



2007 ADOPTED BUDGET
with final revisions to the 2006 Adopted Budget

City of St Louis Park, Minnesota

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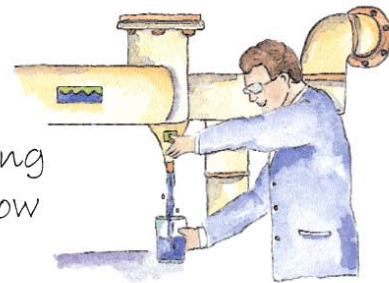
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The City of
ST. LOUIS PARK

Our Mission

Deliver responsive municipal services to ensure a safe, welcoming and vital community now and in the future.



Our Values

Respect -

We are stewards of the public trust who treat our colleagues and those we serve courteously, openly and equitably.



Contribution -

We are committed to lifelong learning, personal accountability and collaboration to ensure our best contribution to this community.



Stewardship -

We are responsible for our community's human, environmental and financial resources.



BUDGET STAFF

Bruce DeJong, Director of Finance

Jodi Bursheim, Assistant Finance Director

Brian Swanson, Accounting Manager

Darla Monson, Accountant

Tim Simon, Accountant

City of St. Louis Park Finance Department

5005 Minnetonka Boulevard

St. Louis Park, Minnesota 55416

952-924-2500

www.stlouispark.org

USING THE BUDGET DOCUMENT

The City of St. Louis Park budget provides tax payers and the City Council with a funding plan for fiscal year 2007. The Operating Budget Section is organized by function which mirrors the City's departmental organization chart and represents discrete activities within a department.

The department and division summaries provide historical cost information along with the current and recommended budget.

References are made in the Operation Section to the Capital Plan, which is a separate document. Appropriations in the Capital Plan for 2007 are included within a department's budget. The future years are approved by the City Council in concept only. The Capital Plan is updated annually based on Council priorities and goals.

The City of St. Louis Park's budget is a comprehensive decision-making document designed to represent an accurate description of the City operations, its policies and goals, and services provided.

For the answer to questions regarding the budget or for additional information, please contact the Director of Finance, Bruce DeJong, at 952-924-2511 or bdejong@stlouispark.org.

BUDGET GUIDE

The budget guide is a summary of the information contained in each section of the budget document. There are three main sections: Introduction, Budget Overview, and Department Summaries.

Introduction

This section provides general information about the City. It includes:

- City organization chart
- List of City Officials
- Demographic and economic information
- Summary of the budget process
- Underlying policies and rules that guide and shape the budget
- Brief description of each Fund Type

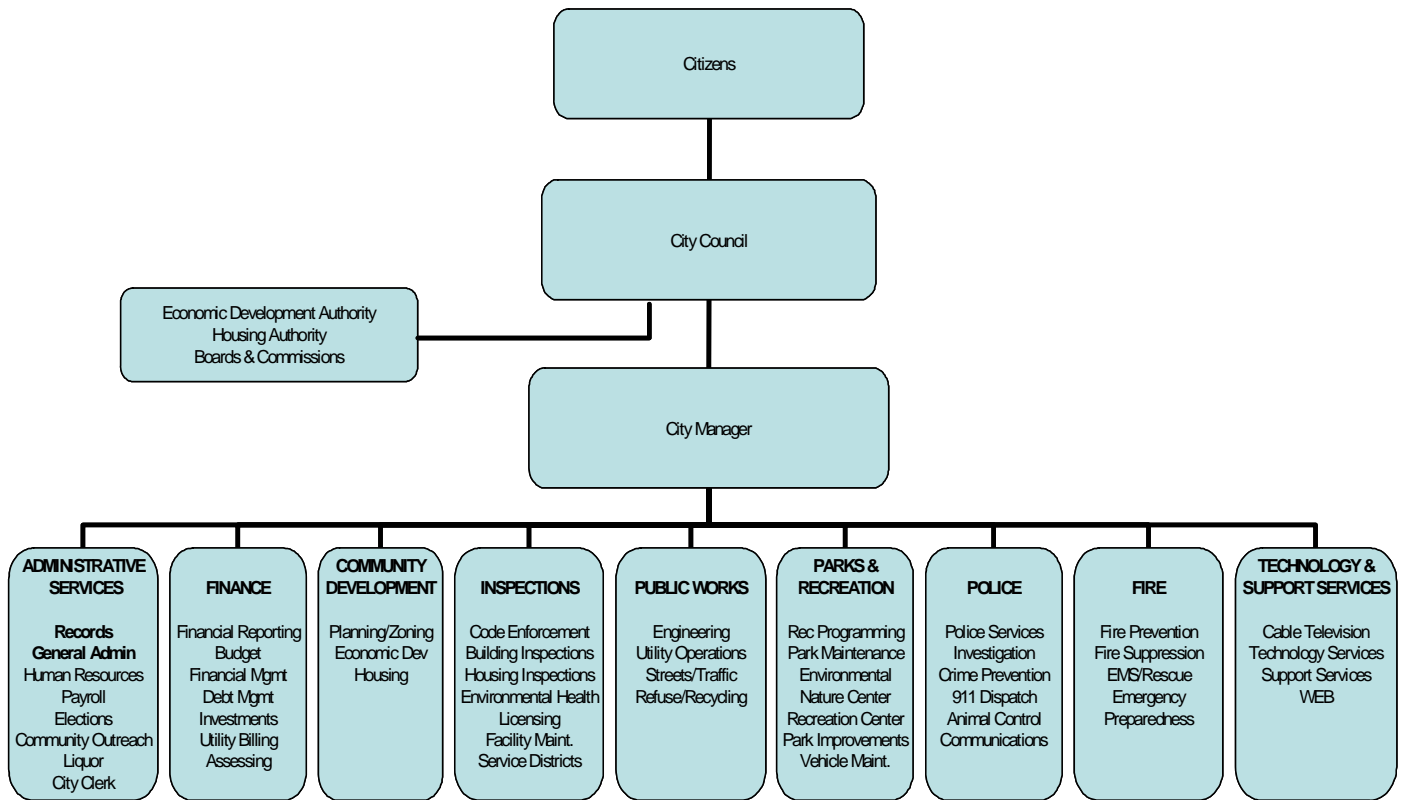
Budget Overview

The City's total budget and summaries of each fund type are presented in this section. It shows the City's total budget summary and a discussion of the major revenues and expenditures and/or expenses, and major factors that will impact both revenues and expenditures/expenses. Summaries of the fund types are included showing the primary services provided and the major sources of revenue.

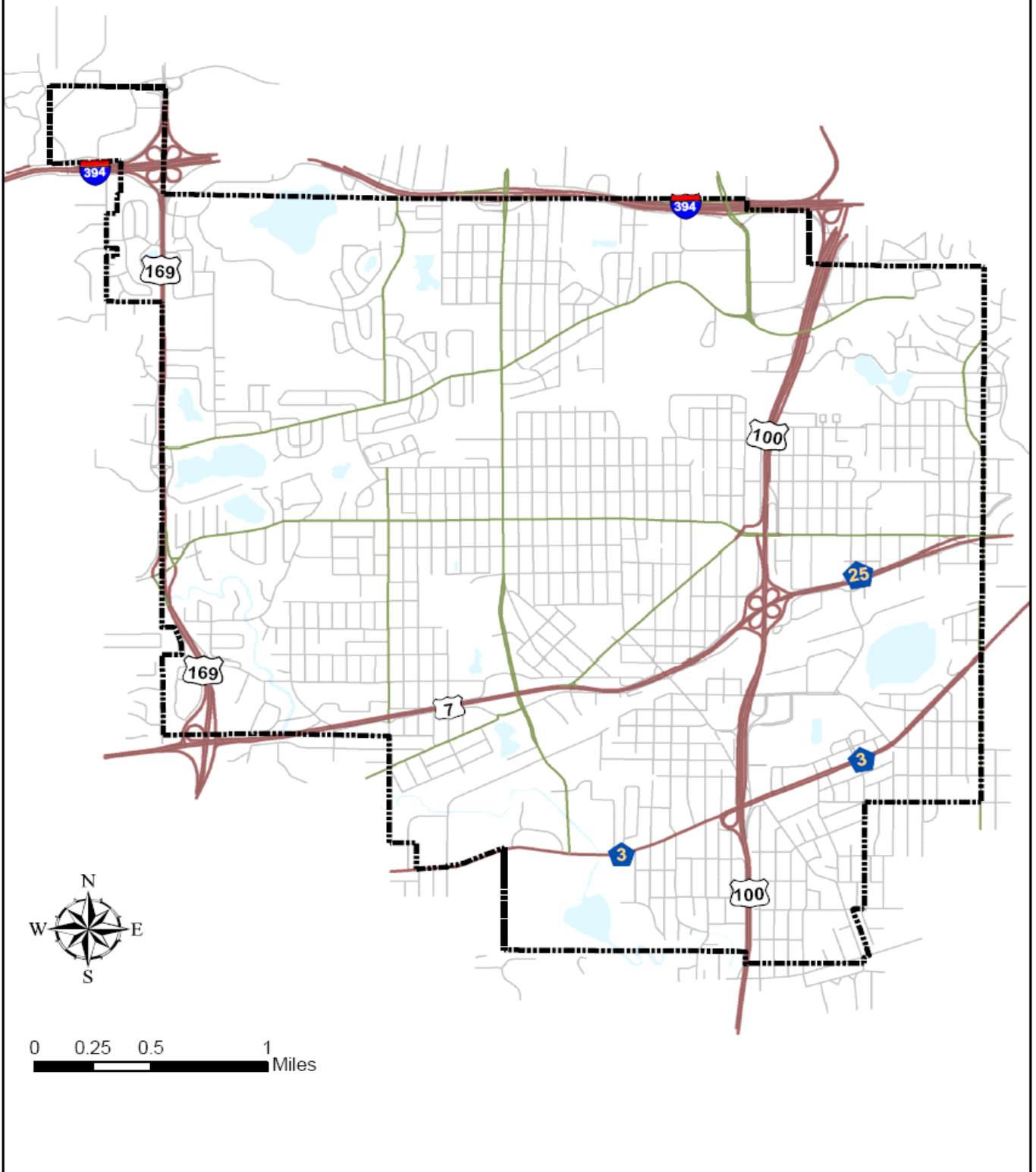
Departmental Operating Overview

This section reviews operating expenditures for all departments, descriptions of each department, its organization chart, current objectives, and any significant changes in department budgets are included.

