative Assistant I	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 199,405	\$ 203,529	\$ 211,645	\$ 8,116	\$ 219,111	\$ 7,466
Contractual Services	5,484	14,198	14,230	32	14,230	-
Supplies	456	1,444	1,400	(44)	1,400	-
User Charges	13,769	14,471	15,481	1,010	16,160	679
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 219,114</u>	<u>\$ 233,642</u>	<u>\$ 242,756</u>	<u>\$ 9,114</u>	<u>\$ 250,901</u>	<u>\$ 8,145</u>
Percent Change				3.9%		3.4%

A 3.9% increase in expenditures is budgeted for 2016 and a 3.4% increase for 2017. Wages and Benefits increased 4.0% in 2016 and 3.5% in 2017. Contractual Services and Supplies budgets remained flat in 2016 and 2017.

Assessing

Description of Operations

The Assessing Division is responsible for establishing annual valuations and classifications of all real properties in the City for purposes of taxation.

By State law, the City Assessor must establish valuations for all new construction; appraise all newly plated property; physically view and appraise all existing properties at least once every five years; and annually adjust valuations of all properties. The Assessing Division performs these functions plus processing homestead classification applications, assembling information for the annual Board of Appeal and Equalization, representing the City in Tax Court matters, and disseminating tax and real estate information to the public and other government agencies.

Objectives

Using current staff and resources to provide an annual assessment that balances the need to complete the mandated appraisals efficiently, achieving the required levels of accuracy, yet maintain a high level of customer service and satisfaction. To do this we will do the following:

1. Complete the mandated appraisals and meet all Hennepin County and Department of Revenue deadlines by designing and implementing mass appraisal techniques to complete and document valuations in the most cost and time efficient manner.
2. Review and resolve Residential appeals before or at the Eden Prairie Board of Review to minimize appeals to the County Board and Tax Court.
3. Complete Tax Court reviews within the Tax Court Judges timelines.
4. Meet the Hennepin County and Minnesota Department of Revenues statistical measures regarding the annual assessment of all property types.

Assessing

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Assessing Division Quintile Scheduling	Required appraisals completed by Hennepin County's deadline
QES	2	Staff timely completes review appraisals	Minimum number of appeals to Hennepin County
QES	3	Staff is mindful of upcoming deadlines and completes multi-year appeals	Tax Court Scheduling Orders met
QES	4	Study and Model sales for implementation into Mass Appraisal Systems	Assessment meets or exceeds Hennepin County and industry statistical standards

Workload Measures

Assessments Year	2014	2015	2016	2017
Total Parcels	22,664	22,664	22,861	22,900
Homesteads	17,843	17,599	17,600	17,600
Board of Appeal and Equalization	112	136	120	120
Tax Court Appeals	90	87	90	90

Appraisals	2014	2015	2016	2017
Commercial/Industrial/Apartment	205	159	295	142
Residential	4,769	5,052	4,700	4,700
Land	324	332	300	300
Exempt (every 6 years)			1,012	
Personal Property	32	31	15	38

Assessing

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Assessing Employee Count				
City Assessor	1	1	1	1
Appraiser	5	5	5	5
Technician I	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 697,836	\$ 708,598	\$ 735,378	\$ 26,780	\$ 760,534	\$ 25,156
Contractual Services	19,385	24,883	28,283	3,400	28,283	-
Supplies	8,641	11,924	11,850	(74)	11,850	-
User Charges	232,352	240,544	228,362	(12,182)	235,738	7,376
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 958,214</u>	<u>\$ 985,949</u>	<u>\$ 1,003,873</u>	<u>\$ 17,924</u>	<u>\$ 1,036,405</u>	<u>\$ 32,532</u>
Percent Change				1.8%		3.2%

The 2016 and 2017 budgets have increased 1.8% and 3.2% respectively. Wages and Benefits increased 3.8% in 2016 and 3.4% in 2017. Starting in 2016, there is an additional \$3,400 budgeted in Contractual Services for five MLS Subscriptions to On-line Data. Supplies budget for 2016 and 2017 remain flat. IT User Charges account for most of the fluctuation in user charges.

- Total Estimated Market Value of Real Property in the City grew from \$9,078,339,200 to \$9,538,944,600.
- \$460,000,000 growth included value increases of existing properties as well as newly constructed homes and business property.
- Single Family Home median value for Pay 2016 was \$360,300.

Planning

Description of Operations

The Planning Division is responsible for comprehensive planning, zoning code updates, development review and approvals, sign permits, telecommunication review, and historic preservation initiatives. This division responds to inquiries from residents, developers, businesses, and the real estate community. Staff liaison support is provided to the Planning Commission, Conservation Commission, and the Heritage Preservation Commission

Objectives

1. Expand and diversify the transportation system to include a light rail transit line and stations connecting riders to employment, housing, open space and entertainment
2. Continue to develop land according to the Comprehensive Plan, City Code, and other guiding documents such as Bicycle & Pedestrian Plan, Town Center Design Guidelines, etc.
3. Maintain a Comprehensive Plan document that reflects both current criteria and projected needs, but which is flexible enough to allow for future change as determined to be appropriate by elected officials, citizens, and staff.
4. Accommodate the telecommunication needs of residents and businesses.
5. Continue to protect, upgrade, maintain and increase community awareness of properties of historical significance.
6. Promote the sustainable development and conservation of air, water, and land resources, reduction of solid waste, and more efficient use of energy in the public and private sectors.

Planning

Goal	Objective	2016/2017 Strategies	Measure
QES	3	Advise the Planning Commission & City Council on development projects consistent with the Comprehensive Plan and other policy plans.	Process applications in a timely manner reflective of the stated policies of the City.
PBE	3	Prepare Comprehensive Guide Plan update reflective of community goals.	Preparation, adoption and approval of the Comprehensive Plan update by the City Council and Metropolitan Council.
CWS	1	Continue to work with stakeholders, City staff, SWLRT communities, Hennepin County and Metropolitan Council on the design and implementation of rail and station areas.	Consensus reached on appropriate design of the SWLRT station areas.

Workload Measures

Planning	2014	2015	2016	2017
Zoning Administration Cases	69	85	85	85
Development Proposals Reviewed	20	20	20	20
Residential Units Reviewed	62	50	50	50
Comm./Ind. Sp. Feet Reviewed	124,403	150,000	150,000	150,000
Development Agreements Prepared	8	10	10	10
Sign Permits	72	85	85	85
Variances	8	10	10	10
Telecommunications Permits	25	25	30	30
Telecommunications Leases	3	2	2	2

Planning

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Planning Employee Count				
City Planner	1	1	1	1
Senior Planner	1	1	1	1
Planner	1.6	1.6	1.7	1.7
Administrative Assistant I	1	1	1	1
	<u>4.6</u>	<u>4.6</u>	<u>4.7</u>	<u>4.7</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 425,906	\$ 400,597	\$ 430,408	\$ 29,811	\$ 450,063	\$ 19,655
Contractual Services	105,032	105,593	105,520	(73)	105,520	-
Supplies	3,615	3,975	2,875	(1,100)	2,875	-
User Charges	66,337	68,901	65,919	(2,982)	68,331	2,412
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 600,890</u>	<u>\$ 579,066</u>	<u>\$ 604,722</u>	<u>\$ 25,656</u>	<u>\$ 626,789</u>	<u>\$ 22,067</u>
Percent Change				4.4%		3.6%

The Planning budget includes funds for demographic and land use studies, as well as plan preparation related to the upcoming 2018 Comprehensive Plan Update. Funding for studies related to transportation, utilities, parks and other elements of the Comprehensive Plan update are anticipated to be accounted for in the budgets of the respective departments. A 0.1 FTE has been added in the Planner position to address increased permit applications and overall workload, and limit the need for additional contract for services.

- The City has achieved Step 4 in the Green Step Cities Program
- Completed Southwest Corridor Investment Framework (for LRT stations) and the Riley Jacques/Dorenkemper Interpretive Plan were completed.
- Residential Developments completed includes Eden Gardens Sustainable Neighborhood, Reeder Ridge SF Homes, and MartinBlu Apartments.
- Commercial Development projects completed include UHG/Optum Phase II, People's Organic, New Horizons, and Margaret A. Cargill Philanthropy's LEED Platinum development.

Economic Development

Description of Operations

The Economic Development Division is responsible for services that promote business growth, community development and redevelopment, and that support the overall economic growth and vitality of Eden Prairie.

Objectives

Provide the following areas of service to support economic development:

1. Business (job) retention, development, expansion, promotions, and communications
2. New development and redevelopment planning and site location services
3. Coordinate public financing for development and redevelopment
4. Manage real estate sales and acquisition activities
5. Support programs and initiatives of other City Departments, the Chamber of Commerce, School District, and other organizations as appropriate that improve or maintain a high quality of life in Eden Prairie
6. Support and advocate for transportation and development infrastructure improvements
7. Help developers navigate the development review process

Economic Development

Goal	Objective	2016/2017 Strategies	Measure
ECV	1	Continue to build and maintain relationships and partnerships with the business community through continued membership and active participation in Eden Prairie Chamber of Commerce.	Periodic verbal feedback from chamber members, business owners, and external customers. Feedback from Business survey in 2018.
ECV	6	Support and assist in efforts to fund LRT and other infrastructure projects that support economic development.	Monitor progress in completing major/minor infrastructure projects – obtain periodic feedback from internal and external customers.
ECV	3	Support and manage business grants and public financing for business expansion, rehabilitation, and renovations. Serve as a conduit between businesses and various governmental agencies including the State Dept. of Employment Economic Development (DEED). Explore business subsidy methods to help implement design guidelines for business rehab, renovations, and small additions.	Grants obtained for business expansion or infrastructure improvements. Number of employees added. Value of building additions and renovations.
ECV	4	Coordinate sale, acquisition and leasing of real estate related to economic development and redevelopment and special projects (City Center, Dunn Bros/Smith Douglas, Den Road Liquor Bldg., Lighthouse Daycare).	Monitor sales, lease deals and net sale or lease proceeds from real estate closings, and net increase and contribution to the Economic Development Fund.

Economic Development

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Economic Development Employee Count				
Manager of Economic Development	1	1	1	1
	1	1	1	1

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 96,416	\$ 97,111	\$ 100,486	\$ 3,375	\$ 103,583	\$ 3,097
Contractual Services	11,101	12,143	12,270	127	12,270	-
Supplies	-	197	100	(97)	100	-
User Charges	5,567	5,902	5,935	33	6,205	270
Capital Outlay	-	-	-	-	-	-
Total	\$ 113,084	\$ 115,353	\$ 118,791	\$ 3,438	\$ 122,158	\$ 3,367
Percent Change				3.0%		2.8%

No significant changes in the budget for Economic Development. \$5,000 is budgeted each year under Contractual Services for the City's portion of the Open to Business Program. The Division conducts a business survey every three years at a cost of about \$15,000, but the next survey will not be until 2018.

- **W. 70th St. Expansion:** Participating teams to design W70th Street extension in the GTA. Coordinated effort to secure a \$470,000 infrastructure grant from Hennepin County.
- **Supervalu Lease:** Coordinated the City's lease team efforts to and leveraged relationship with Supervalu to help secure a lease at City Center.
- **Eden Gardens:** Collaborated with staff team on advancing the Green-Mid Market project and lead effort to close the real estate transaction.
- **SWLRT:** Completed numerous meetings & conference calls with stakeholders regarding the SWLRT, and provided monthly updates and presentations to the Chamber Government Committee.

Housing and Community Services

Description of Operations

The Housing & Community Services Division has three major areas of responsibility: Community Services, Community Building, and Housing. The Community Services area includes the coordination of services and funding recommendations, translation and culture interpretation for City departments and community groups, and new immigrant services. Community Building involves addressing issues related to human rights, education, transportation, and resources procurement. Finally, the Housing area includes working on affordable housing initiatives and rehabilitation loan programs.

Objectives

1. Have culturally competent and sensitive emergency responders
2. Ensure that immigrant populations have the tools and knowledge to share in the high quality of life in Eden Prairie
3. Have an educated landlord demographic and resident population that understands basic safety, rental license rules and tenant rights
4. Reflect our community's diversity and changing demographics in our provision of services and programs and strategically deal with evolving human service needs
5. Identify social services that meet the needs of residents and provide a return on investment of city funds
6. Maintain existing housing stock in single-family properties and affordable homeownership programs
7. Support the development of housing along the Southwest Light Rail Transit
8. Extend TIF Districts to keep existing affordable units

Housing and Community Services

Goal	Objective	2016/2017 Strategies	Measure
CWS	3	Assist with Fair Housing initiatives and ongoing property managers meetings.	Approval of the Analysis of Impediments document. Number of landlords/tenants trained.
QES	6	First time home buyer loans, Land Trust homeownership, housing rehabilitation loans.	Serve ten new clients per year.
SOC	4	Foster community partnerships that leverage and coordinate existing resources and identify unmet needs.	Number of participants at Community Networking Events and the annual Navigating the Waters Event. Number of participants. Non-profit training initiatives.
SOC	2	Support and lead a vibrant Human Rights & Diversity Commission	Number of participants at specific educational and community engagement events to raise awareness and involvement in human rights issues.

Workload Measures

Housing and Community Services	2014	2015	2016	2017
Residents Served	2,100	2,100	2,100	2,100
Housing Clients	17	12	10	10
Immigrant Individuals Serviced	850	850	850	850
Community Based Collaborative Projects	30	30	30	30

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Housing & Cmty Services Employee Count				
Manager Housing & Community Srv	1	1	1	1
Community Services Technician	0.75	0.75	0.75	0.75
	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>

Housing and Community Services

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 160,468	\$ 165,220	\$ 170,011	\$ 4,791	\$ 174,373	\$ 4,362
Contractual Services	126,958	143,441	143,400	(41)	143,400	-
Supplies	1,224	678	500	(178)	500	-
User Charges	24,015	25,230	26,956	1,726	28,046	1,090
Capital Outlay	-	-	-	-	-	-
Total	\$ 312,665	\$ 334,569	\$ 340,867	\$ 6,298	\$ 346,319	\$ 5,452
Percent Change				1.9%		1.6%

Housing and Community Services expenditures for 2016 will increase 1.9% and 1.6% in 2017.

- Completed Fairway Woods II Condo Association housing rehabilitation project, using the Housing Improvement Area (HIA) process.
- Assisted 21 families with Homeownership/Rehab.
- Helped negotiate Eden Gardens Sustainable Neighborhood: agreement for 20 of the 36 homes to be reserved for mid-income families.
- Hosted six films on highlighting human rights and cultural awareness as part of the Community Cinema Project.
- Participated in the Southwest Community Works Housing Group to draft a plan to support and encourage a full range of housing choices along the SWLRT corridor.

Parks and Recreation Department



Parks and Recreation Department Summary

Purpose

The Parks and Recreation Department's primary purpose is to provide a comprehensive parks and recreation program. These efforts complement and supplement the programs and events provided by the school districts and other community service organizations. A goal is to enhance the quality of life in the City and promote a stronger sense of community among residents and corporate citizens.

Parks and Recreation consists of the following divisions:

- Parks & Recreation Administration
- Parks and Natural Resources
- Recreation Services including the following divisions: Recreation Administration, Youth and Family Programs, Organized Athletics, Therapeutic Recreation, Special Events, Arts, Art Center, Senior Center, and the Outdoor Center
- Community Center Services including the following divisions: Community Center, Oak Point Pool, and Park Facilities

Objectives

- Preserve natural resources through development of partnerships, regulation, education, management, and land use planning
- Investigate opportunities for recreational facilities that reflect changing demographics with traditional and non-traditional partnerships
- Maintain the quality of the existing system by investing in renovation and improvement of the parks and facilities
- Continue to monitor trends and provide opportunities for new activities.
- Provide remote areas within the park system so residents can enjoy and appreciate the natural resources they have preserved

Parks and Recreation Department Summary

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 4,907,981	\$ 4,931,156	\$ 5,376,940	\$ 445,784	\$ 5,533,969	\$ 157,029
Contractual Services	1,218,648	1,058,958	1,184,035	125,077	1,142,482	(41,553)
Supplies	562,639	551,956	560,478	8,522	556,090	(4,388)
User Charges	3,550,658	3,692,205	3,833,297	141,092	3,957,619	124,322
Capital Outlay	51,497	143,000	150,000	7,000	150,000	-
Total	\$ 10,291,423	\$ 10,377,275	\$ 11,104,750	\$ 727,475	\$ 11,340,160	\$ 235,410
				7.0%		2.1%

Category	2016		2017	
	Budget	% of Total	Budget	% of Total
Park Administration	\$ 414,036	3.7%	\$ 425,907	3.8%
Park Maintenance	3,880,009	34.9%	3,923,840	34.6%
Recreation Programs	2,572,526	23.2%	2,627,332	23.2%
Community Center	4,238,179	38.2%	4,363,081	38.5%
Total Parks	\$ 11,104,750	100%	\$ 11,340,160	100%

The seven percent increase in 2016 is related to the aquatics and fitness expansion. Without the expansion, expenditures would have increased three percent. The 2017 budget maintains Parks and Recreation services.

Park & Recreation Administration

Description of Operations

Park & Recreation Administration supervises the entire parks and recreation operation and provides support to their activities. The division also leads park acquisition, department planning, and budget preparation.

Objectives

1. Promote maximum public use and access to all community facilities by those who work or live in Eden Prairie.
2. Provide high quality programs, lessons and leagues to meet the needs of our diverse community in a safe, enjoyable, friendly atmosphere.
3. Provide for the social, recreational, educational, psychological and physical needs of residents and promote their participation in all aspects of community life.

Goal	Objective	2016/2017 Strategies	Measure
SOC	1	Complete Construction of Cedar Hills Park	Fully complete and useable by Summer of 2017
PBE	1	Continued promotion of natural areas and trails through web site and social media	Community awareness through quality of life survey
QES	2	Review program budgets	Adherence to cost recovery
ISP	3	Implement and promote City-wide Green Team	Number of participants and events

Workload Measures

Park Administration	2014	2015	2016	2017
Park Plans – New Parks/Park Renovation	2	1	1	2
Install New or Replace Play Structures	0	1	2	1
Construct/Renovate Bike Trails (Miles)	2	2	2	2
Construct/Renovate Park Shelters	2	0	0	0
Develop New Parks	0	1	1	0

Park & Recreation Administration

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Park Admin. Employee Count				
Park and Recreation Director	1	1	1	1
Administrative Assistant II	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 238,002	\$ 241,087	\$ 249,355	\$ 8,268	\$ 256,771	\$ 7,416
Contractual Services	26,104	24,720	36,420	11,700	38,420	2,000
Supplies	42	1,000	1,000	-	1,000	-
User Charges	114,504	120,414	127,261	6,847	129,716	2,455
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 378,652</u>	<u>\$ 387,221</u>	<u>\$ 414,036</u>	<u>\$ 26,815</u>	<u>\$ 425,907</u>	<u>\$ 11,871</u>
				6.9%		2.9%

The increase in contractual services reflects professional services for design and engineering of capital projects.

Park Maintenance

Description of Operations

The Park Maintenance Division has a responsibility for providing a comprehensive park and open space system including park planning and development, maintenance of the park and trail system, forestry management, wildlife management, natural resources management, park property management and cemetery administration.

The City has acquired more than 2,500 acres of land of which nearly 1,000 acres have been developed into 37 parks, 5 special use facilities, 5 historic sites and 15 conservation areas of varying sizes and functions. More than 120 miles of trails for biking, hiking and jogging have been constructed, which is approximately 90% of the total planned off-road trail system.