CITY OF ST. LOUIS PARK ORGANIZATIONAL CHART



City of St. Louis Park, Minnesota



OFFICIALS OF THE CITY OF ST. LOUIS PARK

COUNCIL

Jeff Jacobs

Mayor
EDA Commissioner
Term Expires 1/7/08

Susan Sanger

Ward 1 Councilmember
EDA Commissioner
Term Expires 1/4/10
Mayor Pro-tem

John Basill

Ward 2 Councilmember
EDA Treasurer
Term Expires 1/4/10

Loran Paprocki

Ward 3 Councilmember
EDA Commissioner
Term Expires 1/4/10

C. Paul Carver

Ward 4 Councilmember
EDA Commissioner
Term Expires 1/4/10

Paul Omodt

At-Large A Councilmember
EDA President
Term Expires 1/7/08

Phil Finkelstein

At-Large B Councilmember
EDA Vice-President
Term Expires 1/7/08

EXECUTIVE STAFF

Thomas Harmening, *City Manager*

Nancy Gohman, *Deputy City Manager/Director of Human Resources*

John Luse, *Police Chief*

Luke Stemmer, *Fire Chief*

Bruce DeJong, *Finance Director*

Brian Hoffman, *Director of Inspections*

Michael Rardin, *Director of Public Works*

Clint Pires, *Director of Technology Support*

Cindy Walsh, *Parks and Recreation Director*

Kevin Locke, *Director of Community Development*

GENERAL INFORMATION

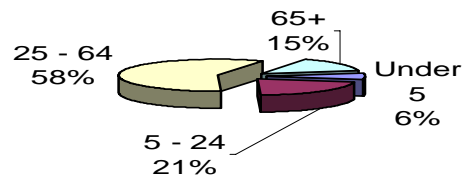
The City of St. Louis Park, established in 1886, is a first ring suburb located immediately west of Minneapolis. Thanks to its convenient location, St. Louis Park combines all the cultural amenities of a large metropolitan area with small town friendliness. The City of St. Louis Park encompasses a land area of 10.8 square miles and serves a population of 44,302 based on the 2000 census.

Demographics

St. Louis Parks' population is older, with a median age of 37 in 2005, than Hennepin County, the State, and the national averages, which are 34.9, 35.4, and 35.3 respectively. People 65 years of age or older represented 14.7 of St. Louis Parks' total population in 2000. By comparison, the percentage of persons 65 years or

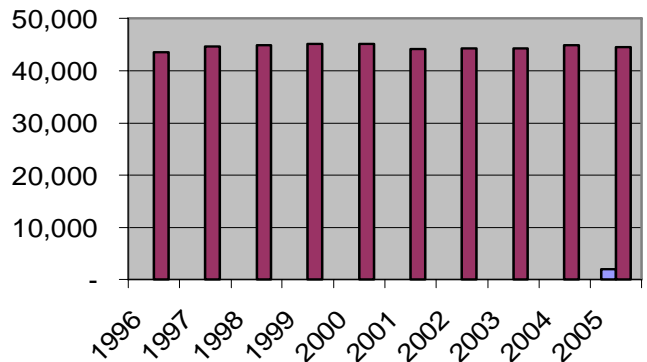
older in Hennepin County, the State, and the nation were 11%, 11.5%, and 12% respectively. There is an indication that this trend will continue. Persons under 5 years of age represented 6% of St. Louis Parks' population in 2000. Persons over the age of 18 represented 81.2% of St. Louis Parks' population in 2000. By comparison, the percentage of persons over 18 years of age in Hennepin County, the State, and the nation were 76%, 75.1%, and 74.5% respectively.

**Age Distribution
(2000 Census)**



The City's population is 3.95% of Hennepin County's total population. The City has experienced a 2.15% increase in the number of households from 1990 - 2000. The average household size, based on the 2000 census, is 2.08. There are 20,782 occupied housing units in St. Louis Park. Of the total occupied housing units, 63.6% are owner occupied and 36.4% are renter occupied.

St. Louis Park Population Trend



Economics

Unemployment Rate for October, 2006

| | |
|-----------------|------|
| Hennepin County | 3.4% |
| Minnesota | 3.9% |

| Major Employers in St. Louis Park (2005) | Number of Employees |
|---|----------------------------|
| Park Nicollet Health System | 4500 |
| Japs-Olson Company | 800 |
| St. Louis Park Public Schools | 762 |
| Novartis Nutrition Corporation | 510 |
| Travelers Express/Moneygram | 450 |
| City of St. Louis Park | 252 |
| Midwest Plastic Components | 200 |
| Onvoy | 200 |
| Benilde-St. Margaret's High School | 140 |
| Northland Aluminum Products | 135 |
| Walser Automotive Group | 95 |

Family Income *

Median family income (includes all earners in household) \$ 49,260

Hennepin County Income *

Mean annual income (all occupations) \$ 52,500

Housing Costs in St. Louis Park

Average sale price for a single family home (2006) ** \$238,600

Average rental rates (2005) ***

| | |
|---------------------------|---------|
| Multi-family (2 bedrooms) | \$ 862 |
| Town home (2 bedroom) | \$1,066 |
| House (3 bedrooms) | \$1,282 |
| Condo (2 bedrooms) | \$ 863 |
| Duplex (3 bedrooms) | \$1,101 |

Sources:

- * 2000 Census
- ** City Assessor
- *** Community Development – St. Louis Park

Governing Body

St. Louis Park operates as a home rule city according to a city charter and ordinances, under a city council- city manager form of government.

Policy-making and legislative authority are vested in a city council consisting of a mayor, two at-large council members, and four ward council members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the city government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms.

SCOPE OF SERVICES

St. Louis Park is a full service municipality.

The major services provided by the City include:

- Police
- Engineering
- Community Planning
- Solid Waste Collection
- Street Maintenance and Construction
- Fire
- Building
- Parks and Recreation
- Water and Sanitary Sewer Utility
- Storm Water Utility

Employees and Benefits

The purpose for the compensation plan for the City of St. Louis Park is to establish a fair and equitable method of determining and maintaining base compensation in such a way which, over time, will allow the City to attract and retain a competent work force. In order to fulfill its purpose, the following principles shall govern the practices and administration of the plan: internal equity, market based, performance based, defined pay limit and predictability.

The salary data from the annual League of Minnesota Cities survey (suburbs with populations between 25,000 to 100,000 in the metro area) is the market data used for comparables. Market value differs for exempt and non-exempt positions because of the availability for paid overtime. Non-exempt employees use Q2 (fiftieth quartile or average) figures and exempt employees use Q3 (seventy-fifth quartile) figures as measures. Changes in the market values are a primary factor in determining the annual adjustments to the pay line.

The City currently has 261 authorized regular full time and part time positions on a full time equivalent basis in the 2007 budget. In addition, a varying number are employed on a temporary and seasonal basis as needed. St. Louis Park has five (5) collective bargaining unions.

BUDGET PROCESS

Budget Administration

This budget has been structured and prepared using the guidelines of the National Council on Governmental Accounting (NCGA) and the Government Finance Officers Association (GFOA). The City of St. Louis Park prepares its budget on a calendar year basis as required by the City Charter.

Basis of Accounting

The budget parallels the City's accounting system. A modified accrual basis is used for general government operations. Significant revenues are recorded when measurable and available. Expenditures are recorded when incurred. Records for the City's proprietary fund types, including the Enterprise and Internal Service Funds, are reported on a full accrual basis. Building and equipment repair and maintenance are budgeted annually.

Revenue Management Policies

The City of St. Louis Park will:

- Impose taxes, fees, and rates at appropriate levels to fund their intended purposes
- Maintain a reserve balance to provide backup for a cyclical variations in a diversified revenue system
- Estimate annual revenue using an objective, analytical process
- Annually review costs of activities supported by taxes, rates, and user fees
- Set fees and user charges for each enterprise fund based on current and future operating, capital, infrastructure, and debt requirements
- Review new sources of revenue to fund operating and capital costs consistent with Council's goals and priorities

Reserve Management Policies

The City of St. Louis Park will:

- Establish bond reserves based on requirements of individual bond indentures
- Establish capital replacement funds which accumulate monies for the planned construction or replacement of city infrastructure or for the acquisition of capital equipment based on the 5-year Capital Improvement Program
- Establish other reserves as authorized by City Council
- Maintain the General Fund reserved balance at a level established by Council resolution

Definition of Reserve Terms

Operating – Reserves to cover unanticipated expenditures of a nonrecurring nature or to meet unexpected small increases in service delivery costs. These also cover operating carryover balances associated with cash flow needs and to provide an orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies.

Emergency – Reserves held in contingency to cover costs associated with natural disasters or other unforeseen and declared emergency situations.

Liability – Reserve to cover accrued liabilities from items such as flex, vacation or sick leave.

Designated – Reserves for planned capital projects which will be appropriated in future years based on the capital plan or for known debt payments in the future.

Transfer Policies

The City of St. Louis Park will:

- Require that all City enterprises make payments to the City based on overhead resources used by enterprise funds

Investment Management Policies

The City of St. Louis Park will:

- Deposit funds only in financial institutions which are insured by the Federal Deposit Insurance Corporation or are approved for full collateralization by the public deposit protection act or other state statutes
- Pool cash from all legally permitted funds for investment purposes
- Maximize the investment rate of return and adhere to lawful investment options
- The safety of the principal shall be the dominant requirement followed by sufficient liquidity to meet operating requirements, then yield
- Follow the City of St. Louis Parks' investment policy

Debt Management Policies

The City of St. Louis Park will:

- Confine long-term borrowing to major capital improvements that cannot be financed from current revenues
- Repay debt within the expected useful life of the project or sooner
- Prohibit the use of long-term debt for operating expenses
- When practical, borrow from other internal funds. Monies borrowed must be repaid with interest. Repayment schedules and reserves for repayment shall be authorized by the City Council before borrowing from any fund.
- Review debt at least annually for repayment or refinance opportunities. A repayment strategy shall be a part of all recommended bond issues.

Accounting, Auditing and Reporting Policies

The City of St. Louis Park will:

- Provide regular information concerning available cash and investment performance
- Establish and maintain a high degree of accounting competency. Financial accounting and reporting will be done in accordance with methods prescribed by the Governmental Accounting Standards Board, the Government Finance Officers Association, and other authoritative bodies
- Present monthly and annual reports to the City Council summarizing financial activity as required by City Charter
- Maintain financial systems to monitor expenditures, expenses, revenues, and performance of all municipal programs on an ongoing basis
- Provide full disclosure in annual financial statements and bond representations
- Use an independent certified public accounting firm to perform an annual audit
- Publicly issue a Comprehensive Annual Financial Report
- Comply with all required requirements related to bond indentures

FINANCIAL INFORMATION

Fund Accounting

Fund accounting is used throughout the City for budgeting and accounting. Under this system, money is divided into separate funds based on legal restrictions or accounting need, rather than being held in one central account. All funds without specific legal restrictions on their use are included in the General Fund. The City has 33 additional funds. Each fund has been established for a specific purpose and is like a separate accounting entity. The reason for establishing these additional funds is to ensure that the money in them is spent for the intended purpose and provide accountability.

Some funds pay for operations, maintenance, and other ongoing activities and are like checking accounts. Generally, revenues flowing into the fund are spent during the same year. Unless there is a change in service levels, spending is similar from year to year.

Other funds operate more like savings accounts. Money is accumulated for periodic capital needs, such as the replacement of equipment. The balance in those funds grows until expenditures are made. Spending can vary greatly from year to year as can the level of available cash.

Fund Types

The City of St. Louis Park classifies funds into six types: the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, and Internal Service Funds.

The City of St. Louis Park Home Rule Charter provides in Section 6.12(a) that there shall be "**General Fund** for the payment of such expenses of the City as the Council may deem proper. Into this fund shall be paid all money not provided herein or by statute to be paid into any other fund."

The General Fund is established to account for all revenues and expenditures which are not required to be accounted for in other funds. It has more diverse revenue sources than other funds, including property taxes, licenses, permits, fines and forfeits, intergovernmental grants and aids, service charges, rents, and investment interest earnings. The Fund's resources finance a wide range of functions including the current operations of administrative services, public safety, public works, and general government expenditures.

The **Special Revenue Funds** are established to account for revenues derived from taxes and other specific revenue sources. These resources are restricted by statute, City Charter or ordinance to finance specific City functions or activities. Included in this fund type are Parks and Recreation, Cable Television, Community Development Block Grants, Special Service Districts, Housing Rehabilitation, and the Police and Fire Pension Fund.

The **Debt Service Funds** are established to account for the payment of interest and principal on long-term debt. Of the 5.2% tax levy increase proposed for 2007, 1.25% of the levy increase is dedicated to the repayment of GO debt. The allocation of property taxes is indicated in the chart below.

| Debt Service Levy | 2006 Adopted | 2007 Proposed |
|--------------------------------|---------------------|----------------------|
| 1999 GO Bond | \$326,500 | \$331,200 |
| 2003 GO Bond | \$513,900 | \$514,400 |
| 2005 Go Bond | \$269,800 | \$496,200 |
| Total Debt Service Levy | \$1,110,200 | \$1,341,800 |

The **Capital Project Funds** are established to account for the resources used for the acquisition and construction of capital facilities except for facilities financed by the Enterprise Funds. The Capital Project Funds are as follows: Municipal Building, Park Improvement, Pavement Management, and the Permanent Improvement Revolving Fund

The **Enterprise Funds** are established to account for the acquisition and operation of Water, Sanitary Sewer, Solid Waste, and Storm Water Utilities which are either entirely or predominantly self-supporting through user charges.

The **Internal Service Funds** are established to account for the financing of goods and services provided to various City departments on a cost reimbursement basis. The Internal Service Funds are as follows: Technology Replacement, Equipment Replacement, Employee Flexible Spending, and the Uninsured Loss Fund.

Transfers

Because money is budgeted and accounted for in separate funds rather than being pooled in one account, transfers occur among funds. Transfers take two primary forms; direct charges and operating transfers.

Direct Charges – Direct charges represent payments for support services provided by one City department to another City department. These charges are direct reimbursements for services provided and are calculated annually utilizing a cost of service analysis. Examples of support for which direct charges apply include the Equipment Replacement Fund.

Operating Transfers – This represents the transfer from one fund to another fund for operational purposes or for capital outlays without the expectation of any support services in return.

Overhead Transfers – Overhead transfers represent payment for services received by one department from another. An example of an overhead transfer is the amount the Water Enterprise Fund transfers to the General Fund for support services such as finance, human resources, administration, etc.

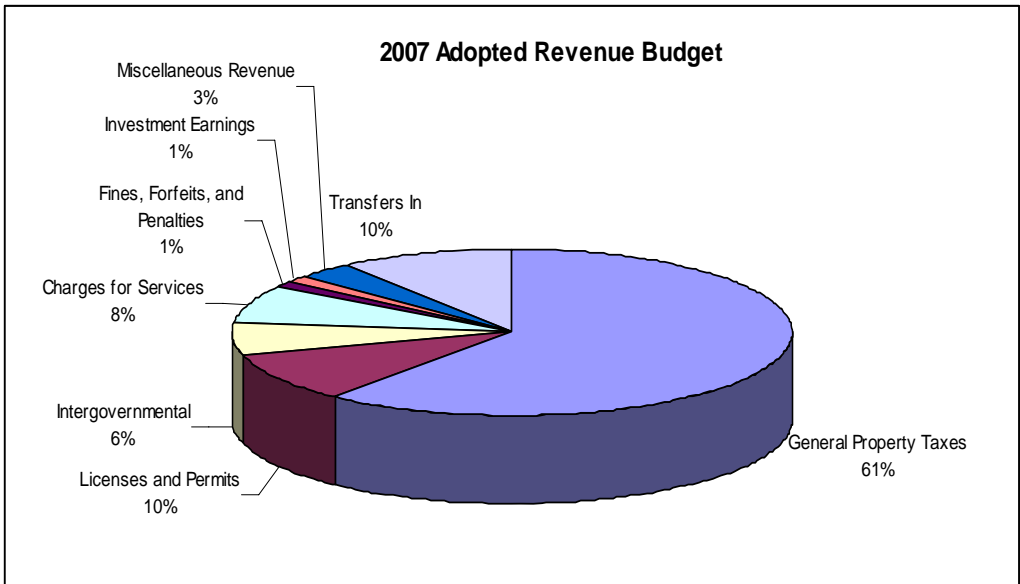
CITY BUDGET

The 2007 budget is balanced with current revenues equaling current expenditures. This budget is in compliance with the provisions of the City Charter and existing service levels are maintained.

The total City budget as shown below is the combined operations budget of the General Fund and the Parks & Recreation Fund.

| | <u>2006 Adopted</u> | <u>2007 Adopted</u> | <u>% change</u> |
|--------------------------------|--------------------------|--------------------------|--------------------|
| Revenues: | | | |
| General Property Taxes | 15,980,011 | 16,711,202 | 4.6% |
| Licenses and Permits | 2,483,600 | 2,636,500 | 6.2% |
| Intergovernmental | 1,782,467 | 1,685,206 | -5.5% |
| Charges for Services | 2,074,206 | 2,123,049 | 2.4% |
| Fines, Forfeits, and Penalties | 283,300 | 309,600 | 9.3% |
| Investment Earnings | 181,500 | 309,099 | 70.3% |
| Miscellaneous Revenue | 830,372 | 945,061 | 13.8% |
| Transfers In | <u>2,609,819</u> | <u>2,754,836</u> | <u>5.6%</u> |
| Total Revenues | <u>26,225,275</u> | <u>27,474,553</u> | <u>4.7%</u> |

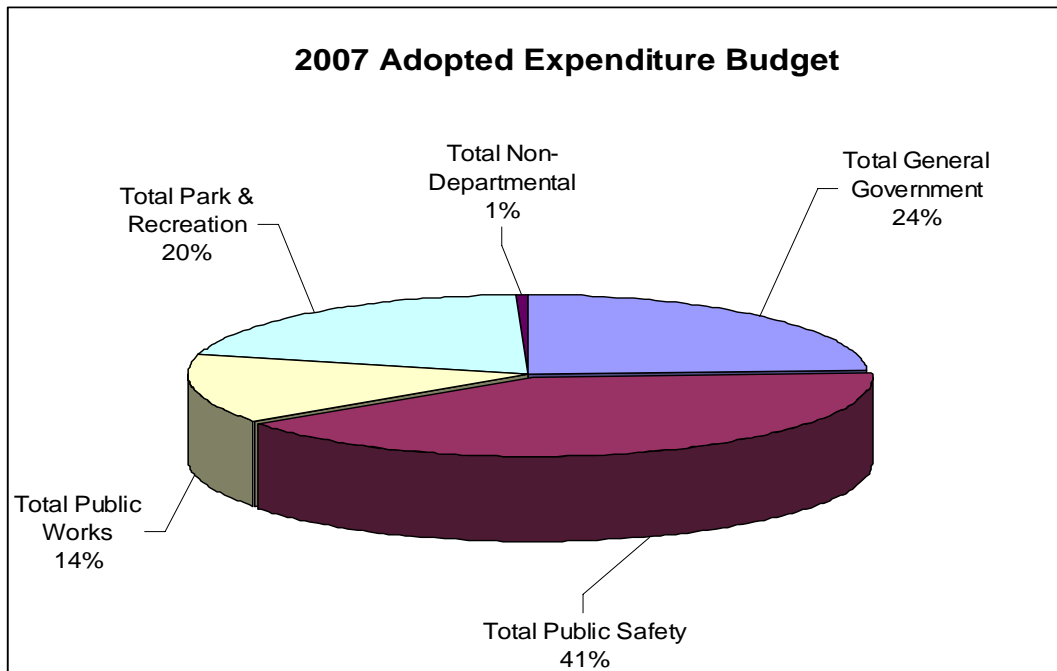
Each fund is supported by several revenue types. The following chart outlines the type of revenues supporting the total city budget, as well as the percentage of support received.



| Expenditures: | 2006 | 2007 | % change | 2007 Adopted | % change |
|---------------------------|-------------------|-------------------|-------------|-----------------------|-------------|
| | Adopted | Adopted | | (without MSC Changes) | |
| Total General Government | 6,102,830 | 6,619,430 | 8.5% | 6,410,738 | 5.0% |
| Total Public Safety | 11,124,307 | 11,226,433 | 0.9% | 11,537,149 | 3.7% |
| Total Public Works | 4,059,440 | 3,840,552 | -5.4% | 4,281,090 | 5.5% |
| Total Park & Recreation | 4,746,736 | 5,608,138 | 18.1% | 4,917,635 | 3.6% |
| Total Non-Departmental | 191,962 | 180,000 | -6.2% | 180,000 | -6.2% |
| Total Expenditures | 26,225,275 | 27,474,553 | 4.7% | 27,326,612 | 4.2% |

The 2007 Adopted (without MSC changes) column listed above is a reflection of the impact of a change in accounting methodology that occurred in 2007. Rather than doing an allocated cost charging system for the general fund, we have made this a separate staff function in the Park & Recreation Fund called vehicle maintenance. The vehicle maintenance budget now covers all of the costs for vehicle repairs rather than having estimated expenses distributed through all departments. This approach will simplify budgeting and allow for more accountability within that department. Due to the implementation of this new methodology, there have been cost shifts between the General Fund and Park & Recreation. Thus, comparing tax levies and expenses from 2006 to 2007 must be done carefully.

When reviewing the city budget, it is important to understand how resources are allocated. The chart below divides expenditures into categories.



REVENUE OVERVIEW

Property Tax

For fiscal year 2007, a total levy of \$ 19,478,002 is proposed. The overall property tax levy increase is 5.2%. Of the 5.2% increase, 3.95% supports the operations of the General Fund, and Park and Recreation Fund. The remaining 1.25% of the levy increase is dedicated to the repayment of the 2005A General Obligation bonds. The general property tax also supports two other debt service funds, the Park Improvement Fund, and the Pavement Management Fund. There is no increase proposed for these purposes in 2007.

The following chart indicates the distribution of the General Property Tax Levy. The General Property Tax Levy includes the Market Value Homestead Credit.

| | Adopted 2006 | Proposed 2007 | Total Levy Increase |
|-------------------------|-----------------|------------------|------------------------|
| General Fund | \$13,092,719 | \$13,170,348 | |
| Park & Recreation | \$2,887,292 | \$3,540,854 | |
| Total: | \$15,980,011 | \$16,711,202 | |
| | | | |
| Park Improvement | \$1,010,000 | \$1,010,000 | |
| Pavement Management | \$415,000 | \$415,000 | |
| Debt Service | \$1,110,200 | \$1,341,800 | |
| Total: | \$2,535,200 | \$2,766,800 | |
| | | | |
| Total Property Tax Levy | \$18,515,211 | \$19,478,002 | 5.20% |

General Property Tax Levy

This levy is for general operating purposes and is allocated to two areas. The General Fund (operating budget) receives the majority of these dollars. The Park and Recreation Special Revenue Fund also receives an allocation of these dollars.