Objectives

1. Develop and maintain the park and open space system with sufficient recreation facilities to meet community needs.
2. Provide excellent maintenance of all current park facilities.
3. Identify and resolve issues that compromise the safety of park users.
4. Identify and recommend ways to protect and preserve unique historical and environmental features within Eden Prairie.
5. Protect and preserve water resources on park property.
6. Enforce City Ordinances related to tree disease and tall grass/weeds.

Park Maintenance

Goal	Objective	2016/2017 Strategies	Measure
CWS	2	Annual playground safety audit	Inspect and record information for each play structure. Repair broken or deficient components.
PBE	6	Annual inspection of elms and oak trees within the city for disease	Inspect, mark and notify property owners of diseased trees. Track removal and compliance.
PBE	4	Inspect city owned historical properties annually	Inspect and complete an annual inspection form of properties and list deficiencies that need fixing.
ISP	5	Use BMP for park irrigation	Continue to upgrade the park irrigation systems to “Baseline” technology and track the annual water usage.
PBE	4	Identify unused mowed areas and convert to native plant materials	Track the number of acres converted to low maintenance or no-mow areas

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Park & Natural Resources Employee Count				
Manager of Parks and Natural Resource	1	1	1	1
Forestry Technician	1	1	1	1
Supervisor of Park Maintenance	1	1	1	1
Supervisor Park Construction/Repair	1	1	1	1
Maintenance Worker Parks	16	16	16	16
	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

Park Maintenance

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 1,859,986	\$ 1,877,984	\$ 1,955,077	\$ 77,093	\$ 2,017,307	\$ 62,230
Contractual Services	460,894	447,871	496,875	49,004	439,605	(57,270)
Supplies	171,483	158,314	202,500	44,186	202,500	-
User Charges	1,186,007	1,242,014	1,160,557	(81,457)	1,199,428	38,871
Capital Outlay	25,000	58,000	65,000	7,000	65,000	-
Total	<u>\$ 3,703,370</u>	<u>\$ 3,784,183</u>	<u>\$ 3,880,009</u>	<u>\$ 95,826</u>	<u>\$ 3,923,840</u>	<u>\$ 43,831</u>
				2.5%		1.1%

2016 increases are due to increased costs of supplies and materials and additional use of outside sources for the conversion of turf areas.

Recreation Services

Description of Operations

Recreation services provide diverse and challenging recreational opportunities consisting of the following divisions:

- **Recreation Administration:** Coordinates the programming of all recreation program areas.
- **Youth and Family Programs:** Provides diverse recreation programs and activities to youth, adults, and families.
- **Organized Athletics:** Provides a series of comprehensive sports programs to meet the needs of all interested participants who live or work in Eden Prairie.
- **Special Events:** Coordinates various community events including the 4th of July Celebration, Halloween on the Mall, Fall Harvest Celebration, and numerous other special initiatives throughout the year.
- **Arts:** Offers various arts and cultural programs and events throughout the year including the Staring Lake Concert Series, community theatre, community band, Arts in the Park Art Fair, Art on City Walls, Art Crawl, Park in Movies and various other arts promotions and initiatives.
- **Art Center:** Provides art education programs, classes, workshops, camps and open studio time through the Art Center.
- **Therapeutic Recreation:** Serves individuals with disabilities in adaptive recreation and leisure education programs each year. The program provides various youth and young adult programs including swimming, skating, art and nature education programs.
- **Senior Center:** Provides adult and senior programs at the Senior Center. These include recreational and educational classes, special events, Senior Awareness Month, trips, and social services.
- **Outdoor Center:** Provides outdoor recreation and environmental education programs at the Outdoor Center and other programs including school field trips, scout programs, birthday parties, special events and the monthly open house events.

Recreation Services

Objectives

1. Promote maximum public use and access to all community facilities by those who work or live in Eden Prairie.
2. Provide high quality programs, lessons and leagues to meet the needs of our diverse community in a safe, enjoyable, friendly atmosphere.
3. Provide for the social, recreational, educational, psychological and physical needs of residents and promote their participation in all aspects of community life.

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Implement final phases of new registration and membership software program	Fully integrated facility reservations, registrations, memberships
SOC	3	Seek new ways to serve all ages and abilities	Percentage of repeat and new participants.
SOC	2	Continue efforts to offer a wide variety of free programming at many locations throughout the community	Attendance year to year, customer surveys and feedback

Recreation Services, numbers served	2014	2015	2016	2017
Youth and Family Programs	5,918	5,000	5,600	6,100
Organized Athletics	8,557	8,389	8,120	8,300
Art Center	4,489	4,600	4,740	4,800
Therapeutic Recreation	704	730	775	790
Senior Center	27,569	25,100	26,250	27,300
Outdoor Center	4,753	4,900	5,400	5,550
Special Events	27,936	28,500	29,800	30,200

Recreation Services

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Recreation Programming Employee Count				
Recreation Manager	1	1	1	1
Recreation Supervisor	3.25	3.25	3.25	3.25
Outdoor Center / Nature Programmer	0.6	0.6	0.6	0.6
	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>	<u>4.85</u>

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Art Center Employee Count				
Manager - Art Center	0.75	0.75	0.75	0.75
	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Senior Center Employee Count				
Recreation Coordinator	1	1	1	1
Administrative Assistant I	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 1,481,591	\$ 1,512,945	\$ 1,602,531	\$ 89,586	\$ 1,644,819	\$ 42,288
Contractual Services	407,743	375,288	408,024	32,736	413,967	5,943
Supplies	225,369	231,042	235,450	4,408	230,795	(4,655)
User Charges	315,789	326,371	326,521	150	337,751	11,230
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 2,430,492</u>	<u>\$ 2,445,646</u>	<u>\$ 2,572,526</u>	<u>\$ 126,880</u>	<u>\$ 2,627,332</u>	<u>\$ 54,806</u>
				5.2%		2.1%

Recreation Services

Below summarizes expenditures by division:

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Senior Center	\$ 371,060	\$ 384,704	\$ 378,738	\$ (5,966)	\$ 395,195	\$ 16,457
Arts	105,358	114,160	124,375	10,215	128,531	4,156
Arts Center	262,634	251,647	278,205	26,558	283,468	5,263
Beaches	58,175	57,793	75,018	17,225	82,007	6,989
Oak Point Pool	144,852	132,631	74,171	(58,460)	67,951	(6,220)
Organized Athletics	260,451	282,462	296,964	14,502	282,371	(14,593)
Outdoor Center	202,467	182,676	202,486	19,810	208,952	6,466
Park Rental Facilities	53,425	52,083	59,050	6,967	60,948	1,898
Recreation Administration	259,945	286,959	308,914	21,955	318,735	9,821
Special Events	96,193	85,657	108,987	23,330	114,994	6,007
Therapeutic Recreation	175,989	176,790	190,535	13,745	198,908	8,373
Youth Programs	439,943	438,084	475,083	36,999	485,272	10,189
Total	<u>\$ 2,430,492</u>	<u>\$ 2,445,646</u>	<u>\$ 2,572,526</u>	<u>\$ 126,880</u>	<u>\$ 2,627,332</u>	<u>\$ 54,806</u>
				5.2%		2.1%

The decrease at Oak Point Pool is a result of more time available at the community center due to the aquatics expansion. Other expenditures increases are based on modest growth in program areas.

Expanded 4th of July Celebration to include July 3-4
 Increased environmental education programs with Eden Prairie Public Schools
 Expanded youth development and leadership programming
 Enhanced recreation, fitness and sports programs for older adults

Community Center

Description of Operations

The Community Center Division offers affordable recreational opportunities and activities for the entire community for all age groups and people of all abilities. The staff in this division is responsible for the management of the Community Center, Oak Point Pool, Round Lake and Riley Lake beaches and scheduling of the Park Rental Facilities.

Community Center: The city operates a 239,000 square foot facility that includes three ice arenas, three indoor pools, child care area and indoor play structure, one court gymnasium, two racquetball courts, café, fitness and cardio equipment and three group fitness studios.

Oak Point Pool: This pool operates as a joint effort between the City and the School District. The City provides programming and staffing of the pool during non-school hours and non-school days. The City serves approximately 6,000 swimmers through Oak Point Pool.

Beaches: The City operates two swimming beaches which are staffed by seasonal personnel. The City serves approximately 16,000 swimmers each year through the beaches at Round Lake Park and Riley Lake Park.

Park Rental Facilities/Scheduling: The City serves approximately 412 rental groups through various community park rental facilities; park pavilions and park buildings used for private parties and gatherings.

Community Center

Objectives

1. Promote maximum public use and access to all community facilities by those who work or live in Eden Prairie.
2. Provide high quality programs, lessons and classes to meet the needs of our diverse community in a safe, enjoyable, friendly atmosphere.
3. Provide and promote programs and events to enhance physical health and well-being.

Goal	Objective	2016/2017 Strategies	Measure
CWS	3	Implement the Live Well Outdoor Café Trailer	Number of events and customers served
SOC	1	Partner with Hockey Association to Implement New Ice Dryland Training area	Hours rented and used
SOC	2	Fully open and utilize Aquatics and Fitness addition	Hours rented, additional memberships sold
CWS	3	Continue to engage Mayor's Health and Wellness Committee	Strategies and or events implemented

Workload Measures

Community Center, numbers served	2014	2015	2016	2017
Visits to Facility	707,424	709,546	800,000	825,000
Memberships	2,600	2,700	2,800	2,900
Skate Lesson Participants	1,175	1,200	1,200	1,200
Swim Lesson Participants	3,350	3,350	3,350	3,700
Fitness in the Park Participants	--0	3,850	3,900	4,000
Number of Fitness Classes	150/wk	180/wk	210/wk	210/wk

Community Center

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Community Center				
Community Center Manager	1	1	1	1
Recreation Supervisor	2	2	3	3
Customer Support/Accounting Tech	2.5	2.5	2.5	2.5
	<u>5.5</u>	<u>5.5</u>	<u>6.5</u>	<u>6.5</u>

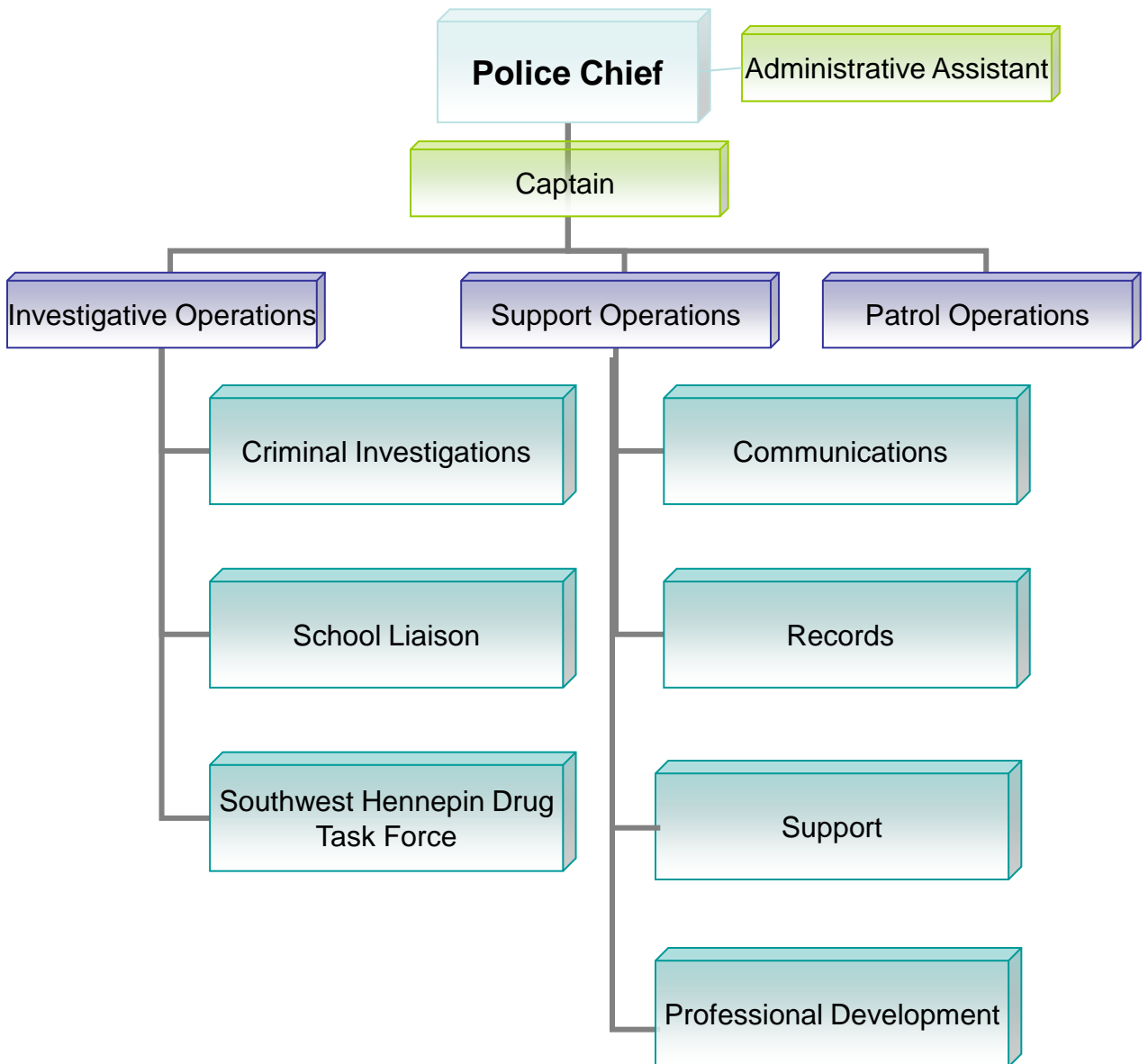
Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 1,328,402	\$ 1,299,140	\$ 1,569,977	\$ 270,837	\$ 1,615,072	\$ 45,095
Contractual Services	323,907	211,079	242,716	31,637	250,490	7,774
Supplies	165,745	161,600	121,528	(40,072)	121,795	267
User Charges	1,934,358	2,003,406	2,218,958	215,552	2,290,724	71,766
Capital Outlay	26,497	85,000	85,000	-	85,000	-
Total	<u>\$ 3,778,909</u>	<u>\$ 3,760,225</u>	<u>\$ 4,238,179</u>	<u>\$ 477,954</u>	<u>\$ 4,363,081</u>	<u>\$ 124,902</u>
				12.7%		2.9%

Most changes are a result of the new aquatics and fitness expansion. An additional Program Supervisor position has been added to meet the workload and programming increases.

Exceeded 2,600 memberships and 700,000 facility visits.
 Increased facility usage for non-prime time hours for pool,
 ice and room rental.
 Maintained higher than budgeted cost recovery.



Police Department



Police

Purpose

The mission of the Eden Prairie Police Department is to protect and serve the community of Eden Prairie through active and professional engagement. The Police Department has employees assigned to three operational divisions (Patrol Operations, Investigative Operations and Support Operations) and the Office of the Police Chief.

Objectives

1. Enhancing public safety for residents and visitors to Eden Prairie.
2. Enhancing the efficiency of the department's operations.

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Creation of a street crimes unit to investigate suspected prostitution, human trafficking and low-level drug crimes.	Number of prostitution, human trafficking and low-level drug crime arrests.
CWS, QES	1	Research body camera, license plate reader and hand-held voice and data device technology.	Completion of studies.
CWS, QES	2	Reduce the department's injury and recovery time through healthy living incentives.	Number of injuries and amount of recovery time.
CWS, QES	2	Increase the capacity of the department's crime analysis through creation of an internship program.	Implementation of an internship program.

Police

Workload Measures

Assessments Year	2014	2015	2016	2017
Number of officers trained in basic CIT course	28	41	42	43
Number of CIT follow-ups conducted	190	190	190	190
Overall crime rate	3,090	3,090	3,090	3,090
Proactive contacts	27,813	29,140	30,597	32,126
Number of property damage crashes	1,040	884	884	884
Number of personal injury crashes	127	136	136	136
Number of DWI arrests	257	284	284	284
Number of traffic stops	15,828	16,665	17,498	18,373
Calls for service	50,380	50,440	52,962	55,610

Budget Summary

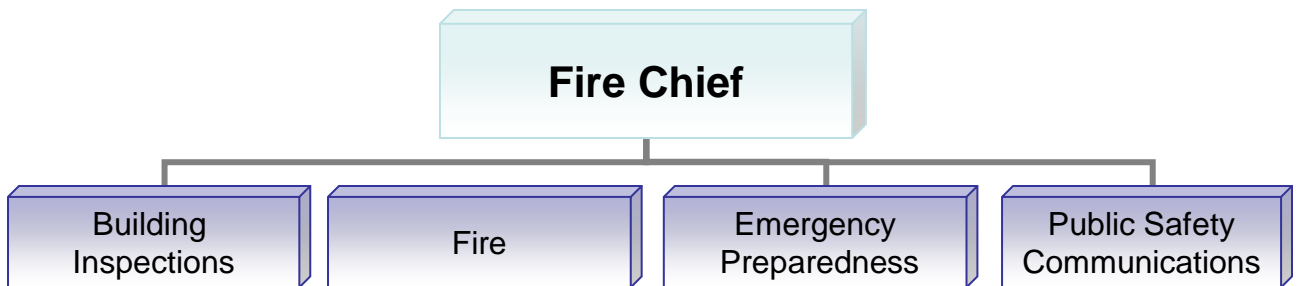
	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Police Employee Count				
Police Chief	1	1	1	1
Deputy Police Chief	1	1	1	1
Lieutenants	3	3	3	3
Sergeants	12	12	12	12
Police Officers	49	49	50	51
Animal Control Officer	2	2	2	2
Telecommunications Supervisor	1	1	1	1
Telecommunicators	10.5	10.5	10.5	10.5
Records Supervisor	1	1	1	1
Records Tech	6	6	6	6
Investigative Aide	1	1	1	1
Administrative Assistant	1	1	1	1
Law Enforcement Analyst	1	1	1	1
Projects Coordinator	0.50	0.50	0.50	0.50
Zoning Administrator	1	1	1	1
	<u>91</u>	<u>91</u>	<u>92</u>	<u>93</u>

Police

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$10,181,608	\$10,365,306	\$10,667,946	\$ 302,640	\$11,123,221	\$ 455,275
Contractual Services	266,846	344,859	326,718	(18,141)	325,744	(974)
Supplies	276,199	288,398	324,500	36,102	324,500	-
User Charges	2,108,405	2,237,981	2,290,363	52,382	2,355,905	65,542
Capital Outlay	-	-	-	-	-	-
Total	\$12,833,058	\$13,236,544	\$13,609,527	\$ 372,983	\$14,129,370	\$ 519,843
				2.8%		3.8%

Police is increasing 2.8% and 3.8% respectively. In order to achieve the objectives listed above, one new officer will be hired in the middle of 2016 and another new officer in 2017. The addition of these officers will allow the department to create a street crimes unit which will help investigate crimes such as suspected prostitution, human trafficking and low-level drug crimes which currently do not have enough resources to be thoroughly investigated.

Fire Department



Fire Department Summary

Purpose

The Fire Department mission statement is: “We lead and strive to minimize risk, increase safety, and improve the quality of life in our community through education, code compliance, and emergency response.” The Department has three primary operational areas: Fire Prevention and Suppression which includes Fire Inspections and Emergency Preparedness, Building Inspections and Public Safety Communications.

Objectives

- Provide an array of services related to building and fire code education and enforcement as well as planning for and responding to a wide variety of emergency situations.
- The Department is focused on a constant cycle of planning, mitigation, response, and recovery activities to insure a high level of readiness for projects and events which impact the community.

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 3,465,802	\$ 3,448,717	\$ 3,429,876	\$ (18,841)	\$ 3,539,150	\$ 109,274
Contractual Services	465,035	339,722	397,637	57,915	423,511	25,874
Supplies	356,646	246,402	288,000	41,598	302,900	14,900
User Charges	1,376,628	1,451,445	1,478,960	27,515	1,525,274	46,314
Capital Outlay	33,324	70,901	50,000	(20,901)	55,000	5,000
Total	\$ 5,697,435	\$ 5,557,187	\$ 5,644,473	\$ 87,286	\$ 5,845,835	\$ 201,362
				1.6%		3.6%

A 1.6% and 3.6% increase in expenditures is budgeted for 2016 and 2017 respectively. The smaller increase in 2016 is due mainly to the elimination of the Point of Sale program. The increase in 2017 is due mainly to Wages and Benefits that are increasing for the standard increase and also for the rate increase for Duty Crew employees.

Division	2016 Budget	% of Total	2017 Budget	% of Total
Fire	4,345,191	77.0%	\$ 4,497,404	76.9%
Inspections	1,114,363	19.7%	1,154,536	19.7%
Public Safety Communications	184,919	3.3%	193,895	3.3%
Total	5,644,473	100.0%	\$ 5,845,835	100.0%

Fire

Description of Operations

The Fire Division provides fire prevention and suppression services. Fire prevention includes fire inspections, fire investigations, and public education activities within the City. Staff reviews all aspects of new construction in the City for compliance with the State Fire Code. This includes participating in the Development Review Committee, reviewing plans, and performing field inspections. Staff also inspects existing buildings to assist owners and tenants in complying with code requirements.

Fire suppression includes responding to a wide variety of emergency situations including: structure fires, hazardous materials incidents, rope rescue, trench rescue, confined space rescue, vehicle extrication, structural collapse operations, ice and water rescues, search and rescue incidents and medical emergencies.

Objectives

1. Help residents and businesses protect themselves from potential loss through effective public education and prevention techniques
2. Ensure appropriate response capabilities to any emergency situations that arise
3. Invest in updated Thermal Imaging Cameras, 5 gas monitors, turnout gear and SCBA
4. Continue to recruit and retain high performing firefighters to staff response to calls 24/7/365

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Perform Public Education	Numbers of visits
CWS	1	Perform Fire Inspection Visits	Number of Inspections
QES	2	Refine response staffing & matrix	Arrival time
QES	4	Social Media & Reputation	Staffing Levels

Fire

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Fire Employee Count				
Fire Chief	1	1	1	1
Assistant Fire Chief	2	2	2	2
Fire Prevention Specialist	3	3	3	3
Rental Housing Inspector	1	1	1	1
Electronic Communications Specialist	1	1	1	1
Administrative Assistant II	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 2,586,928	\$ 2,507,131	\$ 2,552,059	\$ 44,928	\$ 2,633,425	\$ 81,366
Contractual Services	343,049	233,990	249,037	15,047	266,465	17,428
Supplies	304,733	221,507	262,800	41,293	277,600	14,800
User Charges	1,160,365	1,216,661	1,281,295	64,634	1,319,914	38,619
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 4,395,075</u>	<u>\$ 4,179,289</u>	<u>\$ 4,345,191</u>	<u>\$ 165,902</u>	<u>\$ 4,497,404</u>	<u>\$ 152,213</u>
				4.0%		3.5%

This is a personnel intensive operation and the majority of increases are due to wage increases. Duty Crew Firefighter wages are increasing from \$11.00 in 2015 to \$12.00/hour in 2016 and \$13.00/hour in 2017. The increase in supplies is due to the replacement of five gas monitors over a two year period and the replacement of out dated fire hoses on all fire trucks. User charges are increasing due mainly to Fleet and Information Technology charges.

Inspections

Description of Operations

The Inspections Division ensures that residential and non-residential buildings are constructed safely in accordance with a number of state and local building and fire codes. The division's activities include plan review, on-site inspections, approvals for occupancy, permit issuance, collection of fees, and providing information to the public.

Objectives

1. Provide safeguards for life, limb, health, property, and public welfare by ensuring that buildings are constructed and maintained safely in accordance with State Building and Fire Codes.
2. Minimizing negative impacts for our customers.

Goal	Objective	2016/2017 Strategies	Measure
QES	2	Drive online permitting	Number of online permits
QES	2	Drive online appointments	Number of online appts
CWS	1	Existing Building Inspections	Inspections performed

Workload Measures

Inspections	2014	2015	2016	2017
Permits Issued	7,426	6,300	6,350	6,500
Construction Value	\$235,584,243	\$115,000,000	\$150,000,000	\$165,000,000

Inspections

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Inspections Employee Count				
Manager of Building Inspections	1	1	1	1
Building Inspectors II	7	7	6	6
Technician I	2.5	2.5	2	2
	<u>10.5</u>	<u>10.5</u>	<u>9</u>	<u>9</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 878,874	\$ 941,586	\$ 877,817	\$ (63,769)	\$ 905,725	\$ 27,908
Contractual Services	39,321	28,160	43,100	14,940	48,300	5,200
Supplies	3,630	5,527	5,400	(127)	5,400	-
User Charges	201,951	220,045	188,046	(31,999)	195,111	7,065
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 1,123,776</u>	<u>\$ 1,195,318</u>	<u>\$ 1,114,363</u>	<u>\$ (80,955)</u>	<u>\$ 1,154,536</u>	<u>\$ 40,173</u>
				(6.8%)		3.6%

The 2016 decrease in the budget is due to the Point of Sale Inspection Program being eliminated. This was a program budgeted in 2015 that was not implemented. The reduction of .5 in staffing is also related to not implementing this program. Also, the budget for wages and benefits decreased due to staff turnover.

Public Safety Communications

Description of Operations

The Public Safety Communications Division provides support and oversees strategy for citywide radio infrastructure and all subscriber units.

Objectives

1. Transition to updated mobile and portable radios for public safety beginning in '15 and continuing through '17 with the remainder of city departments.
2. Maintain and support citywide camera systems.

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Implement new radios	Radios updated
CWS	2	Streamline camera systems	Cameras operated

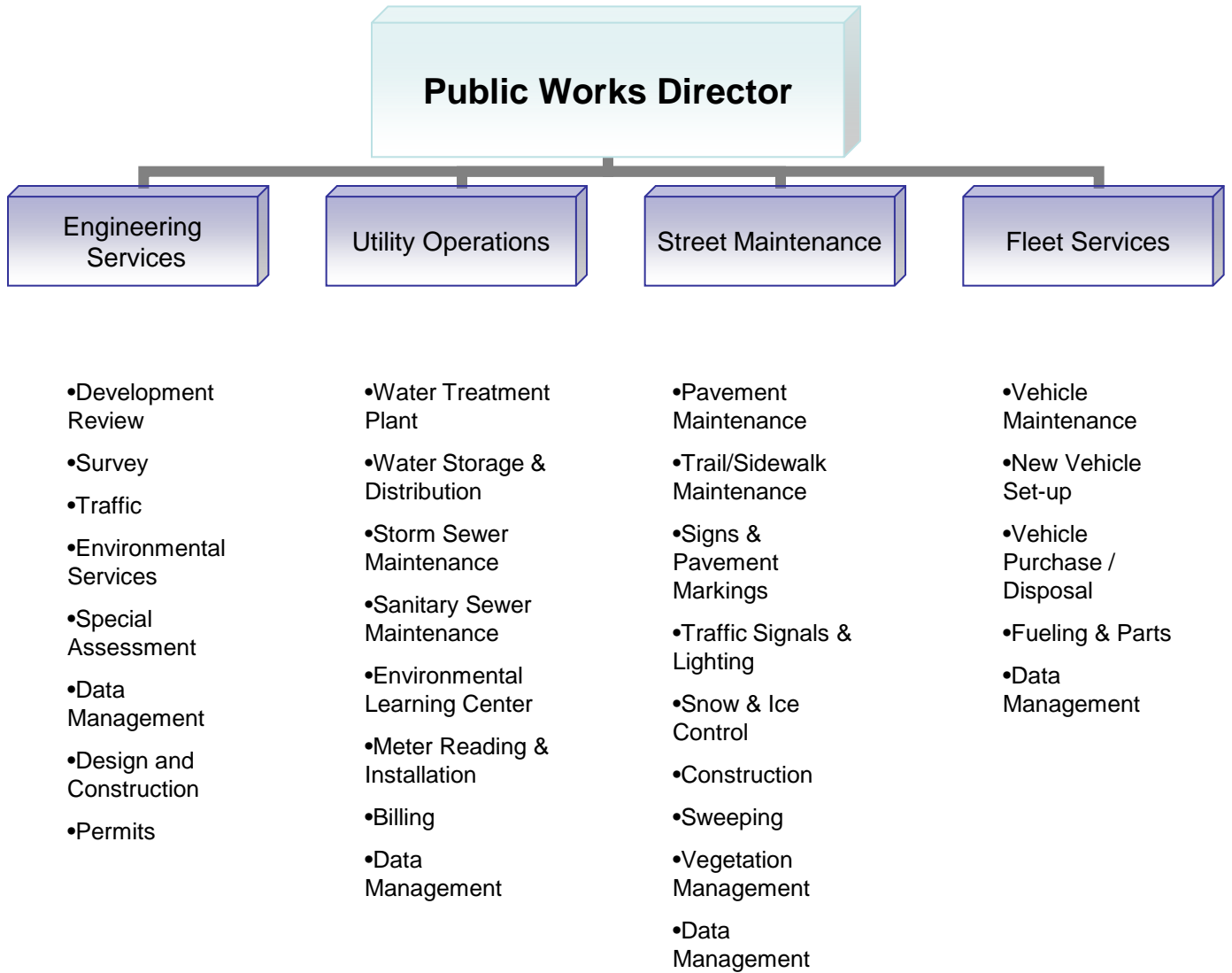
Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	82,665	77,572	105,500	27,928	108,746	3,246
Supplies	48,283	19,368	19,800	432	19,900	100
User Charges	14,312	14,739	9,619	(5,120)	10,249	630
Capital Outlay	33,324	70,901	50,000	(20,901)	55,000	5,000
Total	\$ 178,584	\$ 182,580	\$ 184,919	\$ 2,339	\$ 193,895	\$ 8,976
				1.3%		4.9%

For 2016, Contracted Services increased due to a vendor rate increase and radio update process impacts. This impact is lessened in 2017. Capital outlay varies year to year with anticipated capital needs to support the camera system as well as other operational systems.



Public Works Department



Public Works Department Summary

Purpose

The Public Works Department exists to construct and maintain the public infrastructure in the City through the efficient management of human, financial and equipment resources. The department is comprised of the following five primary divisions: Engineering, Street Maintenance, Street Lighting, Fleet Services, and Utilities.

All the operations, except Utilities and Fleet Services, are funded within the General Fund. Utilities are addressed in the Enterprise Fund section of this document and Fleet Services are addressed in the Internal Service Fund section.

Objectives

1. Provide a high quality, safe and efficient transportation system.
2. Provide and maintain a quality, reliable, safe and efficient fleet of vehicles and equipment
3. Provide and deliver a safe and reliable supply of water to our customers
4. Protect the public's health by providing for the safe collection and removal of wastewater.
5. Provide and maintain a storm drainage and natural waterway system that protects properly, people and the environment.
6. Provide support necessary to ensure new and existing infrastructure and development meets established standards for safety, quality and environmental practices.

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 2,356,111	\$ 2,380,767	\$ 2,522,649	\$ 141,882	\$ 2,616,282	\$ 93,633
Contractual Services	1,510,402	1,677,453	1,733,339	55,886	1,722,934	(10,405)
Supplies	557,466	600,611	600,940	329	610,902	9,962
User Charges	1,253,967	1,321,590	1,340,059	18,469	1,383,375	43,316
Capital Outlay	-	1,000	2,000	1,000	2,000	-
Total	<u>\$ 5,677,946</u>	<u>\$ 5,981,421</u>	<u>\$ 6,198,987</u>	<u>\$ 217,566</u>	<u>\$ 6,335,493</u>	<u>\$ 136,506</u>
Percent Change				3.6%		2.2%

Public Works Department Summary

Category	2016		2017	
	Budget	% of Total	Budget	% of Total
Engineering	\$ 1,494,276	24%	\$ 1,497,593	24%
Street Maintenance	3,742,211	60%	3,837,400	61%
Street Lighting	962,500	16%	1,000,500	16%
Total	<u>\$ 6,198,987</u>	100%	<u>\$ 6,335,493</u>	100%

Engineering

Description of Operations

The Engineering Division has oversight for all engineering activities including the design, construction, maintenance and operation of the City's physical facilities. Staff prepares and reviews plans, regulates, provides oversight and inspects street, water, sewer, wetlands, street lighting, street paving, traffic control, and other construction projects in the City. The Division also calculates special assessments for improvements providing benefit to private properties. Staff administers and enforces subdivision ordinances by conducting inspections and applying bonding requirements. The Division staff supervises and administers the work of consultants providing engineering services to the City and to developers on behalf of the City.

Objectives

1. Provide a safe transportation system
2. Provide and maintain a storm drainage and natural waterway system that protects property people, and the environment.
3. Provide a high quality efficient transportation system
4. Ensure new and existing infrastructure and development meets established standards

Engineering

Goal	Objective	2016/2017 Strategies	Measure
CWB	1	Provide a safe pedestrian and bicycle network	Begin implementing recommendations of the Pedestrian and Bicycle Plan. Develop Living Streets Policy
QES	3	Stay abreast of new and/or changing treatments for roadway rehabilitation	Maintain a citywide average pavement condition rating higher than “70” or very good
QES	4	Thoughtfully integrate LRT into our existing environment	Work with Met Council to finalize LRT design, advance city companion projects into design and prepare for construction, work with Met Council to develop a construction mitigation/communication plan
ISR	2	Minimize discharge of pollution from storm drainage system into waterways	Ensure new construction complies with NPDES requirements, update Local Water Management and Drainage Plans, annually assess 20% of channels, inlets and NURP ponds and prepare a plan for improvements

Engineering

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Engineering Employee Count				
Public Works Director	0.8	0.8	0.8	0.8
City Engineer	1	1	1	1
Assistant City Engineer	1	1	1	1
Engineering Technician I	1	1	1	1
Senior Project Engineer	1	2	2	2
Senior Engineering Tech	3.5	3.5	3.5	3.5
	<u>8.3</u>	<u>9.3</u>	<u>9.3</u>	<u>9.3</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 1,015,081	\$ 1,080,735	\$ 1,159,255	\$ 78,520	\$ 1,206,243	\$ 46,988
Contractual Services	29,873	53,467	125,750	72,283	75,550	(50,200)
Supplies	11,666	23,802	26,500	2,698	27,000	500
User Charges	177,129	183,798	180,771	(3,027)	186,800	6,029
Capital Outlay	-	1,000	2,000	1,000	2,000	-
Total	<u>\$ 1,233,749</u>	<u>\$ 1,342,802</u>	<u>\$ 1,494,276</u>	<u>\$ 151,474</u>	<u>\$ 1,497,593</u>	<u>\$ 3,317</u>
Percent Change				11.3%		0.2%

In 2015, wages were increased for a senior project manager. This employee count addition was offset by an employee reduction in the fleet services internal service fund. The 2016 budget includes \$75,000 for transportation studies necessary for the upcoming Comprehensive Guide Plan Amendment. These studies will help determine maximum allowable densities within the major office, industrial and commercial areas. It will also incorporate predicted changes from the construction of Southwest Light Rail Transit.

Street Maintenance

Description of Operations

The Street Maintenance and Traffic Division is responsible for right-of-way maintenance and repair of City streets and traffic control systems. Activities include asphalt overlays, application of seal coats, crack sealing, street sweeping, laying gravel, operation of traffic signals, snow/ice control, roadside mowing, trail/sidewalk replacement, sign installation/replacement, pothole patching, and many miscellaneous services.

Objectives

1. Provide a safe transportation system.
2. Maintain consistent roadside appearance on all non-freeway City, County and State roads.

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Remove snow from all city streets and cul-de-sacs, keeping roads passable	Complete snow removal of a typical snow storm in nine hours
ISP	1	Keep roadways free from sand and other harmful debris	Spring clean of entire city with help of contractors. Continue summer and fall sweep of watershed areas
QES	1	Continue to look at new and improving ways to rehabilitate roadways	Maintain a citywide average pavement index over 70
PBE	2	Manage vegetation along right of way with acceptable appearance and ensures safety	Establish a policy for managing right of way vegetation

Workload Measures

Streets and Traffic	2014	2015	2016	2017
Miles of City Streets and Roads	232	232	233	233
Patching Materials (tons)	2,500	2,500	2,600	2,600
Overlay (tons)	24,000	24,000	30,000	30,000
Crack Filling Material (lbs)	200,000	200,000	100,000	100,000
Plow and Sanding (hrs)	3,500	3,500	3,500	3,500
Seal Coating (sq yards)	420,000	420,000	420,000	420,000

Street Maintenance

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Street Maintenance Employee Count				
Manager of Street Maintenance	1	1	1	1
Maintenance Workers	13	13	13	13
Administrative Assistant I	0.5	0.5	0.5	0.5
	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ 1,341,030	\$ 1,300,032	\$ 1,363,394	\$ 63,362	\$ 1,410,039	\$ 46,645
Contractual Services	566,526	632,523	650,089	17,566	651,884	1,795
Supplies	545,800	576,809	569,440	(7,369)	578,902	9,462
User Charges	1,076,838	1,137,792	1,159,288	21,496	1,196,575	37,287
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 3,530,194</u>	<u>\$ 3,647,156</u>	<u>\$ 3,742,211</u>	<u>\$ 95,055</u>	<u>\$ 3,837,400</u>	<u>\$ 95,189</u>
Percent Change				2.6%		2.5%

Landscape materials and supplies line items increase 13.5% in 2016. This is to aid in the replacement of ageing retaining walls, on-going fence repair along County Road 62, and other general ROW maintenance. The pavement marking line item increases 11% in 2016 which allows for striping of bike lanes and pedestrian crosswalks to help increase safety and awareness. The traffic signal operating supply line item increased 8.1% in 2016. This will assist in converting street lights over traffic signals from high pressure sodium bulbs to LED. It will also provide for the installation of more flashing yellow turn arrows.

Street Lighting

Description of Operations

The Public Works Department manages the street lighting system. Over 95% of the City's street lighting system is provided and operated by Xcel Energy. This budget reflects the City's contractual cost for Xcel to operate and maintain this system as well as for the several small systems owned by the City.

In new subdivisions, developers are required to pay for the first three years of street lighting costs. After that, this cost becomes a City responsibility. Some older subdivisions in the City do not have complete street lighting. Accordingly, an amount is included in each year's budget to cover additional street lights for existing neighborhoods, which are then installed on a petition basis.

Objectives

1. Provide a high quality efficient illuminated transportation system.

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Provide an energy efficient network of street lights Plan for converting Xcel-owned street light to LED fixtures.	Work with Engineering and Finance to continue converting street lights over to LED fixtures

Workload Measures

Street Lighting	2014	2015	2016	2017
City Owned and Maintained Lights	98	98	278	278
Xcel Owned and Maintained	3,395	3,400	3450	3450
City Owned, Xcel Maintained	115	125	0	0
Purchase Option, Xcel Maintained	450	460	460	460
Total	4,058	4,083	4188	4188

Street Lighting

Budget Summary

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Wages and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	914,003	991,463	957,500	(33,963)	995,500	38,000
Supplies	-	-	5,000	5,000	5,000	-
User Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 914,003</u>	<u>\$ 991,463</u>	<u>\$ 962,500</u>	<u>\$ (28,963)</u>	<u>\$ 1,000,500</u>	<u>\$ 38,000</u>
Percent Change				(2.9%)		3.9%

The Street Lighting budget is decreasing 2.9% in 2016, and increasing 3.9% in 2016 and 2017 respectively. Contractual Services are primarily for the electrical costs to operate the street lights. Electrical costs were reduced in 2016 to bring costs in line with historical costs.