Debt Service and Infrastructure Levies

The debt service levy is considered to be outside of the general property tax levy. For 2007, the debt levy is \$1,341,800. This compares to the 2006 debt service levy of \$1,110,200. The increase in this levy is due to the second step required to reach the annual amount due on the 2005A General Obligation bond issue. The infrastructure levy is allocated between the Park Improvement Fund and the Pavement Management Program. The Park Improvement Fund receives \$1,010,000 annually to replace equipment and structures in all of the municipal recreation areas. The total levy for pavement management is \$415,000. In addition to the property tax levy, pavement management is also funded by franchise fees.

Housing Redevelopment Authority Levy

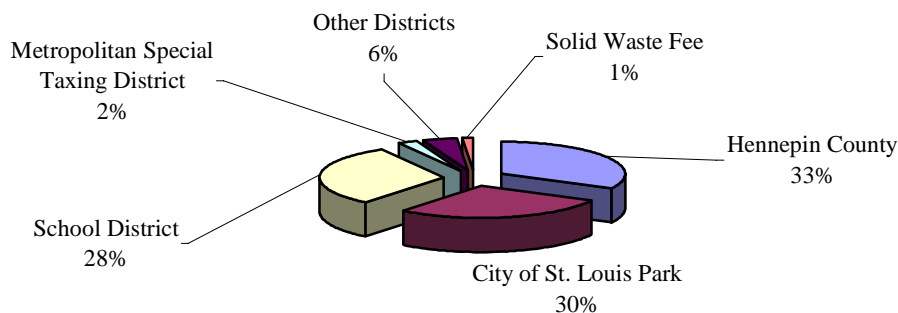
The HRA levy was first used in St. Louis Park in 2002. The HRA levy is based on market value. This levy was implemented to offset legislative changes in 2001 which significantly reduced future tax increment revenues to be received by the City. When the HRA levy was first enacted, the Council elected to use the proceeds for future infrastructure improvements in redevelopment areas. Thus far, some of the HRA levy proceeds have been used to fund infrastructure studies and analysis for future improvement projects. By law these funds could also be used for other housing and redevelopment purposes. The HRA levy is limited to 0.0144% of the entire city’s market value, but is spread against the tax capacity of each parcel. The City Council has chosen to levy the maximum as we have for the past five years. In 2007, the amount of this levy is \$743,084. This levy compares to the 2006 levy of \$641,106.

Budget Impacts - What will be the impact of the 2007 budget on residential property taxes in St. Louis Park?

The impact of the 2007 budget to a typical residential homeowner with a property valuation of \$238,600 (citywide average value) will be an increase in City of St. Louis Park property taxes of approximately \$27 for 2007 (3.2%). This is based on the average valuation increase of 6.9% for residential properties. Under the limited valuation maximum increase of 15%, the increase will be about \$89 (11.7%) above the 2006 amount.

City property tax is not the only tax paid by property owners within the City of St. Louis Park. A portion of the total property tax bill is distributed to Hennepin County, the School District, and other Special Taxing Districts. The City of St. Louis Park receives only about 30% of the total property tax bill as shown in the chart below.

Property Tax Distribution



Licenses and Permits

License and permit revenues are received from businesses and occupations licensed by the city, such as sales of food, beer, cigarettes, liquor establishments, and heating connections. This classification also includes non-business licenses, such as dog licenses and building permits. License fees approximate the direct and indirect cost of issuing the license and policing the licensed activities.

Intergovernmental Revenue

These revenues are received from federal, state, and county sources. The largest item is the Market Value Homestead Credit which is received from the State of Minnesota. The Market Value Homestead Credit is considered in the overall property tax levy. Other sources include the highway user tax, police and fire state aid, and revenue from providing Police Dispatch services to the City of Golden Valley.

Charges for Services

Charges for Services are best defined as user fees. Through user fees, a substantial part of the cost of operating programs and facilities is borne by those who enjoy them. There are modest fee increases for several Community Development and Inspection activities.

Fines, Forfeits, and Penalties

This type of revenue is generated primarily by the Police Department for violations of the law. The revenue is collected by Hennepin County and distributed back to the City of St. Louis Park.

Interest Earnings

The cash balances in all funds are invested in interest bearing investments of maturities appropriate to the projects cash requirements of the funds. In 2007, the projected interest rate is 4%.

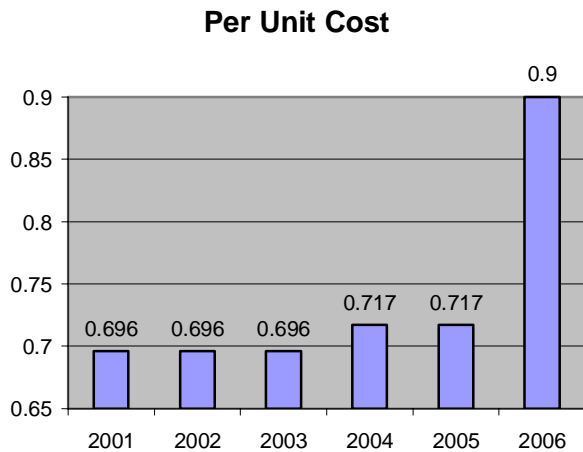
Water Utility Charges

The Public Works Water Division has completed an analysis that incorporates infrastructure, repairs, and maintenance needs for the years 2007 – 2020. Many items that are considered repairs or maintenance involve a significant amount of capital.

Finance, with the assistance of Ehlers & Associates, has completed an analysis of how these infrastructure and other improvements could be financed. As part of this analysis, Finance has included a 6-month cash reserve for operations. In order to accommodate the necessary infrastructure improvements, utility rates for the water fund are scheduled to increase in the years 2007 – 2011. The study also examined the possibility of implementing conservation rate tiers which will provide incentive for homeowners to minimize summer water usage.

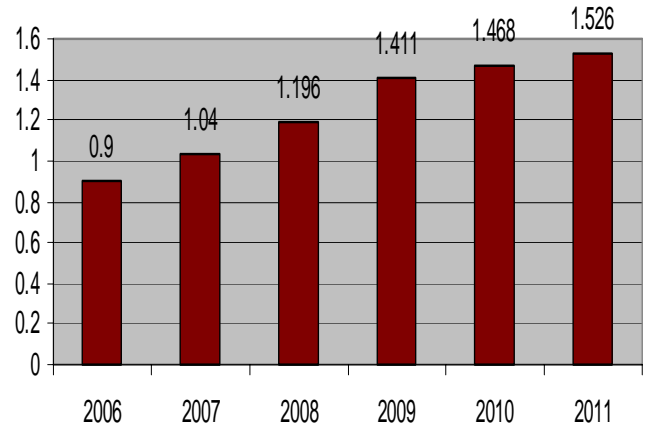
Rate Comparison

Overall rates in the Water Utility Fund have been relatively stable from 1999 – 2006. Per unit cost by year are indicated below.



Based on the 5-year projections for rates in the water utility fund, including all anticipated projects, the per unit cost is estimated as follows:

Projected Per Unit Rates

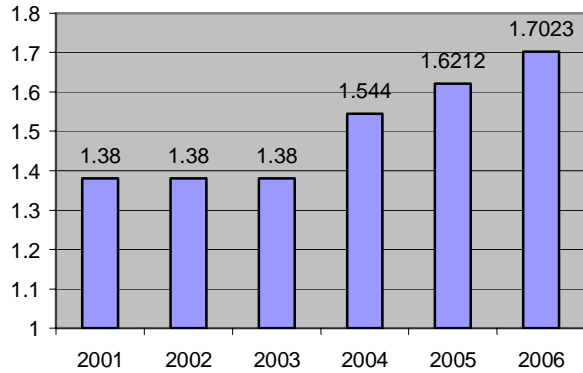


Sanitary Sewer Charges

Sanitary Sewer capital expenses have been relatively stable over the past years and we anticipate this trend to continue. The primary reason for recommending a rate increase stems from a desire to pay for capital improvements with cash rather than issuing debt. The rate increase recommended is for 5.2% more than 2006. We expect future rate increases to roughly track inflation.

Overall rates in the Sanitary Sewer Utility Fund have been relatively stable from 1999 – 2006, per unit cost by year is indicated below.

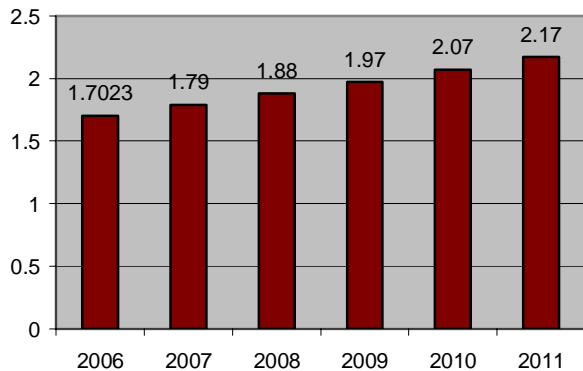
Per Unit Cost



Sanitary Sewer rates are scheduled to increase by 5% for 2007. This increase equates to \$1.94 per quarter for an average family of 4 and \$1.14 per quarter for an average family of 2. The rate increase essentially covers the MCES rate increase as well as other inflationary increases.

Based on the 5-year projections for Sanitary Sewer rates, including all anticipated projects, the per unit cost is estimated as follows;

Projected Per Unit Rates



Storm Water Utility Charges

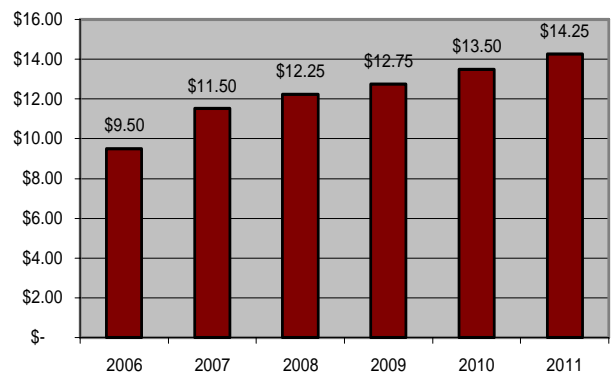
The Storm Water Utility has experienced a great deal of expense and rate increases since its inception in 2001. In addition to the initial GO

Revenue Bond issued to start the Storm Water Projects; this fund has a loan from the Permanent Improvement Revolving Fund.

This fund was also part of the Ehlers rate study because it has many upcoming projects that do not have a funding source. All bond and loan proceeds have been utilized and the current revenue stream is not sufficient to support additional projects. In addition, the City of St. Louis Park was awarded a \$750,000 grant by the State of Minnesota during the 2005 legislative session. This grant requires the City to spend \$750,000 in order to receive the \$750,000 grant.

In order to accommodate both the matching grant dollars needed and the ongoing storm water mitigation projects, it is recommended that a General Obligation Revenue Bond in the amount of \$2,000,000 be issued in 2007. The grant dollars would then be expended by 2008 and projects after that date would be relatively small. To accomplish this, rates are to increase from \$9.50 per residential equivalency factor in 2005 to \$11.50 per residential equivalency factor in 2007. Future anticipated rate increases are outlined below.

Projected Cost per Residential Equivalency Factor



Solid Waste Utility

The Solid Waste Fund does not have any capital projects as this is a contractual service. A reserve for the purchase of additional garbage carts has been made for each of the five years analyzed. In reviewing this fund, the reserve balances are adequate.

Based on the new 5-year garbage contract, the City of St. Louis Park will experience rate increases over the life of the contract. These rate increases are necessary in order to ensure that revenues equal expenses and the fund does not show a net loss. Staff has analyzed the revenues and expenses of this fund and has concluded that last year's estimate of increasing rates by \$2.50 per quarter is adequate.