Debt Service Funds

Debt Service

Debt Ratios

From 2016 to 2017 debt payments supported by the tax levy are projected to remain approximately 5% to 7% of the General Fund budget. A percentage of 5% to 15% of the General Fund budget is generally considered a moderate debt burden on taxpayers by bond rating services.

Moody's Investors Service has assigned a rating of Aaa to the City of Eden Prairie's (MN) bond for every debt issue since 2003, the highest rating from Moody's. Standard & Poor's has also assigned a rating of AAA to the City of Eden Prairie's bonds outstanding, their higher rating as well. This ensures the City receives the most competitive interest rates. The City's bond ratings reflect Eden Prairie's extensive and diversified tax base, low amount of rapidly amortized debt, and capably managed operations. Of the 854 cities in Minnesota, there are only 14 rated Aaa by Moody's Investors Service and 19 rated AAA by Standard & Poor's.

Debt Levy

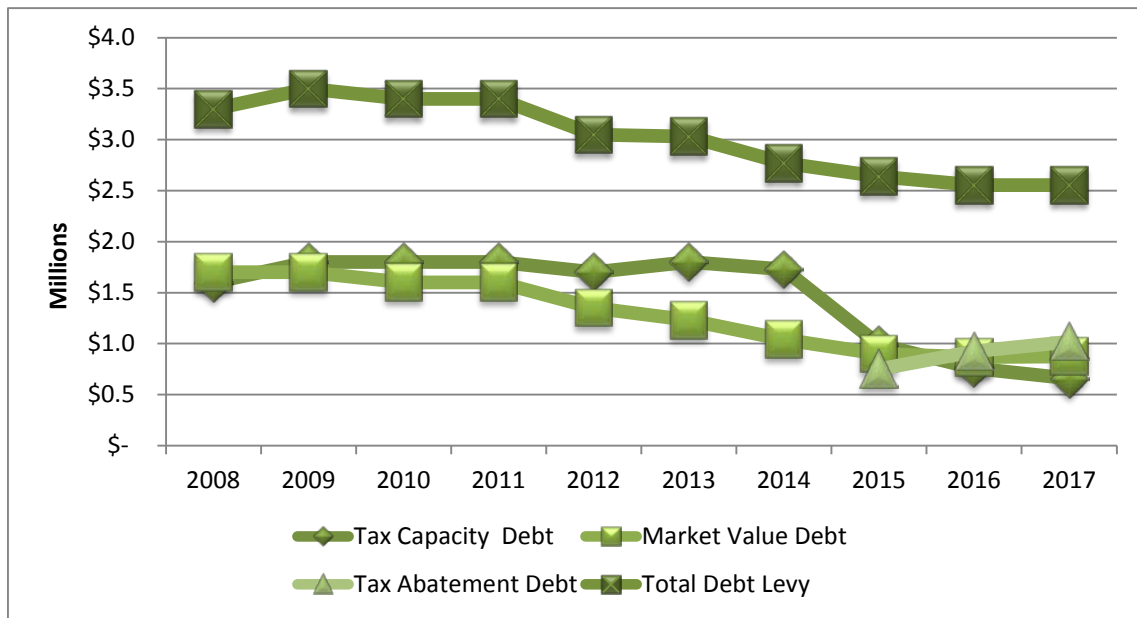
The City has various types of bonds outstanding including General Obligation, Lease Revenue, and Special Assessment with governmental commitment. The following table summarizes the revenue sources to make the debt payments:

<u>Type of Bond</u>	<u>Revenue Source</u>
General Obligation Bonds	Tax Levy
Lease Revenue Bonds	Dedicated revenue sources
General Obligation Special Assessment Bonds	Special assessments levied
General Obligation Utility Bonds	Utility Funds, paid from charges collected from customers

Debt Service

The City formally budgets and levies taxes for General Obligation Bonds. General Obligation bonds include amounts levied against tax capacity, amount levied against market value, and tax abatement bonds which are also levied against market value. Following is a summary of the total debt levy from 2008 to 2017 and a summary of the tax levy by bond issue for 2013 to 2015:

Debt Levies 2008-2017



Debt Service

Summary of Tax Levy by Bond Issue 2015 to 2017

	2015 Adopted	2016 Proposed	Difference	Percent Change	2017 Proposed	Difference	Percent Change
Debt Levy on Tax Capacity							
2005 Special Assessment Bonds	\$ 109,000	\$ -	\$(109,000)	(100.0%)	\$ -	\$ -	-
2008 Equipment Certificates	395,000	335,000	(60,000)	(15.2%)	310,000	(25,000)	(7.5%)
2009 Equipment Certificates	75,000	45,000	(30,000)	(40.0%)	40,000	(5,000)	(11.1%)
2011 Equipment Certificates	96,100	72,000	(24,100)	(25.1%)	-	(72,000)	(100.0%)
2012B SouthWest Fire Station	320,000	310,000	(10,000)	(3.1%)	310,000	-	0.0%
Sub-total	995,100	762,000	(233,100)	(23.4%)	660,000	(102,000)	(13.4%)
Debt Levy on Market Value							
2011C Parks Referendum	750,000	725,000	(25,000)	(3.3%)	725,000	-	0.0%
2012A Parks Referendum	150,000	150,000	-	0.0%	150,000	-	0.0%
Sub-total	900,000	875,000	(25,000)	(2.8%)	875,000	-	0.0%
Total Debt Levy	\$ 1,895,100	\$ 1,637,000	\$(258,100)	(13.6%)	\$ 1,535,000	\$(102,000)	(6.2%)
2014 Tax Abatement	750,000	925,000	175,000	23.3%	1,018,000	93,000	10.1%
Total	\$ 2,645,100	\$ 2,562,000	\$(83,100)	(3.1%)	\$ 2,553,000	\$(9,000)	(0.4%)

Debt Service

Legal Debt Margin

Minnesota Statutes limit the amount of debt the City may issue to 3% of the assessor's market value of the City's tax base. The assessor's 3% market value less net debt is referred to as the legal debt margin. The following table shows the legal debt margin at December 31, 2014.

Estimated Market Value ('13/'14)	\$ 8,627,122,700
Legal Debt Margin:	
Debt Limit: 3% of Market Value	258,813,681
General Obligation Bonds	35,505,028
Deductions:	
Amt available for repayment of bonds	<u>1,715,750</u>
Total debt applicable to limit	<u>33,789,278</u>
Legal debt Margin	<u>\$ 225,024,403</u>
As a % of debt limit	86.9%

As can be seen from the table, the City is significantly under the legal debt limit. This puts the City in a secure position because debt can be issued if necessary.

Debt Service

Long Term Debt

On December 31, 2015, the City's net tax supported debt outstanding was \$13,320,000 and total debt was \$43,670,000. Projected changes in bonds payable during 2016 and 2017 are summarized below.

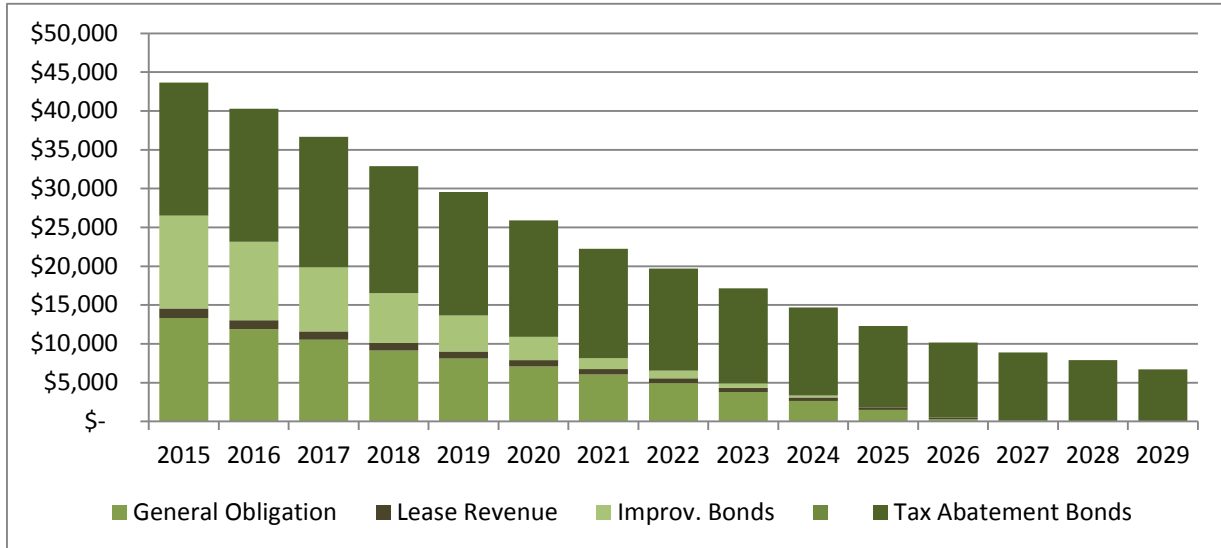
	Balance 01/01/16	Addition	Retired	Balance 01/01/17	Addition	Retired	Balance 01/01/18
Governmental Activity:							
General Obligation Bonds	\$ 13,320,000	-	\$ 1,430,000	\$ 11,890,000	-	\$ 1,360,000	\$ 10,530,000
Lease Revenue Bonds	1,220,000	-	75,000	1,145,000	-	80,000	1,065,000
Tax Abatement Bonds	17,155,000	-	-	17,155,000	-	350,000	16,805,000
G.O. Special Assess. Bonds	11,975,000	-	1,865,000	10,110,000	-	1,845,000	8,265,000
Total	\$ 43,670,000	-	\$ 3,370,000	\$ 40,300,000	-	\$ 3,635,000	\$ 36,665,000

In 2016, the City plans to issue \$1,500,000 G.O. Special Assessment Debt for the West 70th Street project. No other debt issuance is planned.

Debt Service

Below summarizes debt outstanding at the end of each year from 2015 to 2029.

Summary of Debt Outstanding
(Amounts in Thousands)



Within the next ten years, 66% of the City's debt will be paid.

Debt Service

Annual debt service payments to maturity for all debt and future interest outstanding as of January 1, 2016 are as follows (in thousands of dollars):

Governmental Activity:

Years Ending 12/31	G.O.Bonds		Lease Revenue Bonds		Assessment Debt with Govt Commitment Improv Bonds		Tax Abatement Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 4,375	\$ 378	\$ 70	\$ 56	\$ 2,485	\$ 320	\$ -	\$ 549	\$ 6,930	\$ 1,303
2016	1,430	279	75	53	1,865	267	-	549	3,370	1,148
2017	1,360	248	80	50	1,845	226	350	545	3,635	1,069
2018	1,410	217	80	46	1,820	187	460	537	3,770	987
2019	1,005	191	85	42	1,805	146	445	526	3,340	905
2020	1,030	172	85	39	1,630	108	900	506	3,645	825
2021	1,050	152	90	35	1,615	71	910	479	3,665	737
2022	1,100	129	95	31	415	46	925	451	2,535	657
2023	1,135	106	100	26	425	32	920	423	2,580	587
2024	1,150	80	100	22	275	17	930	396	2,455	515
2025	1,165	52	100	17	280	9	815	369	2,360	447
2026	1,205	22	110	12	-	-	850	344	2,165	378
2027	280	4	110	7	-	-	865	319	1,255	330
2028	-	-	110	3	-	-	885	292	995	295
2029	-	-	-	-	-	-	1,210	261	1,210	261
2030	-	-	-	-	-	-	1,025	225	1,025	225
2031	-	-	-	-	-	-	1,060	188	1,060	188
2032	-	-	-	-	-	-	1,100	151	1,100	151
2033	-	-	-	-	-	-	1,130	110	1,130	110
2034	-	-	-	-	-	-	1,165	67	1,165	67
2035	-	-	-	-	-	-	1,210	23	1,210	23
Total	\$ 17,695	\$ 2,030	\$ 1,290	\$ 439	\$ 14,460	\$ 1,429	\$ 17,155	\$ 7,310	\$ 50,600	\$ 11,208

Capital Project Funds

Capital Projects

Introduction

The City plans for capital maintenance and improvements by preparing a ten year Capital Improvement Plan (CIP). The CIP represents a framework for planning the preservation and expansion of capital including equipment, facilities, and infrastructure. It sets forth the estimated schedule, timing, and details of specific improvements by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement. The plan is updated every other year during the second year of the two year operating budget preparation. The plan authorizes the expenditures for the first two years of the ten year planning period.

The City Council considered the following when preparing the CIP for each project and for the overall plan:

- the condition of the City's infrastructure including the projected need for repair or replacement
- the likely demand for the improvement
- the estimated cost of the improvement
- the available public resources
- the level of overlapping debt in the City
- the relative benefits and costs of alternative uses of the funds
- operating cost of the proposed improvement
- alternatives for providing services most efficiently through shared facilities with other cities or local government units

Capital Improvements Definition

A Capital improvement is a major expenditure of City funds. For the CIP, the City defines a capital improvement where the cost of a single project or piece of equipment is over \$25,000. Projects under \$25,000 appear in the operating funds and on a limited basis in the CIP.

Process

The City updates the Capital Improvement Plan (CIP) every two years. Each department documents and prioritizes their requested projects. The cost estimates for each request include capital and operating budget costs that would result from the project

Capital Projects

Finance then analyzes the requested projects and compares the requests to funds available. A CIP committee consisting of the department heads meets to make a final recommendation to the City Manager of the proposed CIP projects. The City Manager makes the final recommendation to the City Council on which projects to include and fund in the CIP.

Highlight of 2016 and 2017 Capital Projects

General Fund

Small capital items needed for operations are budgeted in the General Fund.

Capital Improvement/Maintenance Fund

Projects paid for out of the Capital Improvement/Maintenance Fund are projects that do not have another funding source. Funding for the Capital Improvement Fund includes liquor profits, tax revenue, transfers-in, interest, and other miscellaneous sources. Usually one-time money received is put into the Capital Improvement Fund. The City uses the Capital Improvement Fund and pay-as-you-go financing whenever possible.

Pay-as-you-go is a method of financing capital projects with current revenues – paying cash instead of borrowing against future revenues. Pay-as-you-go works well where capital needs are steady and financial capability is adequate. Pay-as-you-go saves interest costs since interest on long-term bonds can more or less equal the original capital costs, depending on interest rates and repayment schedules. It also protects borrowing capacity for unforeseen major outlays that are beyond any current year's capability, and it fosters favorable bond ratings when long-term financing is undertaken.

Pavement Management Fund

The Pavement Management Fund pays for ongoing maintenance of approximately 220 miles of City streets. The City collects about \$2,000,000 annually in franchise fees to pay for the maintenance.

Trails

The Trails Fund provides for new trails and sidewalks. Funding comes from the Capital Improvement/Maintenance Fund as a transfer.

Capital Projects

Internal Service Funds

The City funds capital projects out of the Fleet Services, Information Technology, and Facilities Internal Service Funds.

- Fleet Services manages the acquisition and disposal of over 290 vehicles and 150 pieces of small equipment.
- Information Technology includes the maintenance of the City's internal and external network infrastructure and replacement of various software.
- Facility projects include improvements and repairs and maintenance of the City's 32 buildings.

Utility Funds

Projects under Utility Operations include projects to maintain the City's utility infrastructure.

Detailed Capital Information

Below summarizes detailed capital information for the General Fund, Capital Improvement and Maintenance Fund, the Pavement Management Fund, the Trails fund, the Internal Service Funds, and the Utility Funds.

Capital Projects

General Fund

	2015 Budget	2016 Budget	2017 Budget
Park Maintenance			
Replacement of Outdated Irrigation Controllers	\$ 10,000	\$ 15,000	\$ 15,000
Weed Whips and Small Lawn Tools	5,000	5,000	5,000
Replacement of Broom for Groundsmaster	8,000		
Seal Coating at Smetanan Lake Park	25,000		
Picnic Tables and Grills	10,000		10,000
Irrigation Upgrades at Flying Cloud Fields		20,000	
Replace Broken Fence and Safety Netting		12,500	
Paint and Repair Picnic Pavilions		15,000	
Turf Aerator Replacement		10,000	
Concrete and Construction Tools		2,500	
Trash and Recycle Cans			5,000
Convert Outlots to Native Landscapes			20,000
Replace Old Snow Removal Equipment			10,000
Sub-total	58,000	65,000	65,000
Community Center			
Fitness Equipment Replacement	75,000	75,000	75,000
Concessions	10,000	10,000	10,000
Sub-total	85,000	85,000	85,000
Fire			
Radios and Equipment	70,901	50,000	55,000
Sub-total	70,901	50,000	55,000
Public Works			
Easements	1,000	2,000	2,000
Sub-total	1,000	2,000	2,000
Total General Fund	\$ 214,901	\$ 202,000	\$ 207,000

Operating Budget Impact

The General Fund items are either capital maintenance or small projects that will not add to operating costs.

Capital Projects

	2015 Budget	2016 Budget	2017 Budget
Capital Improvement/Maintenance Fund			
Front End Loader and Snow Blower Attachment	\$ 324,000		
Staring Lake Playground Replacement	50,000	1,000,000	
Parks Parking Lot Maintenance	820,000	100,000	265,000
Trail Maintenance	340,000	440,000	280,000
Round Lake Park-Phase II	50,000	1,800,000	
Skid Steer Loader	50,000		
Department Issued Phones	37,500		
E-One 78' Ladder Truck	200,000		
Preserve Park Hockey Rink Replacement	40,000		
Radio Replacement	500,000	500,000	500,000
Cold Storage Building		500,000	
Additional Police Squad		35,000	50,000
Single Axle Dump Truck & Plow Equipment		220,000	
Play Equipment Replacement		80,000	
Security Cameras		35,000	
Riley Lake Park Renovation		50,000	800,000
Mobile Command Center Remodel		35,000	
Dispatch Consoles and Logging		50,000	
Replace and Update Analog Phone Loggers		50,000	
Card Access			150,000
Miller Park Hockey Rink Replacement			60,000
West 70th Street - East Segment			1,000,000
Total Capital Improvement/Maintenance Fund	\$ 2,411,500	\$ 4,895,000	\$ 3,105,000

2014/2015 Project Descriptions and Operating Cost Impacts

Front End Loader and Snow Blower Attachment

The City's snow removal process requires three front end loaders and a big blower to maintain trails and parking lots. The City currently owns two viable loaders and no large blower. Operations and maintenance costs will be shared evenly between Streets and Park Maintenance.

Staring Lake Playground Replacement

Replace the current play equipment and safety surfacing at the park. Current plan is to use the existing tube slides. The amount of degradation of the retaining walls and concerns over general area safety has resulted in a re-evaluation of this park site. The play equipment at this park was 18 years old in 2015. Due to the large amount of usage this play equipment will be at the end of its normal life usage time frame. For safety reasons, this equipment and the underlying safety surface will need to be replaced. Annual budget will be the same for park maintenance staff as it is to maintain the current play area and equipment.

Capital Projects

Parks Parking Lot Maintenance

This project is for reconstruction/repair of parking lots within City Parks. Annual inspection determines the priority of parking lots that will be repaired to keep the lots safe and in good physical condition. For general maintenance \$80,000 is budgeted annually to cover miscellaneous repairs and upkeep. The additional annual funding request is for the major renovation of parking lots either by installing a 1 1/2 inch bituminous overlay or the complete replacement of the parking surface. There is no additional budget impact for this project.