EXPENDITURE OVERVIEW

Total General Fund and Park Recreation Fund Expenditures

The City divides expenditures into account groups to describe how it is spending its funds. The account groups are Personal Services, Supplies, Services and Other Charges, and Capital Outlay.

The *Personal services* group includes all salaries, the City's contribution toward FICA and Medicare, pension benefits, the City's contribution for health benefits, workers compensation costs, and other costs related to compensation and benefit packages.

Salary Costs

The City's pay plan is market-based. We compare the City of St. Louis Park salaries to other public employers within the metropolitan area. The League of Minnesota Cities compiles information related to wages and benefits on an annual basis. Our comparison group cities are similar sized cities with populations greater than 25,000 and less than 90,000 in population. Positions are grouped into pay classes based upon comparative factors of skill, effort, and responsibility. Each pay class has a pay range containing a minimum, mid-point, and maximum. Increases in pay are based on employee performance and a satisfactory annual performance evaluation.

Retirement Costs

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers who qualify for membership by Minnesota statute are covered by the PEPFF.

Pension benefits are funded from member and employer contributions and income from the investments of fund assets. Minnesota Statute chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Coordinated Plan members are required to contribute 5.75 percent of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 7.8 percent of their annual covered salary.

Pension difficulties at the state level will cost both the city and employees more money. Neither the Public Employees Retirement Association (PERA) Coordinated Plan nor the Police and Fire Plan are adequately funded on an actuarial basis. To partially resolve that problem the rates that we pay for each employee's retirement are increasing. For Coordinated Plan members, the city will pay 0.25% more for each dollar of salary earned. The figure jumps to 1.2% more for sworn public safety officers.

The City is required to contribute the following percentages of annual covered payroll:

Public Employees Retirement Fund

| | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| ➤ Coordinated Plan members | 6.25% | 6.0% |
| ➤ Public Employees Police and Fire Fund | 11.70% | 10.5% |

This change added \$97,000.00 to general operations costs.

Employers Contribution

The City contributes a flat amount towards benefit coverage. Employees then have the option of selecting from a cafeteria plan of benefits. Employees are required to pay for any benefits exceeding the employer's contribution.

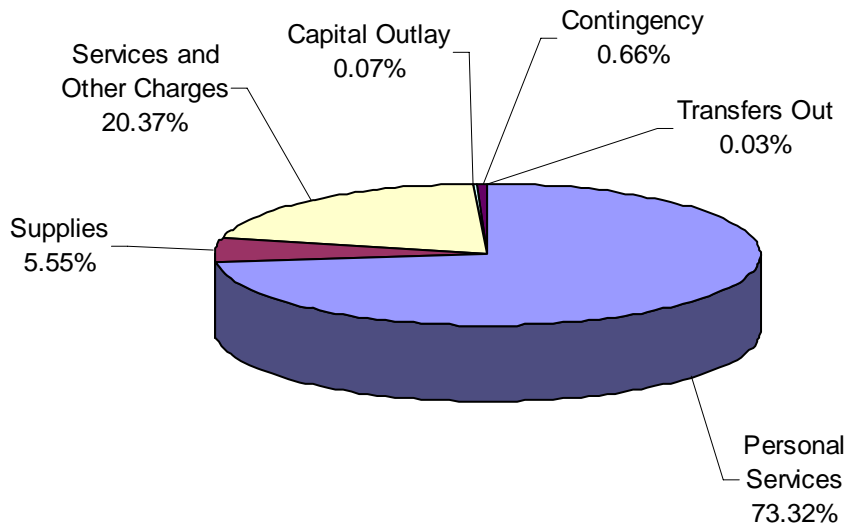
The **Supplies** group includes all office supplies, parts, and materials necessary to provide the services anticipated in the budget.

The **Services and other charges** group includes all services provided to the City by outside sources. Examples include telephone service, postage, subscriptions, contract services, insurance payments, vehicle replacement costs, and other rental costs.

The **Capital outlay** group is for the purchase of items that cost more than \$5,000 and have a useful life of more than one year, and all infrastructure and construction projects.

Of the City's total budget of \$27,474,553, the percentage attributed to each account group is shown below.

| | |
|----------------------------|--------|
| Personal Services | 73.32% |
| Supplies | 5.55% |
| Services and Other Charges | 20.37% |
| Capital Outlay | 0.07% |
| Contingency | 0.66% |
| Transfers Out | 0.03% |



GENERAL FUND

The General Fund is where most City services to the public are budgeted. These services include City administration, police and fire protection, inspections and code enforcement, street maintenance and repair, development review and regulation, and community planning. The majority of the funding for these services is through property taxes. The other funding sources are Licenses and Permits, Charges for Services, Fines, state and federal grants, investment earnings, and transfers from Enterprise and other funds for services provided.

PARK & RECREATION FUND

The Park & Recreation Fund is to account for the operation and maintenance of all City-owned parks through the Park Maintenance division, trees through the Environmental division, nature center through the Westwood Hills E.E.C. division, and all City-sponsored recreation programs through the Organized Recreation division. Financing is provided by property taxes, intergovernmental revenues, a contribution from St. Louis Park School District No. 283 for the jointly sponsored recreation activities, and user fees from recreation programs.

DEBT SERVICE AND FINANCIAL OBLIGATIONS

Payments on all of the City of St. Louis Park's long-term obligations are included in debt service. This includes revenue bonds and lease purchase agreements for equipment. In general, the agreements were entered into because it was possible to borrow at a lower rate than that earned on the City's cash investments. Payments are made as part of operating budgets. Because of our financial planning practices and because the amounts are small, they do not adversely affect other parts of the operating budgets.

The City's General Obligation Bonds are rated by Moody's Investor Service at a Aa1.

Legal Debt Limit

The City of St. Louis Park is a home rule city. The Minnesota State Statutes provides that general obligation indebtedness for all purposed shall not at any time exceed 2% of actual value, as determined by the County Assessor, of the taxable property in the City. The City's debt is within the legal debt limit. The following table identifies the legal debt margin.

| | <u>Fiscal Year</u> <u>2005</u> |
|---|-----------------------------------|
| Debt Limit | \$ 96,823,916 |
| Total Net Debt Applicable to Limit | <u>12,134,687</u> |
| Legal Debt Margin | <u>\$ 84,689,229</u> |
| Total Net Debt Applicable to the Limit as a percentage of Debt Limit | 12.53% |
| Legal Debt Margin Calculation for Fiscal Year | |
| Estimated Taxable Market Value | <u>\$ 4,841,195,800</u> |
| Debt Limit (2% of taxable market value) | \$ 96,823,916 |
| Debt applicable to limit: | |
| Total Bonded Debt | \$ 38,680,000 |
| Less: | |
| Amount Set Aside for Repayment of G.O. Improvement Bonds | (1,200,313) |
| Storm Water Utility Revenue Bonds | (2,550,000) |
| Tax Increment Bonds | <u>(22,795,000)</u> |
| Total Net Debt Applicable to Limit: | <u>\$ 12,134,687</u> |
| Legal Debt Margin: | <u>\$ 84,689,229</u> |

Note: Under State of Minnesota law, the City of St. Louis Park's outstanding general obligation debt should of the market value of taxable property. By law, the general obligation debt subject to the limitation may be set aside for the extinguishment of those obligations.

(1) Fiscal Year 2005 was the first year of implementing GASB Statement No. 44.

ENTERPRISE FUNDS

The Enterprise Funds are established to account for the acquisition and operation of Water, Sanitary Sewer, Storm Water, and Solid Waste Utilities which are entirely or predominantly self-supporting from user charges to the general public.

The City's Enterprise Funds are as follows:

Water Utility Fund - to account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

Sanitary Sewer Utility Fund - to account for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

Solid Waste Fund - to account for the revenue and expenses related to collection, disposal, and recycling of residential refuse. Financing is provided by charging each property owner a predetermined service fee.

Storm Water Utility Fund – to account for the provision of storm water to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

Conclusion

Developing a budget and capital improvement program and assembling all of the information for these documents required the dedicated efforts of the City Council, Department Directors, and Staff. The City of St. Louis Park believes that by using the City's Mission and Values in preparing the budget and capital improvement program that the best interests of the Community are served.

The remaining portions of this budget document provide greater detail on the funding sources and uses. We sincerely hope that all interest parties will find this document useful in evaluating the City's programs and services. Supplemental information can be obtained from the City's Finance Department.

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**City of St. Louis Park
General Fund**

| Summary of Actual & Budgeted Revenues | | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2004 Actual | 2005 Actual | 2006 Adopted | 2006 Revised | 2007 Adopted |
| AVAILABLE RESOURCES | | | | | |
| Revenues: | | | | | |
| General Property Taxes | \$ 11,662,786 | \$ 12,478,157 | \$ 13,001,118 | \$ 13,001,118 | \$ 13,170,348 |
| Licenses and Permits | 2,567,749 | 2,925,914 | 2,483,600 | 2,725,500 | 2,636,500 |
| Intergovernmental | 1,810,385 | 1,790,229 | 1,779,366 | 1,759,714 | 1,628,804 |
| Charges for Services | 1,571,208 | 1,074,102 | 1,025,436 | 1,005,139 | 1,045,829 |
| Fines, Forfeits, and Penalties | 251,256 | 286,003 | 283,300 | 309,600 | 309,600 |
| Investment Earnings | 103,557 | 206,885 | 173,500 | 173,500 | 301,099 |
| Miscellaneous Revenue | 153,594 | 109,112 | 122,400 | 113,541 | 119,400 |
| Transfers In | <u>2,371,523</u> | <u>2,319,761</u> | <u>2,609,819</u> | <u>2,609,819</u> | <u>2,654,836</u> |
| Total Revenues | <u>\$ 20,492,058</u> | <u>\$ 21,190,163</u> | <u>\$ 21,478,539</u> | <u>\$ 21,697,931</u> | <u>\$ 21,866,416</u> |
| Appropriations | <u>\$ 19,169,776</u> | <u>\$ 20,645,362</u> | <u>\$ 21,478,539</u> | <u>\$ 21,697,931</u> | <u>\$ 21,866,416</u> |
| Net Revenue Over (Under) Appropriations | <u>1,322,282</u> | <u>544,801</u> | <u>0</u> | <u>(0)</u> | <u>(0)</u> |
| Fund Balance Reserved for Appropriations | <u>N/A</u> | <u>N/A</u> | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ (0)</u> |