Trail Maintenance

These funds are used to provide ongoing maintenance of the existing trail and sidewalk systems throughout the city. The goal of the program is to keep our system at a PCI rating of 80 by performing regular maintenance to prolong the surface life of these facilities. Annual maintenance work will include the sealcoating of approximately 5-8 miles of trails annually, the overlay and or replacement of trail/sidewalk sections identified within the pavement management survey as having a PCI of less than 50, and the repair/reconstruction of degraded trails within city parks.

Round Lake Park - Phase II

Reconstruction of Round Lake Park to include better traffic flow, additional parking, additional park amenities and reduction of ball fields from 4 to 3 for adult league play. 2015 costs are to begin the initial planning of Phase II. Round Lake Park is the oldest Community Park in the City. In 2011 a consultant presented a redesign Master Plan to the Parks Commission and City Council. The first phase of construction was completed in 2012. This project would complete the work outlined in the master plan. Since the current park has a high level of maintenance it is anticipated that the annual maintenance costs would be the same as current expenditures.

Skid Steer Loader

Purchase a new skid steer loader. The current skid steer has a twisted frame and therefore is not fully functional. In addition the parks department has a year round need for a machine of this type to do construction activities in the summer and remove snow in the winter. The machine is expected to have lower annual operating costs due to higher engine efficiency and improvements to the hydrostatic drive system.

Capital Projects

Department Issued Phones

Move from use of personal phones to issuing department smartphones in the Police Department.

E-ONE 78' Ladder Truck

In 2002, the Fire Department purchased Tower 21 for \$ 670,000. This truck was scheduled to be replaced in 2023 for \$ 1.5 million dollars. The City of Pine Island is offering \$ 500,000 dollars for Tower 21. For an additional \$ 200,000 dollars the Eden Prairie Fire department would be able to purchase a new and different truck. The cost of the new truck is \$700,000. An E-ONE 78' ladder truck will give Eden Prairie Fire Department a new tactical advantage with a more maneuverable truck.

Preserve Park Hockey Rink Replacement

Replace the hockey pen at Preserve Park. The wooden posts at this hockey pen are starting to rot. The plan is to replace with a steel post/frame system with new boards. No additional annual costs will be incurred since this project is for the replacement of the current hockey pen.

Radio Replacement

The Fire Department has oversight of the City's radios. Amounts are budgeted annually to replace a portion of the radio system.

Cold Storage Building

This building will provide enclosed cold storage of equipment and materials. It will be located at the Maintenance Outdoor Storage Site on Flying Cloud Drive adjacent to and north of the BFI transfer facility. This building will provide cold covered storage that will enable staff to haul and stockpile material and store and protect vehicles from the elements thereby increasing efficiency and ensuring a longer life for equipment and rolling stock. This project is anticipated to reduce operational costs through efficiencies gained and longer lasting equipment and vehicles. Minimal power requirements will be for lighting only.

Capital Projects

Additional Police Squad

This will add a permanent car to the fleet to replace use of temporary auction cars. There is a risk that these cars will not be available in the future. Auction cars are used for code enforcement and investigators. Fleet Services budgeted for the maintenance and replacement of these new vehicles.

Single Axle Dump Truck & Plow Equipment

Single axle dump truck & plow equipment is needed to meet current snow removal needs. The annual operating cost for this type of truck is about \$4,950 for fuel and \$3,850 for maintenance. The City is already incurring these operating costs in the budget as staff delayed the sale of an old plow truck and kept it as extra vehicle to be used until this capital purchase occurs. In reality the City will lower the overall operating cost with the new vehicle as it is generally more expensive to keep an older truck on the road as compared to a new vehicle.

Play Equipment Replacement

This item is for scheduled replacement of older play equipment at various parks. Play equipment is on a replacement schedule based on an annual safety audit. Each year play equipment is scheduled for replacement based on its age and safety audit point priority ranking. Play equipment has a normal life expectancy of 15 years and currently there are 31 playgrounds within the park system. There is little or no change in the annual operating budget for the inspection and preventative maintenance for these play areas. There is however a slight repair cost savings when new equipment is installed since the amount of breakage and frequency of damage that occurs on the older style is reduced significantly.

Security Cameras

Camera upgrades to resolution and capture.

Riley Lake Park Renovation

Project includes reconfiguration and reconstruction of the boat ramp parking area and the addition of a new park building to serve as a restroom and beach changing area. At the current time the beach area receives high usage and the only place for patrons to change is in the portable

Capital Projects

toilet facilities. Plan design will occur in 2016 and construction in 2017. There will be a slight increase in annual operating costs to clean the restroom/changing building.

Mobile Command Center Remodel

Remodel current Police mobile command center to better suit current needs.

Miller Park Hockey Rink Replacement

Replace the existing hockey pen at Miller Park. The wooden posts at this hockey pen are starting to rot. In addition the clay soils on site are causing the boards to frost move each year. The plan is to regrade the site, install a drain tile system and replace with a steel post/frame system with new boards. There is no additional budget impact as this is a replacement of existing amenity.

West 70th St - East Segment

This project will upgrade the eastern segment of West 70th Street to match new extension of West 70th Street to Flying Cloud Drive. It is expected that project will include trails and sidewalk. Estimated cost based on upgrading 0.2 miles to a 3-lane roadway @ \$3.5M per mile. Cost estimate also assumes \$300,000 for right-of-way acquisition. This section of West 70th Street is currently a standard industrial street section. The project is needed to match this existing section to the new proposed extension of West 70th Street to the west. The project will also provide improved multi-modal access for area businesses and will serve the proposed Golden Triangle Light Rail Transit Station. The project will result in additional roadway pavement and new trails/sidewalks which will require standard maintenance, The additional maintenance costs associated with this project are negligible.

Below summarizes information for the Pavement Management Fund.

	2015	2016	2017
	Budget	Budget	Budget
Pavment Management Fund			
Pavement Management Program	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

The Pavement Management Fund pays for ongoing maintenance of approximately 233 miles of City streets. Utilizing a City-wide evaluation system, the current Pavement Condition is

Capital Projects

approximately 81. The City-wide goal is to maintain an average of 60, with a funding target PCI of 80.

Below summarizes information for the Trails Fund.

Trails	2015 Budget	2016 Budget	2017 Budget
Transportation Trails/Sidewalks	\$ 260,000	\$ 275,000	\$ 285,000

This project provides funding for new trails and sidewalks throughout the city. Projects are prioritized on the need to complete missing sections of the trail/sidewalk system as outlined in the Park and Open Space System Plan and the recently completed Pedestrian and Bicycle Plan for the city. Unspent annual allocations are carried forward to allow for unanticipated delays or higher costs due to future contractor bids. This fund is needed to provide funding for completion of a very visible and highly regarded element of our recreation and transportation system. Additional trails and sidewalks will need to be constructed as a result of the Light Rail Transit Project. These trails and sidewalks will provide vital extensions of the trail and sidewalk system beyond the station areas. There is a specific trail plan that will take 10 years to fully implement.

Capital Projects

	2015 Budget	2016 Budget	2017 Budget
Internal Service Funds			
Fleet			
Vehicle replacement	\$ 1,301,300	\$ 867,600	\$ 1,269,575
Information Technology			
Internal/External network	72,000		120,000
Document Imaging - Citywide	25,000		25,000
Fiber Implementation	55,000	50,000	
Phone System Upgrade	30,000		
GIS Data Collection Project	28,000		28,000
Facilities			
Building Restoration	120,000	120,000	120,000
City Center Heat Pump Replacement	75,000	75,000	75,000
Recarpet Main Lobby City Center	95,000		
Replace ceramic tile in Lobby restroom city center	25,000		
Replace Building Electrical Switchgear	80,000		
Sleeping Quarters for Station 2 - Duty Crew	75,000		
Sleeping Quarters for Station 3 - Duty Crew	75,000		
Sleeping Quarters for Station 4 - Duty Crew	75,000		
Generator for Fire 2		75,000	
Generator for Fire 3		75,000	
Recarpet Lower Atrium - City Center		95,000	
Replace Ceramic Tile in City Center Restrooms		40,000	
Build Office Police			250,000
Replace Fire Station 2 Roof			255,000
Replace Cooling Tower - City Center			95,000
Replace Staff Carpet Areas - City Center			180,000
Total Internal Service Funds	\$ 2,131,300	\$ 1,397,600	\$ 2,417,575

2016/2017 Project Descriptions and Operating Cost Impacts

All the Fleet vehicles are for replacement. Any new vehicles are budgeted as part of the Capital Improvement Plan.

Capital Projects

Internal/External Network - IT

Replace and expand existing internal and external network equipment which includes switches, wireless equipment, Backup Solution, Vmware server and SAN storage. The network is the Information Technology backbone. The City needs to enhance and expand the capacity to serve City business needs.

Document Imaging - Citywide

Software and equipment to continue implementation and upgrades to the City-wide document imaging, document indexing, and business workflow related to Building Inspections, Finance, Assessing, Police, Fire, and Engineering, etc. Significant staff time is saved by searching on the system instead of going through paper files. Annual maintenance costs, which are about 20% of the software cost, are included in the Information Technology budget.

Fiber Implementation

This part of the project includes fiber build to provide a fiber loop for redundancy to LOGIS in the event fiber is cut. Also, staff will consider an alternate fiber provider to the community center due to invalid/missing information discovered from CenturyLink during pool construction.

Phone System Upgrade

The upgrade will provide unified messaging and replace all analog/digital phones with VOIP. Unified Communications is to view voice mails in Exchange to enhance internal and external communication. The upgrade will also provide in house web and audio conference capabilities. Necessary upgrades should be done every four years to servers and overall phone systems.

Building Restoration

Replace failed caulk, tuck-point failed mortar joints, window glazing repair, expansion joint repair and concrete repair. Because conditions are quite severe in Minnesota, --with temperatures ranging from 20 below to 100 above, and with freezing rain, frost and snow, --City buildings need repairs every year. Buildings shift slightly in these extremes, causing caulk and mortar to fail every year, and the weather is very hard on paint, wood, metal, weather seals, etc. Similarly, sidewalks and curbs have failed causing tripping hazards and safety issues. Minnesota

Capital Projects

weather is very hard on concrete surfaces. Freezing and thawing causes the ground to move and raise or lower sidewalks and settling of the soil causes cracks. The uneven and cracked sidewalks, stairs, curbs and patios become tripping hazards. In some cases these areas can be repaired by cement raising (sometimes called "mud jacking"), but other times the concrete must be removed and replaced.

City Center Heat Pump Replacement

10% replacement of older and faulty heat pumps per year (260 total). Also used as a funding source when other major mechanical equipment fails. Examples include boiler tube replacement, replacement of a 25 horsepower compressor in the chiller, replacement of a cooling tower pump or core water loop pump and replacement of a cracked heat exchanger in the Police Dispatch air handling unit. Much of the original heating, ventilation and air conditioning (HVAC) equipment within the facility is 25 years old. The typical life of heat pumps is about 15 years. The typical life of most of the other equipment within the building is 20 years, at which time it needs to be rebuilt or replaced. When equipment reaches the end of its useful life, it is maintained until the maintenance costs exceed the cost of new equipment.

Recarpet Main Lobby City Center

Recarpet main floor lobby and Council chamber at City Center. The carpet is nearing its theoretical useful life and needs to be replaced.

Replace Ceramic Tile in City Center Lobby Restrooms

Replace ceramic tile in main lobby restrooms. The tile is very "dated" and needs to reflect the quality of the rest of the building.

Replace Building Electrical Switchgear

Replace original electrical switchgear. This is the original building switchgear and it has exceeded its theoretical useful life. Its location in the pool mechanical room has speeded its deterioration, and the cabinet shows obvious rust and corrosion. Annual infrared surveys frequently identify maintenance issues that are quickly repaired. This would be perfect timing during the pool expansion project, as the pool mechanical equipment, including the chlorine feeders which are the major reason for the corrosion, will be moved to a new location and isolated from everything else.

Capital Projects

Sleeping Quarters for Fire Stations, #2, #3, and #4

Construct sleeping quarters for Duty Crew at the three fire stations. Duty crews were not considered decades ago when the stations were built. Now that they are in place, staff sleeps on cots in the exercise room, office and lounge which is neither quiet nor restful.

Generator for Fire Station #2 and #3

Install generator at Fire Station #2 and #3. Currently there are no generators at these two stations. In a storm or other emergency, a portable generator must be brought in, manually connected to the electrical service, manually started by staff and monitored during operation. A stationary generator would provide instant power in the event of an emergency and would eliminate the danger of staff connecting and operating a portable generators.

Recarpet Lower Atrium – City Center

Recarpet lower level areas in City Center including atrium, hallways, stairway and Heritage Rooms. Carpet has reached its theoretical useful life and is showing wear and needs to be replaced.

Replace Ceramic Tile in City Center Restrooms

Replace ceramic tile in City Center restrooms. The tile is very "dated" and needs to reflect the quality of the rest of the building.

Build Offices - Police

Remodel and build offices in Police Department.

Replace Roof at Fire Station 2

Replace Fire Station #2 Roof. This roof has exceeded its theoretical useful life and has been a source of leaks and ongoing maintenance issues for years.

Replace Cooling Tower – City Center

The cooling tower has reached and exceeded its theoretical useful life and needs to be replaced.

Capital Projects

	2015 Budget	2016 Budget	2017 Budget
Utility Funds			
Water			
South Shady Oak Road (TH 212 Interchange) \$	850,000		
Water Conservation Landscaping	20,000	20,000	21,000
Parks Smart Irrigation Control Upgrade	15,000	20,000	20,000
Well Electrical & Controls Upgrade (Well #6)	162,000		
Water Main Dell Road at Crestwood/Overland	90,000		
Park Irrigation Conservation Project	50,000		
Well 17 Construction	30,000	1,200,000	
Cold Storage Building		85,000	
CSAH 61 (Charson Rd to Carver County)		140,000	
Eden Prairie Road Connection to FCD		50,000	
Well No. 17 Well Collector Main		270,000	
Water Tower Recoating (Market Center)		1,045,000	
Well Electrical & Controls Upgrade (Well #12)		5,500	150,000
Ground Storage Reservoir		1,000,000	5,000,000
Beach Road Watermain			450,000
Well Electrical & Controls Upgrade (Well #13)			6,000
Water Tower Recoating (Dell Road - Hidden Ponds)			10,000
Well Electrical & Controls Upgrade (Well #11)			6,500
Medcom Blvd (Extention to Franlo Rd)			75,000
Prairie Center Drive/Preserve Blvd Intersection			25,000
West 70th Street - East Segment			25,000
Total Water Fund	\$ 1,217,000	\$ 3,835,500	\$ 5,788,500

Capital Projects

	2015 Budget	2016 Budget	2017 Budget
Sewer			
South Shady Oak Road (TH 212 Interchange) \$	90,000		
I & I Drain Tile Projects	50,000	50,000	
Cold Storage Building		85,000	
Eden Prairie Road Connection to FCD		50,000	
Annual Sewer System Reinvestment	-	456,000	456,000
Annual Lift Station Rehabilitation	-	104,040	106,121
Medcom Blvd (Extention to Franlo Rd)			25,000
Prairie Center Drive/Preserve Blvd Intersection			25,000
Total Sewer Fund	\$ 140,000	\$ 745,040	\$ 612,121

Utility projects are part of the ten year CIP and part of the utility rate study to ensure adequate amounts are charged to fund these projects.



Enterprise Funds

Utility Division

Purpose

The Utilities Division manages the City's water, wastewater and stormwater systems to preserve, protect, and maintain water resources in the community.

Objectives

- Provide and deliver a safe and reliable supply of water to our customers.
- Protect the public's health by providing for the safe collection and removal of wastewater.
- Provide and maintain a storm drainage and natural waterway system that protects property, people and the environment.
- Ensure adequate funds are available to provide for the operating and capital needs of the three utility systems

Utility Rate Study

In July 2013, AE2S was retained to review and update the ten-year utility rate study for the Water, Sewer, and Storm Drainage Utilities for the planning period through 2023. The primary focus of this review and update was the evaluation of alternative water rate design and future rate strategies for all three utilities in light of upcoming capital needs, customer-centered practices, and the cost of seasonal irrigation services.

Goals of the study included the following:

- Determine the Water Utility Irrigation Cost of Service;
- Evaluate Water Utility Rate Structure Alternatives, including both the Volumetric and Fixed Charge Components; and
- Prepare 10-Year Revenue Adequacy Models and Develop Rate Adjustment Projections for the Water, Sanitary Sewer, and Storm Drainage Utilities.

The results of the study included the adjustment of the tiered rate structure to promote conservation, detailed capital analysis of the needs of the system, and recommended rate adjustments to provide adequate funding. The study was reviewed by the Conservation Commission and the City Council.

Utility Division

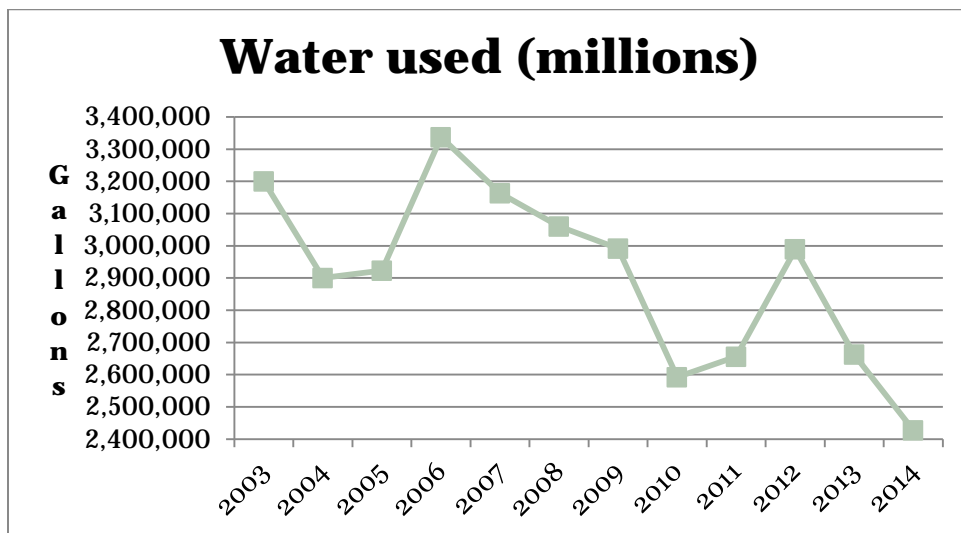
These changes took effect January 1, 2014 and staff will monitor financial results against expectations to ensure appropriate levels of funding for the operations.

Water Fund

Description of Operations

The Utilities Division draws its drinking water from the Prairie Du Chien and Jordan Aquifers through 15 different raw water wells located throughout the city. This raw water is pumped to the Eden Prairie Water Treatment Plant where it is purified. Next, the water is distributed to our customers through a vast network of water mains, valves and storage reservoirs. The City of Eden Prairie's water enterprise consists of the following activities: water sampling and inspections, water treatment plant and residuals management, water wells, water storage, water meter installation, reading and repair, and water distribution system maintenance

Below summarizes Water usage from 2003 to 2014.



Objectives

1. Provide and deliver a safe and reliable supply of water to our customers.

Water Fund

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Maintain Security of WTP, Wells, & Storage Facilities	No Unauthorized Access
CWS	1	Ensure System Meets all State/Federal Water Quality & Health Regulations	No Violations or Fines
CWS	2	Complete Well Head Protection Program and investigate the inclusion in the City Zoning Reviews	Approval by Dept. of Health and inclusion in Zoning Reviews
QES	1	Maintain the Integrity of the Distribution System	3 yr Cycle of Leak Detection; Net Water Loss <8%; All Fire Hydrants Flushed, Inspected/Repaired Annually
ISP	1	Track Eden Prairie's Water Use on the Aquifer	Collect aquifer utilization data from the well system & evaluate trends; Make progress towards 75 GPCD goal; Install sustainable ground cover throughout City properties to educate public

Financials

- Operating revenues are budgeted to increase 4.1% in 2016 and 3.8% in 2017 to \$9,619,443 and \$9,989,280 respectively.
- Operating expenses are budgeted to increase .3% in 2016 and 2.7% in 2017 to \$6,312,974 and \$6,485,653 respectively.
- Operating capital is budgeted to increase 45.3% in 2016 and decrease 77.3% in 2017 to \$1,250,500 and \$283,500. These costs vary annually based on the proposed projects.
- Depreciation is expected to increase 4.2% and 0% respectively to \$2,921,755 in 2016.
- The projected change in net assets is (\$389,253) and \$471,719 for 2016 and 2017 respectively.

Water usage decreased the past two years due to the weather conditions. Staff continues to budget for typical weather patterns and will continue to monitor if any more permanent or long-

Water Fund

term trends are formed. The ten year capital improvement plan has some flexibility built into it to adjust for temporary revenue declines. Water utility assets are considered to be in a state of expansion with minor repairs.

Rate increases of 3% for the fixed charge and 4% for the flow charge are planned for 2016 and 2017. Debt Issuance is also planned as follows:

- 2016 to 2018 - Ground Storage Reservoir - \$10,000,000
- 2016 - Water Tower Recoating Market Center - \$1,000,000
- 2018 - Water Tower Recoating Dell Road/Hidden Ponds - \$1,000,000

Water Fund

	Actual 2014	Budget 2015	Budget 2016	Difference	Percent Change	Budget 2017	Difference	Percent Change
OPERATING REVENUE								
Sales	\$ 5,960,598	\$ 7,855,099	\$ 8,183,303	\$ 328,204	4.2%	\$ 8,507,995	\$ 324,692	4.0%
Fixed Charges	1,307,664	1,340,412	1,384,140	43,728	3.3%	1,429,285	45,145	3.3%
Penalty Charges	37,811	35,000	39,000	4,000	11.4%	39,000	-	0.0%
Other	9,255	13,000	13,000	-	0.0%	13,000	-	0.0%
Total Operating Revenues	7,315,328	9,243,511	9,619,443	375,932	4.1%	9,989,280	369,837	3.8%
OPERATING EXPENSE								
Personal Services	2,300,302	2,381,377	2,437,470	56,093	2.4%	2,507,195	69,725	2.9%
Commodities and Supplies	114,146	178,336	170,505	(7,831)	(4.4%)	163,024	(7,481)	(4.4%)
Chemicals	598,068	566,347	708,576	142,229	25.1%	742,812	34,236	4.8%
Merchandise for Resale	52,344	42,763	44,333	1,570	3.7%	44,776	443	1.0%
Contractual Services	448,660	544,531	486,166	(58,365)	(10.7%)	488,696	2,530	0.5%
Lime Residual Removal	229,867	231,750	273,227	41,477	17.9%	289,620	16,393	6.0%
Janitorial Services / Cleaning Supplies	58,467	68,744	53,676	(15,068)	(21.9%)	53,795	119	0.2%
LOGIS	49,890	48,022	55,000	6,978	14.5%	56,650	1,650	3.0%
Process Control Services	37,335	36,497	44,806	8,309	22.8%	45,255	449	1.0%
Licenses, Permits, Taxes	160,489	180,707	97,651	(83,056)	(46.0%)	98,268	617	0.6%
Bank and Credit Card Fees	41,109	28,878	22,500	(6,378)	(22.1%)	25,000	2,500	11.1%
Repair and Maintenance	660,633	578,076	650,991	72,915	12.6%	656,903	5,912	0.9%
Utilities	719,787	829,965	805,304	(24,661)	(3.0%)	836,154	30,850	3.8%
User Charges	519,437	577,339	462,769	(114,570)	(19.8%)	477,505	14,736	3.2%
Total Operating Expenses	5,990,534	6,293,332	6,312,974	19,642	0.3%	6,485,653	172,679	2.7%
Operating Income (Loss) before Depreciation & Capital	1,324,794	2,950,179	3,306,469	356,290	12.1%	3,503,627	197,158	6.0%
Operating Capital	878,990	860,434	1,250,500	390,066	45.3%	283,500	(967,000)	(77.3%)
Depreciation	2,921,757	2,804,626	2,921,755	117,129	4.2%	2,921,755	-	0.0%
NONOPERATING REVENUE (EXPENSE)								
Investment Income	31,009	30,000	30,000	-	0.0%	30,000	-	0.0%
Access Charges	478,980	765,608	765,608	-	0.0%	403,347	(362,261)	(47.3%)
Special Assessments	137,631	-	-	-	-	-	-	-
Grants	10,000	-	-	-	-	-	-	-
Interest	(76,199)	(68,735)	(59,075)	9,660	(14.1%)	-	59,075	(100.0%)
Bond Issuance Costs	12,005	-	-	-	-	-	-	-
Fiscal Agent Fees	(525)	-	-	-	-	-	-	-
Miscellaneous	5,264	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	598,165	726,873	736,533	9,660	1.3%	433,347	(303,186)	(41.2%)
Income (Loss) before Contributions and Transfers	(1,877,788)	11,992	(129,253)	(141,245)	(1177.8%)	731,719	860,972	(666.1%)
Transfer (out)	(260,000)	(260,000)	(260,000)	-	0.0%	(260,000)	-	0.0%
Change in Net Assets	\$ (2,137,788)	\$ (248,008)	\$ (389,253)	\$ (141,245)	57.0%	\$ 471,719	\$ 860,972	(221.2%)

Sewer Fund

Description of Operations

The Utilities Division collects sanitary waste from our wastewater customers. This is done through a system of wastewater mains and lift stations which are connected to the Metropolitan Council Environmental Services wastewater interceptors. This raw sewage is then transported to the Blue Lake Wastewater Treatment Facility in Shakopee where it is treated and discharged into the Minnesota River.

Utility Operators perform regular maintenance on the wastewater system to prevent sewer backups or overflows. This includes activities such as jetting mains to remove buildup and other debris, lift station pump and control maintenance, and collection system maintenance.

Objectives

1. Protect the public's health by providing for the safe collection and removal of wastewater.

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Perform lift station, sewer line, and manhole maintenance in accordance with SOGs and identify and reduce sources of inflow and infiltration	No more than 3 preventable backups or overflows in City system and ensure all customer visits include a spot check of their sump pump system
QES	2	Maintain the Integrity of the Collection System	Implement Access Improvement Plan for Cross Country System; Upgrade Lift Station Power Supplies; Develop Televising Program

Financials

- Operating revenues are budgeted to increase 3.0% in 2016 and 2017 to \$5,916,896 and \$6,094,404 respectively.
- Operating expenditures are budgeted to increase 9.6% in 2016 and increase 2.9% in 2017 to \$5,192,119 and \$5,345,159 respectively.

Sewer Fund

- Depreciation is expected to increase 1.8% and 0% respectively to \$1,750,082 in 2014.

A rate increase of 3% is planned annually. Sewer utility assets are considered to be in a state of preservation with minor repairs

	Actual 2014	Budget 2015	Budget 2016	Difference	Percent Change	Budget 2017	Difference	Percent Change
OPERATING REVENUE								
Sales	\$ 4,259,287	\$ 4,491,849	\$ 4,626,604	\$ 134,755	3.0%	\$ 4,765,403	\$ 138,799	3.0%
Fixed Charges	1,307,664	1,252,711	1,290,292	37,581	3.0%	1,329,001	38,709	3.0%
Other Revenue	(2,400)	-	-	-	-	-	-	-
Total Operating Revenues	5,564,551	5,744,560	5,916,896	172,336	3.0%	6,094,404	177,508	3.0%
OPERATING EXPENSE								
Personal Services	617,687	743,286	763,169	19,883	2.7%	786,318	23,149	3.0%
Commodities and Supplies	27,460	10,283	8,043	(2,240)	(21.8%)	8,049	6	0.1%
Contractual Services	90,244	95,952	164,931	68,979	71.9%	165,109	178	0.1%
LOGIS	49,890	48,022	55,000	6,978	14.5%	56,650	1,650	3.0%
Process Control Services	25,004	5,150	10,000	4,850	94.2%	10,100	100	1.0%
Licenses, Permits, Taxes	336	364	405	41	11.3%	409	4	1.0%
Repair and Maintenance	176,705	155,077	149,084	(5,993)	(3.9%)	150,425	1,341	0.9%
Utilities	27,049	31,181	31,592	411	1.3%	32,801	1,209	3.8%
MCES Fee	3,465,922	3,488,543	3,743,348	254,805	7.3%	3,855,649	112,301	3.0%
User Charges	142,221	159,279	266,547	107,268	67.3%	279,649	13,102	4.9%
Total Operating Expenses	4,622,518	4,737,137	5,192,119	454,982	9.6%	5,345,159	153,040	2.9%
Operating Income (Loss) before Depreciation	942,033	1,007,423	724,777	(282,646)	(28.1%)	749,245	24,468	3.4%
Operating Capital	14,312	284,098	250,000	(34,098)	(12.0%)	150,000	(100,000)	(40.0%)
Depreciation	1,750,083	1,719,688	1,750,082	30,394	1.8%	1,750,082	-	0.0%
NONOPERATING REVENUE (EXPENSE)								
Investment Income	12,055	5,000	12,000	7,000	140.0%	12,000	-	0.0%
Access Charges	136,570	306,680	306,680	-	0.0%	86,350	(220,330)	(71.8%)
Special Assessments	127,220	-	-	-	-	-	-	-
Grants	9,850	-	-	-	-	-	-	-
Interest	(18,193)	(16,050)	(13,500)	2,550	(15.9%)	-	13,500	(100.0%)
Bond Issuance Costs	4,241	-	-	-	-	-	-	-
Miscellaneous	7,455	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	279,198	295,630	305,180	9,550	3.2%	98,350	(206,830)	(67.8%)
Income (Loss) before Transfers	(543,164)	(700,733)	(970,125)	(269,392)	38.4%	(1,052,487)	(82,362)	8.5%
Transfer In / (Out)	-	-	-	-	-	-	-	-
Change in Net Assets	\$ (543,164)	\$ (700,733)	\$ (970,125)	\$ (269,392)	38.4%	\$ (1,052,487)	\$ (82,362)	8.5%

Storm Drainage Fund

Description of Operations

Eden Prairie is home to a wide diversity of water resources, including 17 lakes, 513 wetlands, 177 storm water ponds and 3 creek systems. Because of the prominence of lakes, creeks and wetlands in Eden Prairie, protecting these resources is important. The City has initiated many projects over the years to control flooding caused by storm water runoff. In addition, it has taken steps to protect and improve the water quality of our wetlands and lakes. The Utilities Division maintains the stormwater system throughout Eden Prairie. This system is comprised of channels, ponds, lakes, streams, pipes, curb, gutter and catch basins.

Objectives

1. Provide and maintain a storm drainage and natural waterway system that protects property, people and the environment.

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Maintain integrity of the storm drainage system	Develop and implement systematic televising program; No property damage from storm system flooding; Investigate implementation of Atlas 14; Steep slope inspection program
ISP	1	Minimize discharge of pollution from storm drainage system	New construction complies with NPDES permit; Update Local Water Management Plan; Inspect 20% of system annually; Remove debris from sumps per standard operating guidelines

Financials

- Revenues are budgeted to increase 12.0% each year.
- Operating expenses are budgeted to decrease 18.8% in 2016 and increase 32.4% in 2017 to \$1,426,790 and \$1,888,535 respectively.
- Depreciation is expected to remain level each year at \$887,064.

Storm Drainage Fund

At the end of 2014, the storm fund had a negative cash balance of \$882,000. Public Works developed a ten year operating and capital plan to provide adequate funding and reserves going forward. This includes 12% rate increases in 2016 and 2017. Storm drainage assets considered to be in a state of capital replacement and repair. The budget includes a new stormwater operator position to allow for significant in-house repair projects versus needing to contract. This should save about \$100,000 annually.

	Actual 2014	Budget 2015	Budget 2016	Difference	Percent Change	Budget 2017	Difference	Percent Change
OPERATING REVENUE								
Sales	\$ 1,656,817	\$ 1,911,228	\$ 2,140,576	\$ 229,348	12.0%	\$ 2,397,445	\$ 256,869	12.0%
Total Operating Revenues	1,656,817	1,911,228	2,140,576	229,348	12.0%	2,397,445	256,869	12.0%
OPERATING EXPENSE								
Personal Services	254,034	196,662	288,613	91,951	46.8%	303,201	14,588	5.1%
Commodities and Supplies	22,653	14,700	19,100	4,400	29.9%	19,100	-	0.0%
Contractual Services	750,575	1,276,950	922,163	(354,787)	(27.8%)	1,364,800	442,637	48.0%
Licenses, Permits, Taxes	25,152	1,000	5,000	4,000	400.0%	5,000	-	0.0%
Repair and Maintenance	204,019	157,500	95,000	(62,500)	(39.7%)	97,000	2,000	2.1%
Utilities	1,567	904	1,629	725	80.2%	1,694	65	4.0%
User Charges	98,916	107,178	95,285	(11,893)	(11.1%)	97,740	2,455	2.6%
Operating Capital	(13,256)	1,500	-	(1,500)	(100.0%)	-	-	-
Total Operating Expenses	1,343,660	1,756,394	1,426,790	(329,604)	(18.8%)	1,888,535	461,745	32.4%
Operating Income (Loss) before Depreciation	313,157	154,834	713,786	558,952	361.0%	508,910	(204,876)	(28.7%)
Depreciation	887,065	837,712	887,064	49,352	5.9%	887,064	-	0.0%
NONOPERATING REVENUE (EXPENSE)								
Investment Income	(328)	2,000	-	(2,000)	(100.0%)	-	-	-
Special Assessments	197,000	-	-	-	-	-	-	-
Grants	338,074	-	-	-	-	-	-	-
Gain (Loss) on Disposition of Capital Assets	(315,093)	-	-	-	-	-	-	-
Miscellaneous	131,601	25,000	70,000	45,000	180.0%	70,000	-	0.0%
Total Nonoperating Revenues (Expenses)	351,254	27,000	70,000	43,000	159.3%	70,000	-	0.0%
Income (Loss) before Contributions and Transfers	(222,654)	(655,878)	(103,278)	552,600	(84.3%)	(308,154)	(204,876)	198.4%
Transfer In / (Out)	(154,800)	(10,000)	(10,000)	-	0.0%	(10,000)	-	0.0%
Change in Net Assets	\$ (377,454)	\$ (665,878)	\$ (113,278)	\$ 552,600	(83.0%)	\$ (318,154)	\$ (204,876)	180.9%

Liquor Fund

Description of Operations

The City operates three municipal liquor stores located at Prairie Village Mall, Den Road, and Prairie View Mall. Eden Prairie has the third largest municipal off-sale operation in the State. It is the City's policy that profits generated by municipal liquor operations be transferred to the Capital Improvement Program.

Objectives

1. Control the sale of alcoholic beverages
2. Maximize profit to support the City's Capital Improvement Program
3. Provide exceptional service, selection, and convenience
4. Engage in the community
 - o Eden Prairie Rotary
 - o Eden Prairie Foundation
 - o Parks and Recreation events

Goal	Objective	2016/2017 Strategies	Measure
QES	3	Continue implementation of GUEST customer service model	Mystery shop results Average sale per customer change
QES	3	Improve wine club offerings and value to customers	Attendance at events, number of club members
QES	2	Maintain inventory accuracy	Annual and quarterly audit results

Liquor Fund

Workload Measures

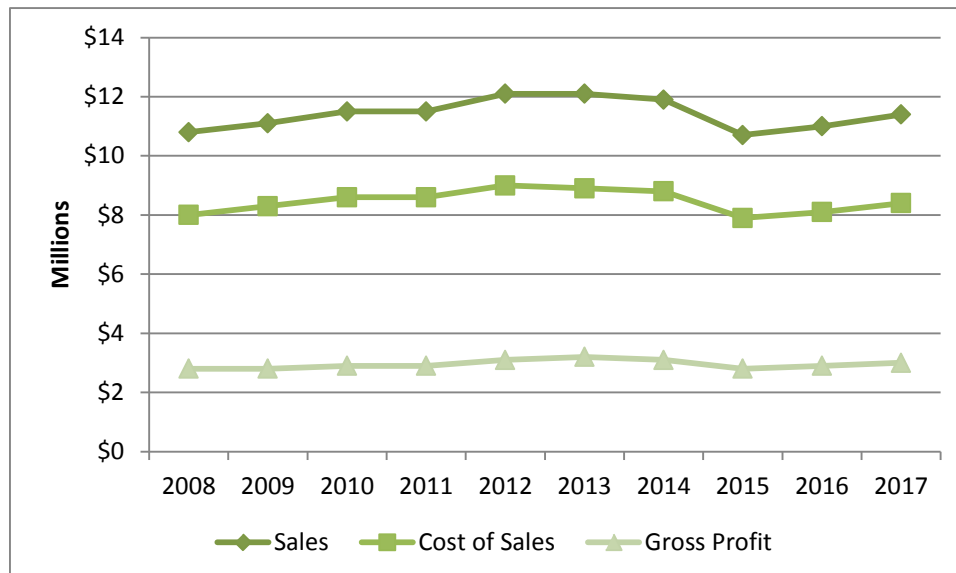
Liquor Operations	2014	2015	2016	2017
Average sale per customer - December				
Store #1	31.22	29.97	30.87	31.79
Store #2	28.43	27.29	28.11	28.95
Store #3	26.69	25.62	26.39	27.18
Inventory Variance	1% or less	1% or less	1% or less	1% or less

Financials

Sales are projected to increase 2.5% in 2016 and 3% in 2017 over the 2015 projected budget. Operating expenses totaling \$2,123,475 have been estimated for 2016 and \$2,189,086 for 2017, an increase of 2.2% and 3.1% respectively.

Projected change in net assets has decreased from 2014 due to a decrease in sales. Increased competition and a grocery store remodel located adjacent to one store are attributed for some of the decrease. After the initial adjustment, sales are expected to return to a positive pattern.

Below summarizes a ten year history of sales, cost of sales, and gross profit.