**City of St. Louis Park
General Fund**

Summary of Actual & Budgeted Expenditures By Department and Division

| Department, Division and Activity | 2004 Actual | 2005 Actual | 2006 | | 2007 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | Adopted | Revised | Adopted |
| General Government: | | | | | |
| Legislative | \$ 94,455 | \$ 92,938 | \$ 104,400 | \$ 103,142 | \$ - |
| Administration | 643,065 | 646,340 | 802,999 | 811,664 | 982,931 |
| Communications & Marketing | 177,266 | 172,693 | 219,262 | 219,262 | 218,751 |
| Community Outreach | 106,476 | 112,128 | 122,451 | 121,451 | 116,397 |
| Human Resources | 444,488 | 505,270 | 531,287 | 564,614 | 568,372 |
| Technology and Support Services | 1,143,788 | 1,322,796 | 1,384,839 | 1,396,623 | 1,490,176 |
| Finance | 961,062 | 954,945 | 1,041,138 | 1,025,235 | 1,053,482 |
| Community Development | 894,157 | 899,065 | 982,831 | 963,532 | 1,024,954 |
| Facilities Maintenance | 825,093 | 809,422 | 913,624 | 915,098 | 1,164,367 |
| Total General Government | 5,289,850 | 5,515,597 | 6,102,829 | 6,120,622 | 6,619,431 |
| Public Safety: | | | | | |
| Police | 5,802,355 | 5,824,347 | 6,695,044 | 6,547,173 | 6,676,605 |
| Fire Protection | 2,461,197 | 2,580,779 | 2,693,964 | 2,693,567 | 2,756,522 |
| Inspectional Services | 1,512,016 | 1,613,036 | 1,735,299 | 1,778,332 | 1,793,306 |
| Total Public Safety | 9,775,568 | 10,018,162 | 11,124,307 | 11,019,071 | 11,226,433 |
| Department of Public Works: | | | | | |
| Public Works Administration | 720,694 | 733,413 | 828,648 | 830,671 | 799,587 |
| Engineering | 707,643 | 647,230 | 724,824 | 727,561 | 745,302 |
| Operations | 2,571,946 | 2,392,011 | 2,505,968 | 2,554,425 | 2,295,663 |
| Total Public Works | 4,000,283 | 3,772,654 | 4,059,440 | 4,112,658 | 3,840,552 |
| Non-Departmental: | | | | | |
| General Services/Contingency | 1,596 | 7,626 | 191,962 | 445,580 | 180,000 |
| Transfer Out | 102,479 | 1,331,323 | - | | |
| Total Non-Departmental | 104,075 | 1,338,949 | 191,962 | 445,580 | 180,000 |
| Total General Fund | \$ 19,169,776 | \$ 20,645,362 | \$ 21,478,539 | \$ 21,697,931 | \$ 21,866,416 |

City of St. Louis Park

Administrative Services: Administrative

Service Overview

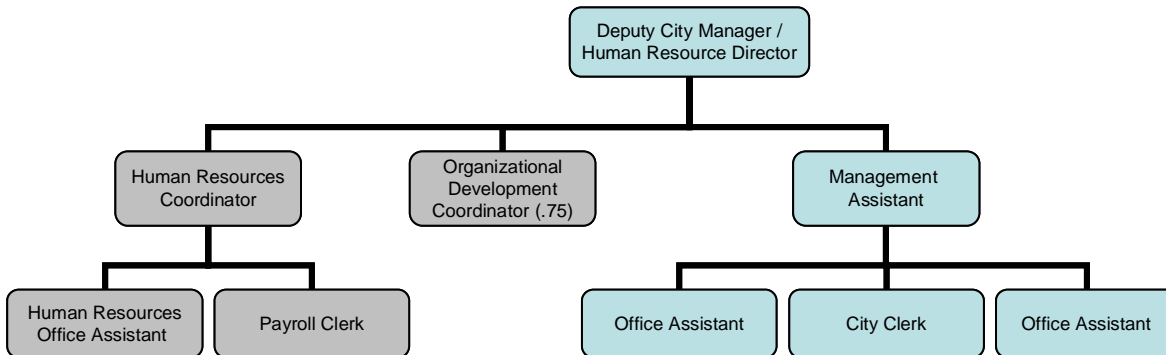
Administrative Services department provides support to the overall administration of the City's affairs. The department provides service to Mayor, Council, City Departments, Community Partners, and the Public. Vision, Special Projects and General Administrative (including City Clerk), Elections, Legal, Arts, and Legislative are all part of Administrative Services. The functions of Human Resources, Payroll, and Organizational Development are part of Administrative Services and are included in a separate budget. The funding for Vision comes from the Development Fund Budget. Additional staff hours required for Vision will be paid through a transfer to Human Resources from Finance.

The Administrative division works with ordinances, resolutions, charter, advisory boards and commissions, staff, attorneys' offices, other levels of government, and the public. Official records responsibilities include oversight of City Council agendas, minutes, resolutions, and ordinances; the municipal code; recording of contracts and bids; and certifications. The office also publishes legal notices and acts as a communications link between government and citizens by providing public access to government information, records, and processes.

Staff will continue to provide excellent services and reach out to members of our staff, community, boards, commissions, and public. Now, as part of the new administrative services department, we will work with a larger group to support each other in service delivery.

Staffing

Positions included in budget are: City Manager, Management Assistant, Office Assistant, City Clerk, Support Position, and Election Judges. This budget also includes Mayor, Council, and support staff to boards and commissions.



City of St. Louis Park Administrative Services: Administrative

Budget Highlights

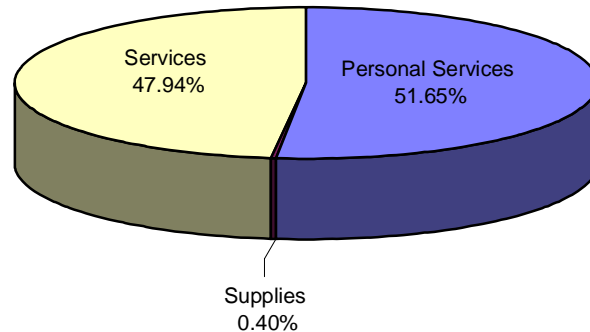
Increases/decreases under the specific expenditure classification are due to the reclassification of dollars that were budgeted for the administrative reorganization. Administration and Legislative budgets from 2006 were combined into one budget for 2007. The increase is due to general inflation and an increase in costs for legal services.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 312,249 | \$ 314,306 | \$ 418,431 | \$ 425,745 | \$ 507,732 |
| Supplies | 4,968 | 1,947 | 1,900 | 2,100 | 3,950 |
| Services & Other Charges | 325,844 | 330,054 | 382,668 | 383,818 | 471,249 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | 4 | 33 | - | - | - |
| Total Expenditures | \$ 643,065 | \$ 646,340 | \$ 802,999 | \$ 811,664 | \$ 982,931 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

Technology & Support Services: Communications & Marketing

Service Overview

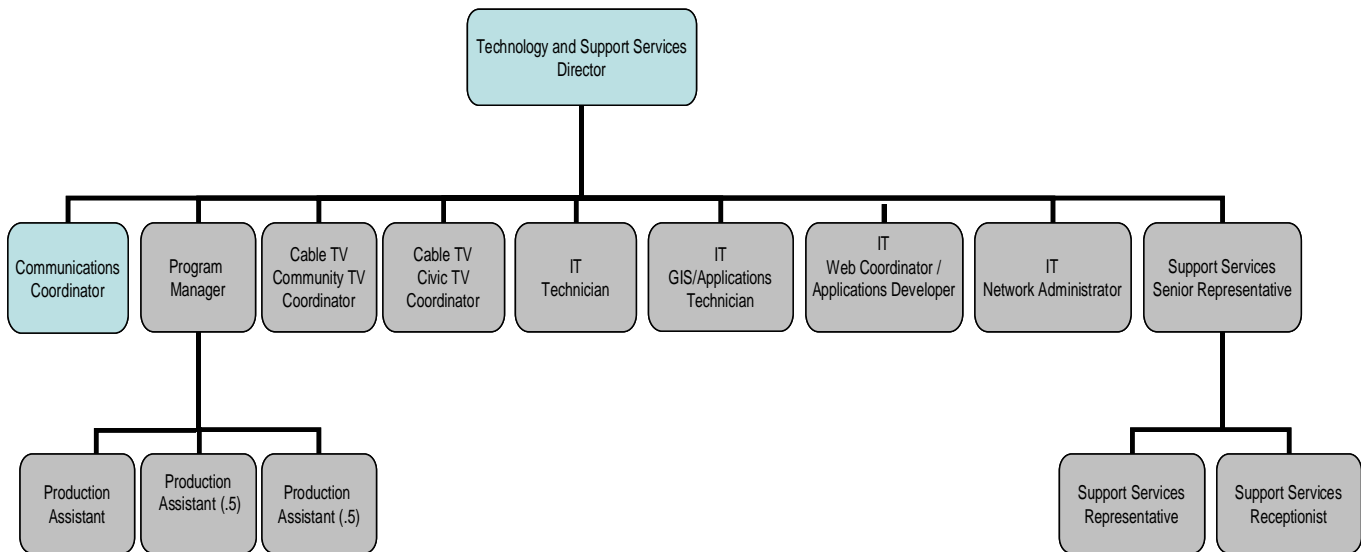
Communications provides service and support to all city departments. In 2006 the city reviewed its communication program methods and developed a communications plan. It was determined in order to continue to provide high quality communications services, all communications functions should be grouped together. The result was the Communications Coordinator position moved from Administrative Services to Technology and Support Services to work directly with Cable and Web services. Also, in order to meet communication demands, consultants are used to assist with production of newsletters, media releases, writing, design, graphics, and general communication needs.

Our objective is:

- to continue to provide high quality communications services to our customers
- to build capacity into the communications function to handle the increased communications needs as reflected in the communications plan, including new methods and options to distribute information (ie: electronic newsletters/subscriptions)
- to increase support to all city departments in communications and marketing
- to coordinate all of our communications activities for delivering information, including through Cable and Web services
- to begin the study on implementation of branding/total package program for marketing within our city

Staffing

Communications is staffed by a full-time communications coordinator which will move in 2006 from Administrative Services to Technology and Support Services.



City of St. Louis Park
Technology & Support Services: Communications & Marketing

Budget Highlights

Changes to the 2007 budget are mainly a shift in staffing to one full time Communications Coordinator.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 133,445 | \$ 127,449 | \$ 142,827 | \$ 51,770 | \$ 99,061 |
| Supplies | 660 | 355 | 1,360 | 1,360 | - |
| Services & Other Charges | 43,161 | 44,889 | 75,075 | 166,132 | 119,690 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | <u>\$ 177,266</u> | <u>\$ 172,693</u> | <u>\$ 219,262</u> | <u>\$ 219,262</u> | <u>\$ 218,751</u> |

2007 Budgeted Expenditures

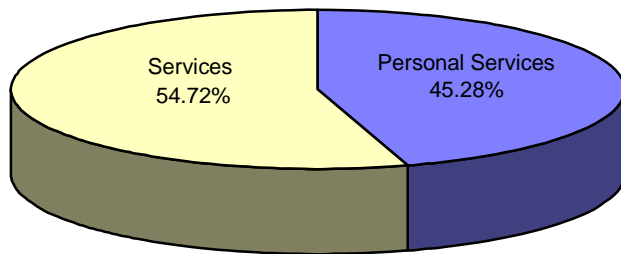
- Personal Services: All salary and benefit expenditures