Liquor Fund

	2014 Actual	2015 Projected	2016 Budget	Difference	Percent Change	2017 Budget	Difference	Percent Change
SALES AND COST OF SALES								
Net Sales	\$ 11,929,792	\$ 10,721,314	\$ 11,043,368	\$ 322,054	2.5%	\$ 11,375,185	\$ 331,817	3.0%
Cost of Sales	8,805,885	7,882,827	8,116,789	233,962	2.5%	8,361,010	244,221	3.0%
Gross Profit	3,123,907	2,838,487	2,926,579	88,092	2.6%	3,014,175	87,596	3.0%
Gross Profit %	26.2%	26.5%	26.5%			26.5%	0.0%	(0.0%)
OPERATING REVENUE								
Wine Club Memberships	50,466	42,500	40,000	(2,500)	(5.9%)	40,000	-	0.0%
Wine Tasting Events	1,000	2,000	2,000	-	0.0%	2,000	-	0.0%
Total Operating Revenues	51,466	44,500	42,000	(2,500)	(5.4%)	42,000	-	0.0%
OPERATING EXPENSE								
Personal Services	946,693	1,036,242	1,064,895	28,653	2.6%	1,106,339	41,444	3.9%
Commodities and Supplies	39,118	40,392	43,276	2,884	5.5%	41,614	(1,662)	(3.8%)
Contractual Services	88,030	86,124	84,062	(2,062)	(2.0%)	82,395	(1,667)	(2.0%)
Insurance	10,973	12,457	13,038	581	5.5%	13,647	609	4.7%
Janitorial Services / Cleaning Supplies	44,285	30,995	31,848	853	2.9%	34,586	2,738	8.6%
Building Rent	318,786	324,748	330,847	6,099	1.9%	337,139	6,292	1.9%
Licenses, Permits, Taxes	80,970	76,307	80,104	3,797	4.5%	80,140	36	0.0%
Bank and Credit Card Fees	220,465	215,026	221,469	6,443	2.5%	228,104	6,635	3.0%
Repair and Maintenance	32,809	36,411	37,355	944	2.7%	37,890	535	1.4%
Utilities	78,208	84,126	84,693	567	0.7%	87,843	3,150	3.7%
User Charges	126,148	131,258	131,888	630	0.5%	139,389	7,501	5.7%
Total Operating Expenses	1,986,485	2,074,086	2,123,475	49,389	2.2%	2,189,086	65,611	3.1%
Operating Income (Loss) before Depreciation	1,188,888	808,901	845,104	36,203	3.0%	867,089	21,985	2.6%
Depreciation	72,357	72,357	72,357	-	0.0%	72,357	-	0.0%
NONOPERATING REVENUE (EXPENSE)								
Investment Income	2,019	800	750	(50)	(2.2%)	750	-	0.0%
Miscellaneous	5,694	5,700	5,700	-	0.0%	5,700	-	0.0%
Total Nonoperating Revenues (Expenses)	7,713	6,500	6,450	(50)	(0.8%)	6,450	-	0.0%
Income (Loss) before Transfers	\$ 1,124,244	\$ 743,044	\$ 779,197	\$ 36,153	4.9%	\$ 801,182	\$ 21,985	2.8%
Transfer (out)	(1,000,000)	(743,044)	(779,197)	(36,153)	4.9%	(801,182)	(21,985)	2.8%
Change in Net Assets	\$ 124,244	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%

Internal Service Funds

Benefits

Description of Operations

The Benefits Fund accounts for activities pertaining to the following benefits: health, dental, disability, life, payroll taxes, PERA, and severance.

Objectives

1. Provide Competitive Benefits
2. Implement and Maintain Wellness Program

Goal	Objective	2016/2017 Strategies	Measure
ISP	1	Proactively manage our insurance options and City policies and procedures in order to comply with the ACA and manage costs to the extent practicable.	Compliance with ACA and market or below market premium changes
ISP	2	Strategically plan wellness and safety initiatives, programs, and communication efforts, as well as integrate the Safety and Wellness Committees.	Feedback from committees. feedback from city employees, recognition from Hennepin County

	2014 Actual	2015 Budget	2016 Budget	Incr. / (Decr.)	Percent Change	2017 Budget	Incr. / (Decr.)	Percent Change
OPERATING REVENUE								
Charges for Services	\$ 5,086,417	\$ 5,171,837	\$ 5,461,132	\$ 289,295	5.6%	\$ 5,752,292	\$ 291,160	5.3%
Total Operating Revenues	5,086,417	5,171,837	5,461,132	289,295	5.6%	5,752,292	291,160	5.3%
OPERATING EXPENSE								
Wages and Benefits	5,435,866	5,171,837	5,461,132	289,295	5.6%	5,752,292	291,160	5.3%
Contractual Services	28,347	-	-	-	-	-	-	-
Total Operating Expenses	5,464,213	5,171,837	5,461,132	289,295	5.6%	5,752,292	291,160	5.3%
Operating Income (Loss)	(377,796)	-	-	-	-	-	-	-
NONOPERATING REVENUE (EXPENSE)								
Investment Income	6,264	-	-	-	-	-	-	-
Miscellaneous	6,649	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	12,913	-	-	-	-	-	-	-
Change in Net Position	\$ (364,883)	\$ -	\$ -	\$ -	-	\$ -	\$ -	-

Benefits

Below is a breakdown of personal services by benefit:

Category	2014 Actual	2015 Budget	2016 Budget	Increase / Decrease	2017 Budget	Increase / Decrease
Health	\$ 2,129,982	\$ 1,927,145	\$ 1,997,861	\$ 70,716	\$ 2,169,488	\$ 171,627
Dental	138,942	135,474	145,635	10,161	152,888	7,253
Disability	42,954	48,830	46,541	(2,289)	48,204	1,663
Life	9,771	10,102	10,203	101	10,203	-
Payroll Taxes	1,115,211	1,012,703	1,050,948	38,245	1,082,027	31,079
PERA	1,804,006	1,880,964	1,968,442	87,478	2,040,143	71,701
Severance	195,000	156,619	241,502	84,883	249,339	7,837
Total	\$ 5,435,866	\$ 5,171,837	\$ 5,461,132	\$ 289,295	\$ 5,752,292	\$ 291,160
				5.6%		5.3%

The City pays public employees retirement (PERA) benefits for all eligible employees. Generally all full time employees and part-time employees, who earn more than \$5,100 a year, are PERA eligible. The City currently contributes 7.50% of salary for PERA except for the police and fire employees where the percent is 16.2%. The City also pays 7.65% of salary for FICA except for police and fire where the percentage is 1.45%. The health insurance budget is increasing 5% for premiums and an additional 3% for healthcare reform taxes. When the City last completed an RFP for health insurance, HealthPartners provided for a 5% cap. A ten percent increase was budgeted for 2017. The actual budgeted increase is 3.7% and 8.6% for 2016 and 2017 respectively. The increases are less than the premium and tax increases due to keeping the HRA/HSA contribution flat and employee insurance decisions.

Workers Compensation

Description of Operations

The Workers Compensation Fund is responsible for workers compensation, the Employee/Management Safety Committee, and related health and safety programs (OSHA, DOT, EPA).

Objectives

1. Manage potential risk and loss from unforeseen events. Tactics include aggressive case management, promoting safe behaviors, and ensuring safe environments.

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Develop safety programs and continue training aimed at increasing awareness regarding auto accidents and personal injury on the job	Work through Safety/Wellness Committee, SafeAssure.
CWS	1	Reduce injuries involving strains and sprains.	Implement stretching/back safety program.
WBS	1	Implement new SafeAssure program to assist the City in meeting OSHA training and compliance standards	Feedback from supervisors and employees, OSHA inspections

Workload Measures

Risk Management	2014	2015	2016	2017
Number of workers compensation claims	52	80	50	45
Number of workers compensation claims paid	34	36	31	28

Workers Compensation

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Workers Compensation Employee Count				
Risk and Safety Analyst	0.5	0.5	0.5	0.5
	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

	2014 Actual	2015 Budget	2016 Budget	Incr. / (Decr.)	Percent Change	2017 Budget	Incr. / (Decr.)	Percent Change
OPERATING REVENUE								
Charges for Services	\$ 629,564	\$ 793,325	\$ 736,095	\$ (57,230)	(7.2%)	\$ 819,290	\$ 83,195	11.3%
Total Operating Revenues	629,564	793,325	736,095	(57,230)	(7.2%)	819,290	83,195	11.3%
OPERATING EXPENSE								
Wages and Benefits	36,016	66,983	45,883	(21,100)	(31.5%)	47,024	1,141	2.5%
Supplies	-	-	-	-	0.0%	-	-	0.0%
Contractual Services	660,509	562,232	729,829	167,597	29.8%	814,100	84,271	11.5%
Total Operating Expenses	696,525	629,215	775,712	146,497	23.3%	861,124	85,412	11.0%
Operating Income (Loss)	(66,961)	164,110	(39,617)	(203,727)	(124.1%)	(41,834)	(2,217)	5.6%
NONOPERATING REVENUE (EXPENSE)								
Investment Income	452	-	-	-	0.0%	-	-	0.0%
Miscellaneous	13,544	10,000	40,000	30,000	300.0%	45,000	5,000	12.5%
Total Nonoperating Revenues (Expenses)	13,996	10,000	40,000	30,000	300.0%	45,000	5,000	12.5%
Change in Net Position	\$ (52,965)	\$ 174,110	\$ 383	\$ (173,727)	(99.8%)	\$ 3,166	\$ 2,783	726.6%

Wages and Benefits decreased in 2016 due to staff turnover. The 2015/2016 insurance premium showed a 6.5% reduction and the City's experience modification improved. Also, workers compensation rates for each employee category change (increase and decrease) every year. Based on these changes and changes to bring the insurance premium more in line with 2015 actual costs, the City is budgeting a 29% increase in insurance premiums. For 2017 the City is anticipating an 11% increase in insurance premium.

Property Insurance

Description of Operations

The Property Insurance Fund is responsible for coordinating the coverage process and responding to questions or claims related to property.

Objectives

1. Manage potential risk and loss from unforeseen events. Tactics include aggressive case management, promoting safe behaviors, and ensuring safe environments.

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Promote employee awareness in regards to traffic safety and recognizing hazardous conditions.	Conduct defensive driving and traffic control training, as well as informational forums regarding the costs of claims.

Workload Measures

Risk Management – Number of claims	2014	2015	2016	2017
Automobile	34	22	20	18
Property	11	15	13	11
Sewer	9	2	2	2

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Property Insurance Employee Count				
Risk and Safety Analyst	0.5	0.5	0.5	0.5
	0.5	0.5	0.5	0.5

Property Insurance

	2014 Actual	2015 Budget	2016 Budget	Incr. / (Decr.)	Percent Change	2017 Budget	Incr. / (Decr.)	Percent Change
OPERATING REVENUE								
Charges for Services	\$ 622,853	\$ 642,423	\$ 641,454	\$ (969)	(0.2%)	\$ 683,466	\$ 42,012	6.5%
Total Operating Revenues	622,853	642,423	641,454	(969)	(0.2%)	683,466	42,012	6.5%
OPERATING EXPENSE								
Wages and Benefits	36,017	66,983	45,883	(21,100)	(31.5%)	47,024	1,141	2.5%
Contractual Services	604,245	574,238	660,571	86,333	15.0%	696,442	35,871	5.4%
Total Operating Expenses	640,262	641,221	706,454	65,233	10.2%	743,466	37,012	5.2%
Operating Income (Loss)	(17,409)	1,202	(65,000)	(66,202)	(5507.7%)	(60,000)	5,000	(7.7%)
NONOPERATING REVENUE (EXPENSE)								
Investment Income	(156)	-	-	-	0.0%	-	-	0.0%
Miscellaneous	104,042	-	65,000	65,000		60,000	(5,000)	(7.7%)
Total Nonoperating Revenues (Expenses)	103,886	-	65,000	65,000		60,000	(5,000)	(7.7%)
Change in Net Position	\$ 86,477	\$ 1,202	\$ -	\$ (1,202)	(100.0%)	\$ -	\$ -	0.0%

Wages and Benefits decreased in 2016 due to staff turnover. The 2015/2016 insurance premium remained flat. Based on these changes and changes to bring the insurance premium more in line with 2015 actual costs, the City is budgeting a 15% increase in insurance premiums. For 2017 the City is anticipating an 5% increase in insurance premium.

Fleet Services

Description of Operations

The City of Eden Prairie has nearly 300 vehicles and large pieces of equipment in its motor fleet. The fleet includes police and fire vehicles, snow plows, dump trucks, pickup trucks and autos. Fleet Services also assists with the maintenance and repair of small equipment such as chain saws, trimmers, and lawn mowers.

The primary objective of Fleet Services is to provide and maintain a safe, high quality, reliable and efficient fleet of vehicles and equipment to support the service and operational objectives of the City.

In addition to the Fleet Services Manager, the City has four Fleet Mechanics and one Support Specialist. Their responsibilities include preventative maintenance, certified truck inspections, equipment inspections, new vehicle set-up including Police and Fire vehicles and general repairs. The Fleet Services Manager coordinates the activities of the Fleet Division and works with other City staff to plan and coordinate vehicle and equipment replacements and purchases.

Objectives

1. Provide and maintain a safe fleet of vehicles and equipment
2. Provide and maintain a high quality, reliable, and efficient fleet of vehicles and equipment

Fleet Services

Goal	Objective	2016/2017 Strategies	Measure
CWS	1	Perform annual DOT safety inspections for all Commercial vehicles	Annual DOT safety inspections are performed in-house by certified DOT inspectors
QES	2	Continue to increase fuel efficiency of City's fleet	Work with staff and City Council to develop the next phase of fuel efficiency and sustainability initiatives
QES	2	Provide excellent customer service through timely and high quality fleet maintenance and repair	Track annual performance measures and have all snow removal equipment operational by October 31st
QES	2	Provide the right equipment for the job being performed	Involve end users of equipment in the replacement planning process

Workload Measures

Fleet Services	2014	2015	2016	2017
Preventative maintenance performed after operating hours	339	300	300	300
Number of User Service Requests Completed	876	800	800	800
Annual Fuel Usage in Gallons	175,758	175,000	171,500	168,000

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Fleet Services Employee Count				
Public Works Superintendent	1			
Fleet Services Manager	1	1	1	1
Lead Fleet Mechanic	1	1	1	1
Fleet Mechanics	3	3	3	3
Support Specialist	0.5	0.5	0.5	0.5
	<u>6.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>

Fleet Services

	2014 Actual	2015 Budget	2016 Budget	Difference	Percent Change	2017 Budget	Difference	Percent Change
OPERATING REVENUE								
Charges for Services	\$ 2,516,156	\$ 2,645,520	\$ 2,609,915	\$ (35,605)	(1.3%)	\$ 2,666,426	\$ 56,511	2.2%
Total Operating Revenues	2,516,156	2,645,520	2,609,915	(35,605)	(1.3%)	2,666,426	56,511	2.2%
OPERATING EXPENSE								
Personal Services	518,871	560,762	514,081	(46,681)	(8.3%)	531,643	17,562	3.4%
Commodities and Supplies	87,246	93,000	92,000	(1,000)	(1.1%)	93,700	1,700	1.8%
Motor Fuel	562,988	670,000	650,000	(20,000)	(3.0%)	655,000	5,000	0.8%
Tires	61,874	80,000	80,000	-	0.0%	81,000	1,000	1.3%
Contractual Services	6,897	9,000	11,750	2,750	30.6%	11,950	200	1.7%
Licenses, Permits, Taxes	2,952	3,500	3,500	-	0.0%	3,500	-	0.0%
Repair and Maintenance	395,440	420,000	457,000	37,000	8.8%	464,000	7,000	1.5%
Utilities	2,829	4,725	4,725	-	0.0%	4,867	142	3.0%
Total Operating Expenses	1,639,097	1,840,987	1,813,056	(27,931)	(1.5%)	1,845,660	32,604	1.8%
Operating Income (Loss) before Depreciation	877,059	804,533	796,859	(7,674)	(1.0%)	820,766	23,907	3.0%
Depreciation	548,672	560,000	548,670	(11,330)	(2.0%)	548,670	-	0.0%
NONOPERATING REVENUE (EXPENSE)								
Investment Income	6,484	-	6,500	6,500	-	6,500	-	0.0%
Gain (Loss) on Disposition of Capital Assets	110,660	-	100,000	100,000	-	100,000	-	0.0%
Miscellaneous	29,913	-	20,000	20,000	-	20,000	-	0.0%
Total Nonoperating Revenues (Expenses)	147,057	-	126,500	126,500	-	126,500	-	0.0%
Change in Net Assets	\$ 475,444	\$ 244,533	\$ 374,689	\$ 130,156	53.2%	\$ 398,596	\$ 23,907	6.4%

Total fleet user charges are decreasing 1.3% for 2016 and increasing 2.2% above the 2016 level for 2017. The Fleet Services budget is able to hold fairly constant through this budget cycle primarily due to the anticipated stability of fuel prices and the City's continued efforts to conserve fuel and improve vehicle and equipment fuel economy.

Long term outlooks for gasoline and diesel fuel indicate an annual cost increase of approximately 2% for gasoline and 2.5% for diesel fuel. These cost increases should be equally offset as the City acquires new and more fuel efficient vehicles and equipment. Positive operating income will be used to meet future fleet and equipment purchases.

Information Technology

Description of Operations

The Information Technology Division is responsible for providing strategic technology direction and managing and implementing IT governance processes in support of City leadership. IT develops and implements IT operational policies and standards, manages contracts for IT services with various service providers, and coordinates major citywide activities including:

- General PC/Phone Systems Support;
- Network Wellness (Network Hardware/Servers/Enterprise Applications);
- Application Development, Analysis and Support; and
- Technology Analysis, Recommendation and Implementation.

The Information Technology Division is committed to providing the highest quality technology equipment and services, in the most cost-effective manner, in order to facilitate the City’s mission as it applies to all departments within the City and the residents and businesses of Eden Prairie.

Objectives

1. Design, operate, upgrade and maintain our network infrastructure and business applications to meet City information technology needs.
2. Enhance communications with internal customers to insure their satisfaction.
3. Establish a partnership with city business units to help them understand new technology and support their work.
4. Promote technology to City employees to build their competency to do work more effectively.
5. Build on emerging technology to reduce costs while maximizing service delivery.
6. Create information collaboration infrastructure to enhance business efficiency.

Goal	Objective	2016/ 2017 Strategies	Measure
QES	1,5	Infrastructure upgrades for improved reliability on technology and systems <ul style="list-style-type: none"> • Upgrade 2011 HP servers to Cisco servers, extend warranty on NetApp in Q1, 2016 	Improved network reliability, availability (>98%)

Information Technology

		<ul style="list-style-type: none"> • GIS Server and DB upgrade 	
QES	1	<p>Infrastructure upgrades for improved reliability on technology and systems</p> <ul style="list-style-type: none"> • Upgrade Exchange from 2007 to Exchange 2013 in Q2, 2016 	Successful migration of users to Exchange 2013 - with <5% critical defects.
QES	1	Improved network availability for offsite locations	Remove dependency on School district network availability
SOC	6	<p>Updated Intranet for improved communication between city employees</p> <ul style="list-style-type: none"> • Upgrade existing Intranet to QP7.8. Provide training to communications and other teams as required on new functionality. 	Increased utilization of Intranet across the city (measure # of hits, sites accessed)
ISP	4	<p>Upgrade and Update applications for increased functionality and efficiencies</p> <ul style="list-style-type: none"> • Review with departments availability of updates for applications and implement upgrades • EP City Maps from Silverlight to HTML5 	Successful completion of upgrades with minimum defects (<5% critical defects)
QES	2	<p>Increased customer satisfaction on Helpdesk tickets</p> <ul style="list-style-type: none"> • Review and confirm Service Level Agreements with City Department users. • Implement standard processes for improved efficiencies 	Customer satisfaction continues to be > 98% on closed work orders.
QES	1	Complete documentation of all Information Technology inventory and keep it updated in a single system.	100% documentation of all inventory: computers, iPad, Pagers, MiFi cards, etc.

Information Technology

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Information Technology Employee Count				
Information Technology Manager	1	1	1	1
Technology Business Analyst	1	1	1	1
IT Systems Engineer	1	1	1	1
GIS Specialist	1	1	1	1
IT Systems Administrator	3	3	3	3
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

	2014 Actual	2015 Budget	2016 Budget	Difference	Percent Increase/ (Decrease)	2017 Budget	Difference	Percent Increase/ (Decrease)
OPERATING REVENUE								
Charges for Services	\$ 2,022,862	\$ 2,097,520	\$ 2,084,707	\$ (12,813)	(0.6%)	\$2,112,019	\$ 27,312	1.3%
Total Operating Revenues	2,022,862	2,097,520	2,084,707	(12,813)	(0.6%)	2,112,019	\$ 27,312	1.3%
OPERATING EXPENSE								
Wages and Benefits	579,668	689,730	625,474	(64,256)	(9.3%)	652,277	26,803	4.3%
Commodities and Supplies	273,842	199,821	229,600	29,779	14.9%	232,580	2,980	1.3%
Contractual Services	197,506	155,000	203,100	48,100	31.0%	184,750	(18,350)	(9.0%)
LOGIS and Payroll	418,106	363,949	385,669	21,720	6.0%	397,378	11,709	3.0%
Repair and Maintenance	399,248	416,342	481,564	65,222	15.7%	484,954	3,390	0.7%
Utilities	23,486	27,634	26,000	(1,634)	(5.9%)	26,780	780	3.0%
Operating Capital	102,351	305,000	50,000	(255,000)	(83.6%)	173,000	123,000	n/a
Total Operating Expense	1,994,207	2,157,476	2,001,407	(156,069)	(7.2%)	2,151,719	\$ 150,312	7.5%
Operating Income (Loss)	28,655	(59,956)	83,300	143,256	(238.9%)	(39,700)	(123,000)	(147.7%)
Depreciation	38,112	56,330	56,485	154	0.0%	56,330	(154)	0.0%
NONOPERATING REVENUE (EXPENSE)								
Other Income (Reimbursement, Maps)	12,253	-	-	-	0.0%	-	-	0.0%
Investment Income	2,486	2,486	2,486	-	-	2,486	-	-
Total Nonoperating Revenue (Expense)	\$ 14,739	\$ 2,486	\$ 2,486	\$ -	0.0%	\$ 2,486	\$ -	0.0%
Change in Net Position	\$ 5,282	\$ (113,800)	\$ 29,301	\$ 143,102	0.0%	\$ (93,544)	\$ -	0.0%

The IT division had a large staff turnover and subsequent redesign during 2013 and 2014. The (9.3%) decrease from 2015 to 2016 Wages and Benefits reflects final staffing in the division.

Commodities and Supplies have increased \$29,779, or 14.9%, from 2015 to 2016 due to a change in the computer replacement cycle: computers will now be replaced every 3 years rather than every 4 years. Two new forensic workstations have also been added to this budget, at a cost of

Information Technology

\$3,200 in 2016 and 2017. In addition, a new budget category, “Fiber Lease Payments,” has been added to account for payments made to Arvig for the monthly fiber lease. These payments started in early 2014. An existing budget item – Microsoft Office Replacement Fund – has been moved to Software Maintenance and replaced with SharePoint.

Contractual Services has increased \$48,100, or 31.0%, from 2015 to 2016 due to two new budget line items: \$10,000 for GIS Staff Augmentation and \$45,000 for Contract Development related to CIS, Fire iPad. These budgets are expected to decrease in future years as IT staff become more familiar with these areas.

The LOGIS budget has increased \$21,720, or 6.0%, from 2015 to 2016. This is due to standard cost increases, plus an additional \$7,900 for anticipated GIS electives and \$1,680 for a new dog licensing module.

Repairs and Maintenance has increased \$65,222, or 15.7%, from 2015 to 2016 due to several new items in the Software Maintenance budget. New items include InTime Scheduling Software, RecTrack, and Microsoft SQL Server Licenses and Data Center fees. In addition, the City’s Microsoft Office Replacement Fund budget has moved to this category from the Software category.

Facilities

Description of Operations

The Facilities Division is responsible for the building related operations, preventive maintenance, remodeling and long term maintenance programs of the facilities owned by the City. The facilities include the City Center, Community Center, Senior Center, Outdoor Center, Art Center, Water Plant, Utilities Garage, Building 51, Maintenance Facility, 4 Fire Stations, 3 Municipal Liquor Stores, 12 Park Shelters, 5 Historical Buildings and the Community Services space at the EP Mall. The operations and maintenance of these facilities is performed by a combination of City employees and contractors. Our customers include Eden Prairie residents (Community Center, Park Buildings, Senior Center, Art Center, etc.), tenants in our buildings (SuperValu, School District, Lotus Nails and Encore) and City staff (City Center, Maintenance Building, Water Plant, Fire Stations, etc.). The Facilities Division provides service and expertise at City owned buildings in a wide variety of disciplines including heating and air conditioning, lighting and electrical, cleaning, lawn care, snow removal, elevator maintenance, roof maintenance, maintenance of the wall structure and window systems, parking lot and sidewalk maintenance, pool maintenance, ice rink maintenance, painting, carpeting and other operational and maintenance disciplines. The Facilities Division also manages or participates in managing construction, remodeling and capital projects in these facilities.

Objectives

1. Protect the investment the City and the community has made in its facilities by developing and implementing long term facility maintenance programs to keep life cycle costs of the facilities as low as possible.
2. Assure that City facilities and properties are attractive, safe, well maintained and comfortable by insisting on high quality standards and services for maintenance, daily operations, repairs, remodeling and construction.
3. Continue to reduce energy consumption in buildings and on properties with energy saving initiatives

Goal	Objective	2016/2017 Strategies	Measure
QES	1	Develop appropriate CIP to implement long term facility maintenance programs to keep life cycle costs as low as possible. These programs will include annual building assessments; annual	Receive positive feedback from residents, tenants, and co-workers that City facilities are attractive, safe, well maintained, clean, comfortable, and looking like new matter what their age.

Facilities

		<p>infrared electrical and mechanical surveys; and using these surveys to develop plans for roof replacement, parking lot reconstruction, building envelope restoration, such as brick, block and concrete repairs, replace caulking, expansion joints and weather seals, etc.</p>	
QES	2	<p>Facilitate regular tenant meetings with Encore, SuperValu, Lotus Nails, and the School District to assure quality services are being provided.</p> <p>Administer contracts and direct contractors for landscaping, snow removal, electrical, plumbing, janitorial etc. to assure contract staff also provide quality services.</p>	<p>Receive positive feedback from tenants that properties are safe and in good repair and that City staff and contract services are providing quality services at a fair price.</p>
ISP	3	<p>Develop and implement alternative energy projects such as solar and geothermal when they are cost effective.</p> <p>Continue to replace older, less efficient mechanical equipment and lighting with newer technology when cost effective.</p>	<p>Verify that these projects are cost effective and reduce energy consumption and energy costs.</p>

Facilities

Budget Summary

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
Facilities Employee Count				
Facilities Manager	1	1	1	1
Facilities Supervisor City Center	1	1	1	1
Facilities Engineer City Center	2	2	2	2
Facilities Technician City Center	2	2	2	2
Facilities Supervisor Cmty Center	1	1	1	1
Facilities Engineer Cmty Center	1	1	1	1
Facilities Technician Cmty Center	1	1	1	1
Technician I	0.88	0.88	0.88	0.88
	<u>9.9</u>	<u>9.9</u>	<u>9.9</u>	<u>9.9</u>

Facilities

Budget Summary (cont'd)

	2014 Actual	2015 Budget	2016 Budget	Difference	Percent Increase/ (Decrease)	2017 Budget	Difference	Percent Increase/ (Decrease)
OPERATING REVENUE								
Charges for Services	\$4,343,081	\$4,494,385	\$4,762,682	\$ 268,297	6.0%	\$4,900,577	\$ 137,895	2.9%
SuperValu CAM (calculated)	-	373,966	468,891	94,925	25.4%	483,297	14,406	3.1%
City Center Vacant Space	-	-	144,812	144,812	0.0%	149,384	4,572	3.2%
School District CAM	237,289	255,828	252,972	(2,856)	(1.1%)	260,957	7,985	3.2%
C.H. Robinson CAM	64,245	-	-	-	0.0%	-	-	0.0%
Direct Costs to C.H. Robinson	(15,821)	-	-	-	0.0%	-	-	0.0%
Riley House Lease	6,600	6,600	6,600	-	0.0%	6,600	-	0.0%
City Center Building	8,129	5,000	8,000	3,000	60.0%	8,000	-	0.0%
Garden Room Rental	9,150	18,000	14,000	(4,000)	(22.2%)	18,000	4,000	28.6%
Management & Labor Fees	44,111	44,880	46,226	1,346	3.0%	47,613	1,387	3.0%
Rentals	395	-	-	-	-	-	-	-
Total Operating Revenues	4,697,179	5,198,659	5,704,183	505,524	9.7%	5,874,428	170,245	3.0%
OPERATING EXPENSE								
Wages and Benefits	942,695	968,272	1,041,001	72,729	7.5%	1,078,138	37,137	3.6%
Commodities and Supplies	138,963	119,406	122,100	2,694	2.3%	125,763	3,663	3.0%
Motor Fuel	8,997	9,180	9,200	20	0.2%	9,476	276	3.0%
Contractual Services	1,144,201	996,247	1,032,350	36,103	3.6%	1,063,321	30,971	3.0%
Janitorial Services / Cleaning Supplies	801,474	934,471	950,350	15,879	1.7%	978,861	28,511	3.0%
Licenses, Permits, Taxes	201,678	194,106	195,900	1,794	0.9%	201,777	5,877	3.0%
Repair and Maintenance	185,877	169,801	181,750	11,949	7.0%	187,203	5,453	3.0%
Utilities	1,171,540	1,281,400	1,439,206	157,806	12.3%	1,492,223	53,017	3.7%
Operating Capital	186,995	620,000	483,000	(137,000)	(22.1%)	978,000	495,000	102.5%
Total Operating Expense	4,782,420	5,292,883	5,454,857	161,974	3.1%	6,114,762	659,905	12.1%
Operating Income (Loss) before Depreciation	(85,241)	(94,224)	249,326	343,550	(364.6%)	(240,334)	(489,660)	(196.4%)
Depreciation	132,359	135,000	132,358	(2,642)	0.0%	132,358	-	-
NONOPERATING REVENUE (EXPENSE)								
Investment Income	4,329	4,500	4,500	-	0.0%	4,500	-	0.0%
Gain/Loss on Disposal of Assets	10,000	-	-	-	-	-	-	-
Miscellaneous (Reimbursement)	3,234	-	-	-	-	-	-	-
Total Nonoperating Revenue (Expense)	17,563	4,500	4,500	-	0.0%	4,500	-	0.0%
Change in Net Assets	\$ (200,037)	\$ (224,724)	\$ 121,468	\$ 346,192	(154.1%)	\$ (368,192)	\$ (489,660)	(403.1%)

Facilities

Budget Summary (cont'd)

All revenues combined are budgeted to increase 9.7% in 2016 and 3.0% in 2017. Charges for Services are budgeted to increase 6.0% in 2016 and 2.9% in 2017. Most of this increase is due to the Community Center expansion and related facilities budget and user charge increases to that area of the City. With the Community Center removed, user charges will increase 0.7% in 2016 and 2.8% in 2017. The remaining revenue increases are related to building rental; about half of the City Center vacancy left by C.H. Robinson was filled by SuperValu during 2015, with the first full year of rent budgeted for 2016.

Operating expense is increasing \$161,974 or 3.1%, in 2016 and \$659,905, or 12.1%, in 2017. With Operating Capital and the increased Community Center expansion budgets removed, the remaining operating expense is increasing \$117,043, or 3.1%, in 2016 and \$126,641, or 3.3%, in 2017.

The largest increase in expense is Utilities, which are increasing \$157,806, or 12.3%, in 2016 and \$53,017, or 3.7%, in 2017. This includes electricity, natural gas, water, phone, and waste disposal for all City buildings. Community Center Utilities are budgeted to increase \$126,792, or 22.7%, in 2016 and \$25,131, or 3.7%, in 2017. This is related to the Aquatic Center expansion. All other City buildings are budgeted to increase \$31,014, or 4.3% in 2016, and \$27,886, or 3.7% in 2017.

The second largest increase in expense is Wages and Benefits, which are increasing \$72,729, or 7.5%, from 2105 to 2016 and \$37,137, or 3.6%, from 2016 to 2017. This is due standard step increases, in addition to PERA, FICA, health, and dental increases.

Repairs and Maintenance are increasing \$11,949, or 7.0%, in 2016 and \$5,453, or 3.0%, in 2017. Of the 2016 increase, \$8,390 is for additional Pool Supplies, Pool Fire/Life/Safety, and Pool Electrical Supplies that have been budgeted for the Aquatics Expansion.

Contracted Services are increasing \$36,103, or 3.6%, in 2016 and \$30,971, or 3.0%, in 2017. The 2016 increase includes \$13,480, or a 13.8% increase, budgeted for snow removal; \$4,873, or a 26.4% increase, budgeted for plumbing repairs; and \$6,170, or an 11.3% increase, budgeted for contracted electrical repairs.

Facilities

The Community Center's Pool, Fitness/Conference, and General building budgets are increasing a total of \$181,931, or 19.3%, from 2015 to 2016 and \$38,264, or 3.4%, from 2016 to 2017. After the Community Center expansion is complete, the fitness will have increased its area by 6% from 60,000 to 63,500 square feet, and the pool will have increased 179% from 12,000 to 33,500 square feet. These areas are high users of utilities (natural gas and electricity) and contracted services for items like plumbing, HVAC and cleaning. The new budget is an estimate based on square footage combined with historical costs in each area. The budget will be adjusted in future years as actual annual totals are accumulated.

Glossary

Glossary of Terms

ACA – Affordable Care Act

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

Accrual Basis of Accounting - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

Adopted Budget – The financial plan of revenues and expenditures for a fiscal year as adopted by the City Council.

Appropriation - An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Valuation – A value established by the City Property Appraiser for all real or personal property for use as a basis for levying property taxes.

Assets - Property owned by a government which has a monetary value.

Balanced Budget – In the General Fund, when expenditures are exactly offset by an equal amount of revenue.

Bond - A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

Budget - The financial plan for the operation of a program or organization which includes an estimate of proposed expenditures for a given period and the proposed means of financing those expenditures.

Budget Calendar – The schedule of key dates involved in the process of adopting and executing an adopted budget.

Glossary of Terms

Budget Document - The official written document prepared by the Finance division which presents the adopted financial plan.

Budget Message - A general discussion of the 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.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget - A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget which includes both operating and capital outlays.

Capital Improvement Plan (CIP) - A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Outlay - Expenditures for the acquisition of capital assets.

Capital Project Fund - Capital projects funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlay, other than those financed by proprietary funds.

Certified Levy – Total tax levy of a jurisdiction which is certified to the County Auditor.

City Council – The elected body of members making up the legislative arm of local government in Eden Prairie.

City-wide Goals - The community's expectations of the City, established by the City Council, which drives the work staff does on a daily basis

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Glossary of Terms

CWS - Community Well-being & Safety

Debt Service - Payment of interest and repayment of principal to holders of a government's debt instruments.

Debt Service Fund - Debt service funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Deficit - (1) The excess of an entity's liabilities over its assets (See Fund Balance); (2) the excess of expenditures or expenses over revenues during a single accounting period.

Depreciation - (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) that portion of the cost of a capital asset which is charged as an expense during a particular period.

DOT – Minnesota Department of Transportation

ECV - Economic Vitality

Enterprise Funds – funds maintained on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which the liability is incurred.

EPA – Environmental Protection Agency (Federal Agency)

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.

Expenditures - Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not.

Fiscal Disparities – The program created by the Metropolitan Fiscal Disparities Act which shares growth in the commercial-industrial tax base in the 7-county metropolitan area. Forty percent of the value of new commercial-industrial development since 1971 is pooled and redistributed among approximately 300 taxing districts to address uneven business development throughout the region.

Glossary of Terms

Fiscal Year - A twelve month period to which an annual operating budget applies. The Eden Prairie fiscal year is from January 1 to December 31.

Franchise Fee - The right or license granted to an individual or group to market a company's goods or services in a particular territory.

FTE – Full time equivalent- represents one employee working full-time

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 excess of funds assets over its liabilities. A negative fund balance is sometimes called a deficit.

GAAP – Generally Accepted Accounting Principles.

GASB (Governmental Accounting Standards Board) – It is the highest source of accounting and financial reporting guidance for state and local governments.

GASB 34 – An accounting standard from the Governmental Accounting Standard Board that the City must comply with for periods beginning on or after January 1, 2003 for the Comprehensive Annual Financial Report. GASB 34 will not change the way the City budgets. This standard requires the City to provide information not only on the modified accrual basis of accounting for governmental funds but also on the accrual basis.

General Fund - The General Fund is the City's primary operating fund. It accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. It carries the basis activities of the City including Administration, Community Development, Parks and Recreation, Police, Fire, and Public Works.

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.

Glossary of Terms

Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

GFOA (Government Financial Officers Association) – The professional association of state and local finance officers in the United States who are dedicated to the sound management of governmental financial resources. The association sets standards to the GFOA’s Certificate of Achievement for Excellence in Financial Reporting.

GIS – Geographic Information Services.

Governmental Funds - Funds maintained on a modified accrual basis with revenues recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

GTA – Golden Triangle Area – an industrial area in the Northeast corner of the City

HAVA - Federal - Help America Vote Act

Internal Service Fund - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost-reimbursement basis.

ISP - Innovative & Sustainable Practices

Levy – To impose taxes, special assessments, or service charges or the amount of those taxes, special assessments, or charges.

Logis - Local Government Information Systems Association is a consortium of 44 Minnesota local government units that supports its members’ technology needs.

LRT – Light Rail Transit

Major Funds – Under GASB 34 certain funds are designated as major funds. Major funds must have their own columns in the fund financial statements in the Comprehensive Annual Financial Report. The General Fund is always a major fund and other funds are considered major if they meet certain financial criteria.

Glossary of Terms

Market Value Debt - Bonds which are to be repaid from taxes levied against market value.

Market Value Homestead Credit (MVHC) – Started in 2002, this is the primary State program for property tax relief. The State remits a portion of sales and income taxes to local government to assist in keeping property taxes down. MVHC is phased out at a value of approximately \$414,000.

Measures - A quantitative or qualitative tool to analyze progress, reprioritize goals and ensure success

MLC – Municipal Legislative Commission - The Municipal Legislative Commission is a lobbying group that provides a voice at the Capitol for 16 suburban communities sharing common demographic, economic and tax base characteristics.

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 taxes levied and revenue earned.

Net Assets - The difference between program revenues and expenses.

Object of Expenditure - Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include:

- personal services;
- contracted services;
- commodities and supplies;
- capital outlay.

Objectives -A statement which outlines division priorities and supports how the division will achieve the City-wide goal

Operating Budget – Financial plan for the fiscal year which authorizes proposed personnel complements, expenditures and the revenues to finance them.

Operating Transfer - Routine and/or recurring transfers of assets between funds.

Glossary of Terms

Pavement Management Program – This a street overlay and construction program that provides for the systematic maintenance and replacement of the streets.

PBE - Preserved & Beautiful Environment

PEG Fees – Public, Educational, and Government Access

Personal Services – The costs related to employee services including wages and benefits

PIO – Public Information Officer

Proposed Budget – Budget as submitted by the City Manager to the City Council

QES - High Quality Efficient Services

Retained Earnings - An equity account reflecting the accumulated earnings of the City's Utility Funds and Liquor Fund.

Revenue - The term designates an increase to a fund's assets which:

- does not increase a liability (e.g., proceeds from a loan);
- does not represent a repayment of an expenditure already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in contributed capital.

ROW – Right of Way

SOC - Sense of Community

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Glossary of Terms

Strategies - A method, plan, or action to achieve the objective

SWLRT – Southwest Light Rail Transit

Tax Capacity - A valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes. The assessor determines the estimated market (resale) value of property. This value is converted to tax capacity by a formula specified in state law.

Tax Capacity Rate - The property tax rate which is based on the taxes levied as a proportion of the property value. A tax rate of 18.751% produces \$18.75 of taxes on each \$100 of tax capacity that a property is valued at.

Tax Rate – Rates 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.) In some cases there are two tiers of rates with the rate increasing as the estimated market value increases.

Tax Levy - Property taxes certified to the County Auditor.

TIF – Tax Increment Financing