- Supplies: Office, operational, general, and non-capital

- Services: Contractual services, insurance, utilities, repairs

- Capital Outlay: Equipment & improvements

- Other Expenses: Interest and bank charges



City of St. Louis Park

Police: Community Outreach

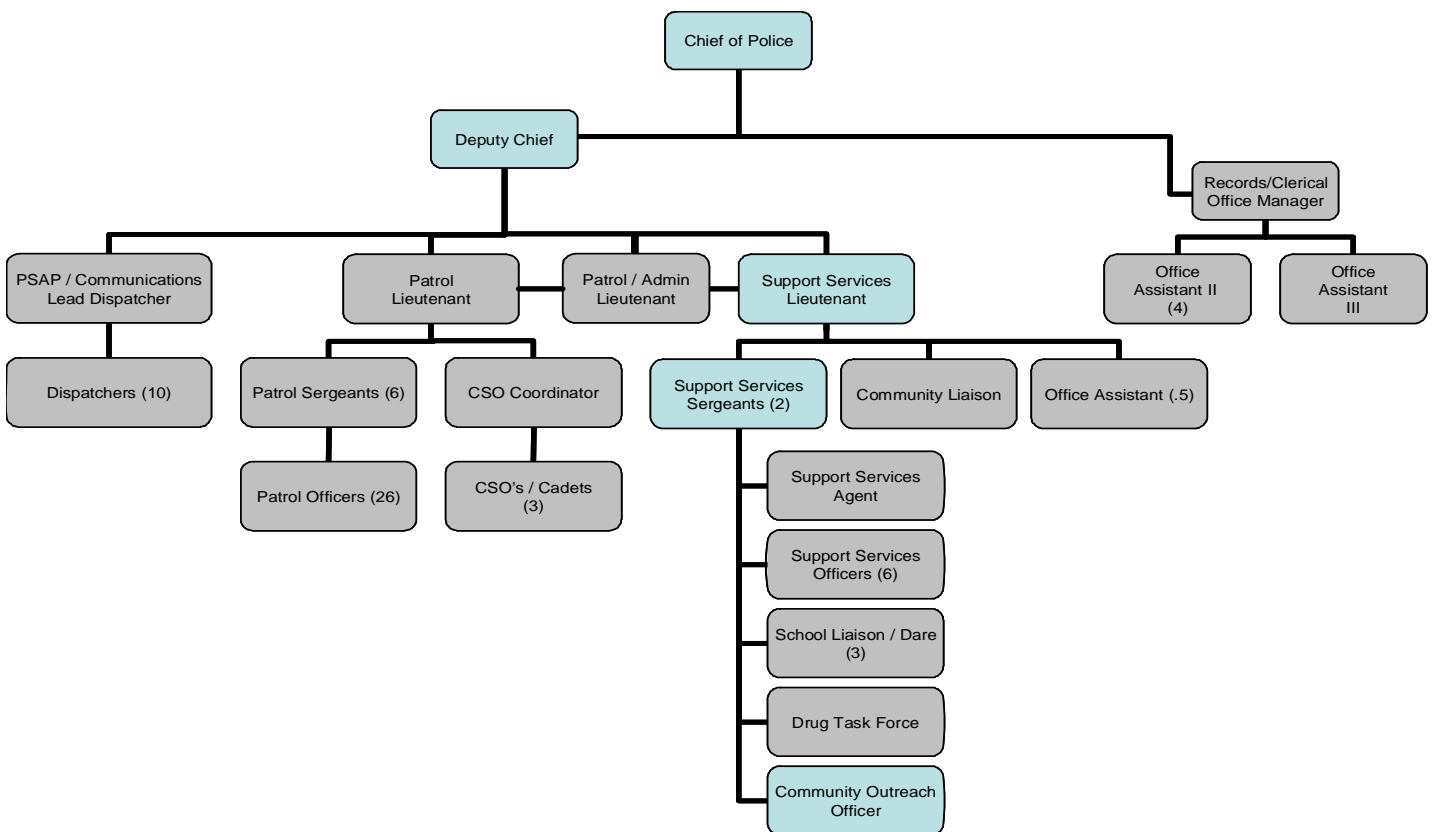
Service Overview

Community Outreach promotes diversity awareness, supports neighborhood groups, and fosters volunteerism, community involvement, and pride. It accomplishes this mission by educating residents at community meetings and events, assisting the Human Rights Commission, the Vision Outcomes committee, and neighborhood associations, by providing support to nonprofit groups and volunteers, and making connections with other City departments.

In 2007, Community Outreach will move from the Administrative Services Department to the Police Department. Community Outreach will continue to strive to provide excellent service to reach out to members of our community and work with other departments.

Staffing

Community Outreach is staffed by a full-time Community Connections Specialist.



City of St. Louis Park Police: Community Outreach

Budget Highlights

Expenses are relatively low for Community Outreach, yet the impact of Community Outreach efforts is high. This budget covers the Community Connection Specialist's salary and expenditures, the City's portion of the City/School volunteer coordinator's salary, mediation contract services, and expenses for the Human Rights Commission and new neighborhood organizing. Neighborhood grant funds, which are administered by Community Outreach, are included in the Housing Rehabilitation Fund budget.

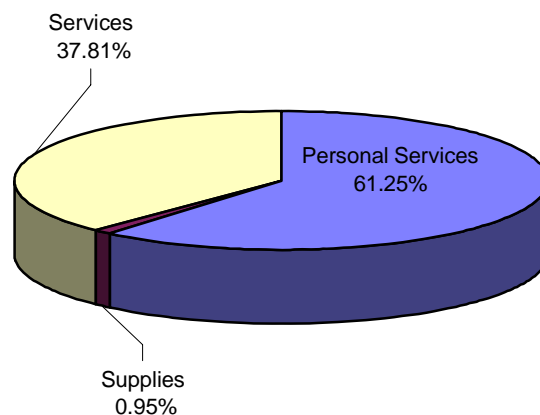
Community Outreach is funded by a transfer from Housing Rehabilitation, except for the amount of the school district contract.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 68,307 | \$ 73,765 | \$ 77,026 | \$ 77,026 | \$ 71,292 |
| Supplies | 126 | 657 | 1,100 | 1,100 | 1,100 |
| Services & Other Charges | 38,042 | 37,706 | 44,325 | 43,325 | 44,005 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | \$ 106,475 | \$ 112,128 | \$ 122,451 | \$ 121,451 | \$ 116,397 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

Administrative Services: Human Resources

Service Overview

The Human Resources mission is to provide quality services to current and potential employees. We provide services in the areas of:

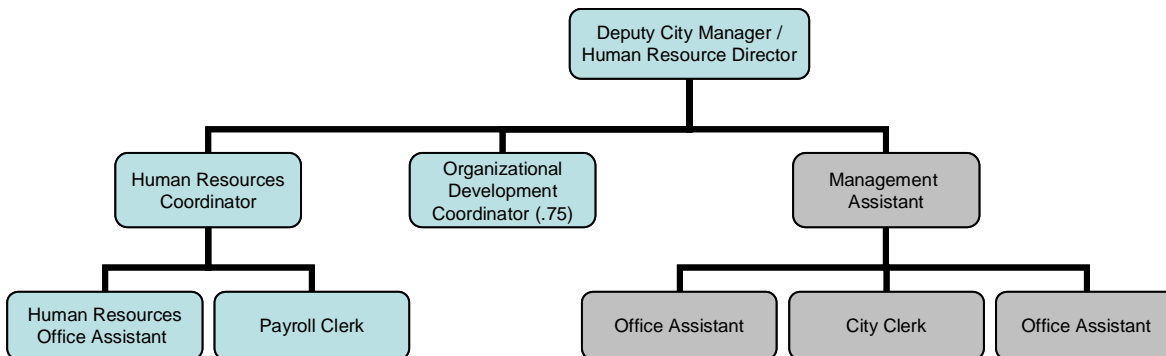
- Organizational development, employee development, training, facilitation process, and coaching
- Recruitment and selection
- Payroll, compensation, benefits, and workers compensation
- Labor relations, negotiations, grievance, and arbitration
- Employee relations, recognition, and communication
- Policy and program development and implementation
- Handling employment mandates including FMLA, ADA, Pay Equity, DOT testing, Vets Preference, etc.

We have the unique opportunity to work closely with all employees. Our workforce includes non-organized as well as organized employee groups, paid-on-call firefighters and temporary and seasonal employees.

Our HR staff will continue to strive to provide excellent service to help employees learn and grow to meet the service demands of our customers in areas listed above. As part of Administrative Services Department, we will continue to work with a larger group to support each other with service delivery.

Staffing

The Human Resources team consists of the following staff members: Deputy City Manager/Human Resources Director, part-time Organizational Development Coordinator, HR Coordinator, Payroll Clerk, and Office Assistant.



City of St. Louis Park Administrative Services: Human Resources

Budget Highlights

Since 2004, we have been offering our training programs to professionals from other cities, in addition to our own employees. As a result of this initiative, revenues have been around \$10,000 in 2004 and \$15,000 in 2005. So far in 2006, we have received \$9,455 (mid-year). We continue to research and review training and development needs and are excited to continue offering this training to others in 2007.

In mid 2006, the Organizational Development position was moved from 30 hours per week to 40 hours per week to meet business needs for Vision St. Louis Park. Funds saved from the vacant Finance Director position were transferred to the Human Resources budget to fund these additional hours.

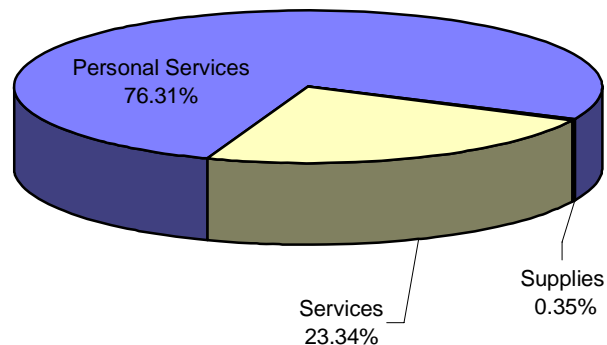
The increase in the budget for Services and Other Charges stems from additional costs associated with pre-employment medical expenses. Due to high levels of recruitment and rapidly increasing medical costs, additional funds are needed to cover expenses.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 322,862 | \$ 364,643 | \$ 398,687 | \$ 432,014 | \$ 433,712 |
| Supplies | 2,578 | 2,488 | 2,000 | 2,000 | 2,000 |
| Services & Other Charges | 119,048 | 138,106 | 130,600 | 130,600 | 132,660 |
| Other Expenses | - | 33 | - | - | - |
| Total Expenditures | \$ 444,488 | \$ 505,270 | \$ 531,287 | \$ 564,614 | \$ 568,372 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



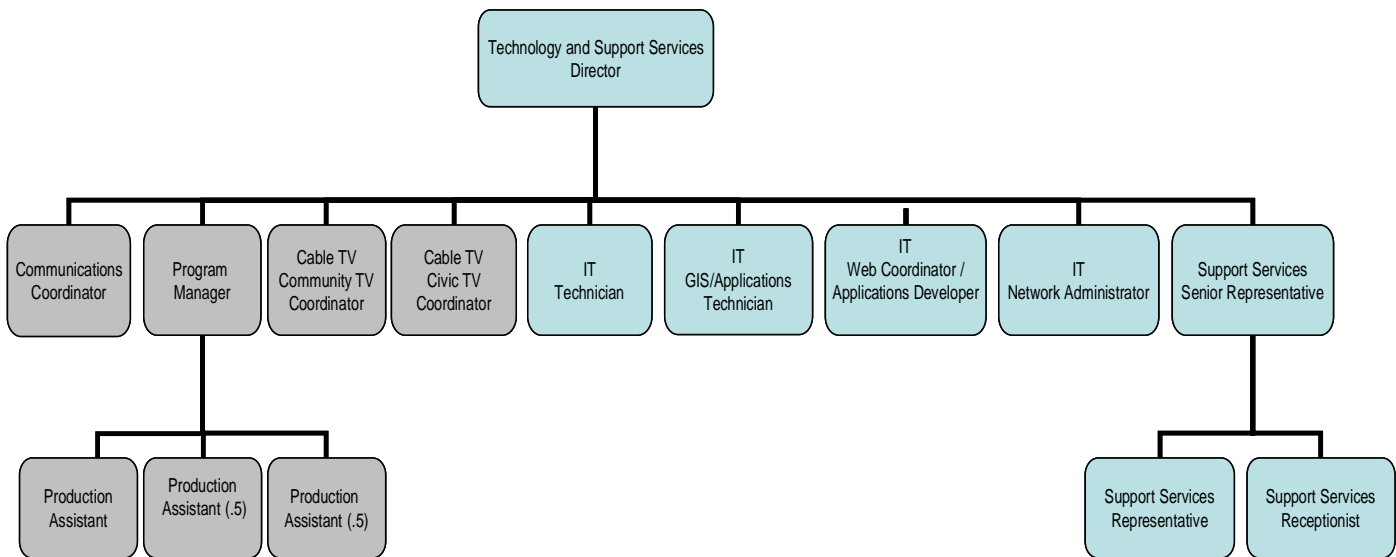
City of St. Louis Park

Technology and Support Services

Service Overview

In 2003, the Department of Technology and Support Services (TSS) was created by combining what were the divisions of Cable TV and Information Technologies (IT). This new department also includes a third division, Support Services, which is composed of office services and receptionist staff. TSS focuses on installation and maintenance of various technologies, especially digital technology. This support allows departments to focus on improved efficiency and effectiveness of City service delivery, the re-engineering of workflows to meet evolving business needs, and the support of decision-making processes throughout the City. This is accomplished by departments keeping a pulse on community needs and helping to address them through communicating with service users and citizens, the allocation of scarce resources, and fostering both standard and innovative uses of information. To these ends, the primary areas of TSS activity include City Hall reception, bulk office supplies, management of paper and imaged records, self-service centers, copiers, fax machines, copy-duplicator, laminator, collator, folder, other office support equipment, and related maintenance service contracts. TSS also handles most copying services and distribution of daily in-coming, inter-office, and out-going standard and bulk mail, including services to remote City buildings. TSS, through IT, provides mission-critical computer applications in tandem with LOGIS (Local Government Information Systems), a 30-agency computing consortium formed through a joint powers agreement in 1972. IT's role is to work in cooperation with LOGIS staff in the successful use, troubleshooting, and replacement of mission-critical applications, as well as the wide and local area networks that form a major component of the information infrastructure. PC and local area network technical support and maintenance is a major function served by IT. Technical and content management of the City's internet e-mail, web site, and the City's Intranet fall under IT. Finally, TSS provides many office support services to departments. (Note: Cable TV has a separate budget to reflect special revenue sources.)

Staffing



City of St. Louis Park Technology and Support Services

Budget Highlights

TSS provides staffing for network and computer-related tasks, in addition to receptionist duties, mail services, supplying and maintaining office equipment, permanent records and Records Center management, printing, general supplies coordination, Cable TV, and internal customer service. Between 1983 and 2006, there was one dedicated in-house full-time PC technician -- the Network Administrator. Temporary staffing services were used on occasion as the budget allowed. In 2006, TSS added an IT Technician who assists with many of the incoming IT problem requests and projects. The web management function was also transferred from Administrative Services to TSS in 2005. The Web Coordinator / Applications Developer supports e-government, City web site content management and development, and intranet development.

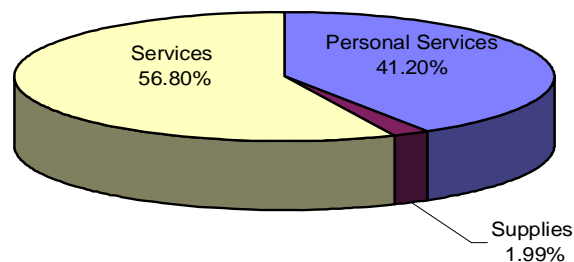
Several new and enhanced IT applications have either been added or are in process. These include an e-mail web subscription service, a constituent response system, fleet management system, web streaming, utility billing system, park facilities management, permits and inspections, and others. In addition, the wireless study and pilot project have been add-ons to the TSS workload since November 2004. Of special interest is the decision in 2006 to move the communications and marketing functions to TSS. This will include creation of a revised Communications Coordinator position that will be responsible for supervising all city communications outlets including print, web, and cable TV based media. Growing convergence of technology and communications makes TSS a natural fit for the City Council's goals regarding general communications, as well as marketing and branding. And in 2007 TSS, through cable TV, will assume responsibility for local origination programming as part of the franchise renewal agreement with Time Warner Cable (soon to be Comcast). These effects are reflected in the Cable TV budget.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 442,296 | \$ 415,119 | \$ 573,029 | \$ 520,078 | \$ 613,993 |
| Supplies | 24,644 | 33,438 | 27,900 | 30,000 | 29,700 |
| Services & Other Charges | 676,848 | 874,239 | 783,910 | 846,545 | 846,483 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | <u>\$ 1,143,788</u> | <u>\$ 1,322,796</u> | <u>\$ 1,384,839</u> | <u>\$ 1,396,623</u> | <u>\$ 1,490,176</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

Finance: Accounting/Treasury Division

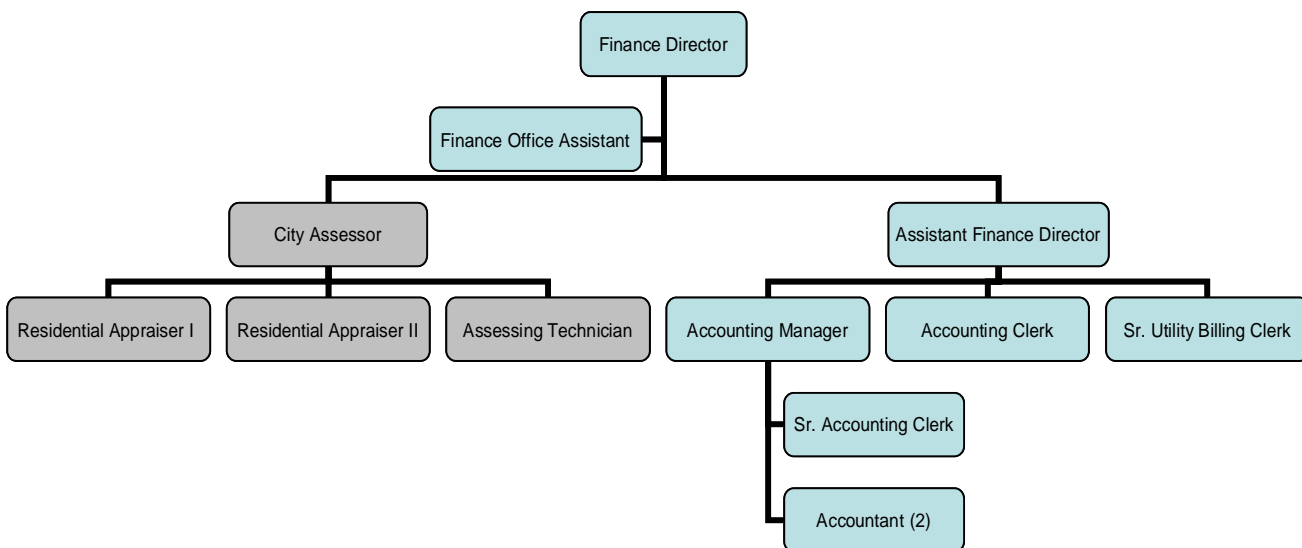
Service Overview

The Accounting Division's primary mission is to ensure the short and long-term financial stability of the City through the development of sound financial policies and practices. The division is responsible for maintaining financial records and investments for both the City and Economic Development Authority, as well as providing assistance to all city departments and divisions in daily operations. The division also contracts with the Housing Authority to perform accounting services. Division responsibilities include:

- Prepare the City's budget document and annual comprehensive financial report
- Responsible for collection, investment, disbursement, and documentation of City funds
- Coordinate the Capital Improvement Program
- Provide billing, collection, and accounting for all utility accounts
- Manage cash and investments
- Manage debt issuance
- Prepare financial forecasts to ensure viability of programs
- Risk Management

Staffing

The Accounting/Treasury division is staffed by the Director of Finance, Assistant Finance Director, one (1) Accounting Manager, two (2) Accountants, five (5) Accounting Clerks and one (1) Accounting Assistant; who is shared with the Assessing Division. Two of the Clerks are funded by Enterprise Funds. Additional allocations are made to the Economic Development Authority, Housing Authority and other funds throughout the City for services provided by this division.



City of St. Louis Park Finance: Accounting/Treasury Division

Budget Highlights

The salaries for 2006 revised budget reflect a reduction in wages from 2006 adopted budget due to the Finance Director vacancy mid-year. During the interim, temporary wages increased due to a part-time replacement, which offset some of the reduction in regular wages.

An increase in Auditing and Accounting expenses for the 2006 revised budget was a result of additional auditing services performed to fulfill the single audit requirement for receiving Federal awards in excess of \$500,000 in a given year.

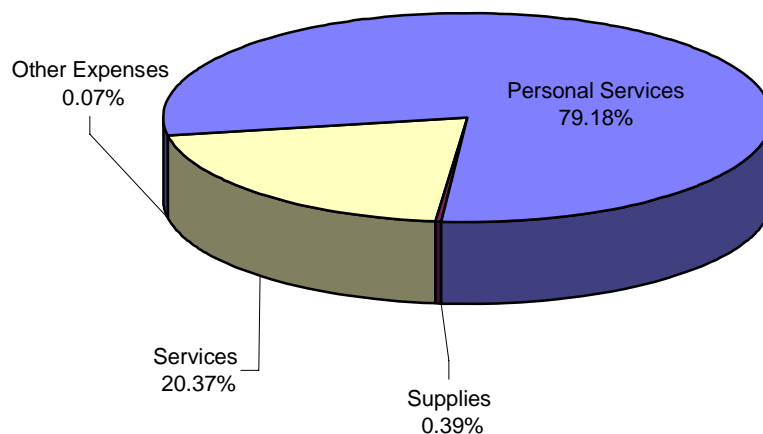
The 2007 requested budget reflects a fully staffed department including the replacement of the Finance Director position that was filled mid-year in 2006. In addition, the wage allocation for the office assistant position shifted to reflect an additional 20% in accounting due to increased responsibilities within this area. The budget also includes the increase in PERA contribution rates that are required in 2007. All other expenses remain stable with minimal inflationary increases.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Adopted | 2006 Revised | 2007 Adopted |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services | \$ 381,065 | \$ 456,526 | \$ 525,135 | \$ 515,646 | \$ 531,128 |
| Supplies | 1,777 | 2,476 | 2,800 | 2,500 | 2,600 |
| Services & Other Charges | 165,695 | 111,573 | 130,294 | 133,488 | 136,632 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | 356 | 1,348 | 2,000 | 450 | 450 |
| Total Expenditures | \$ 548,893 | \$ 571,923 | \$ 660,229 | \$ 652,084 | \$ 670,810 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

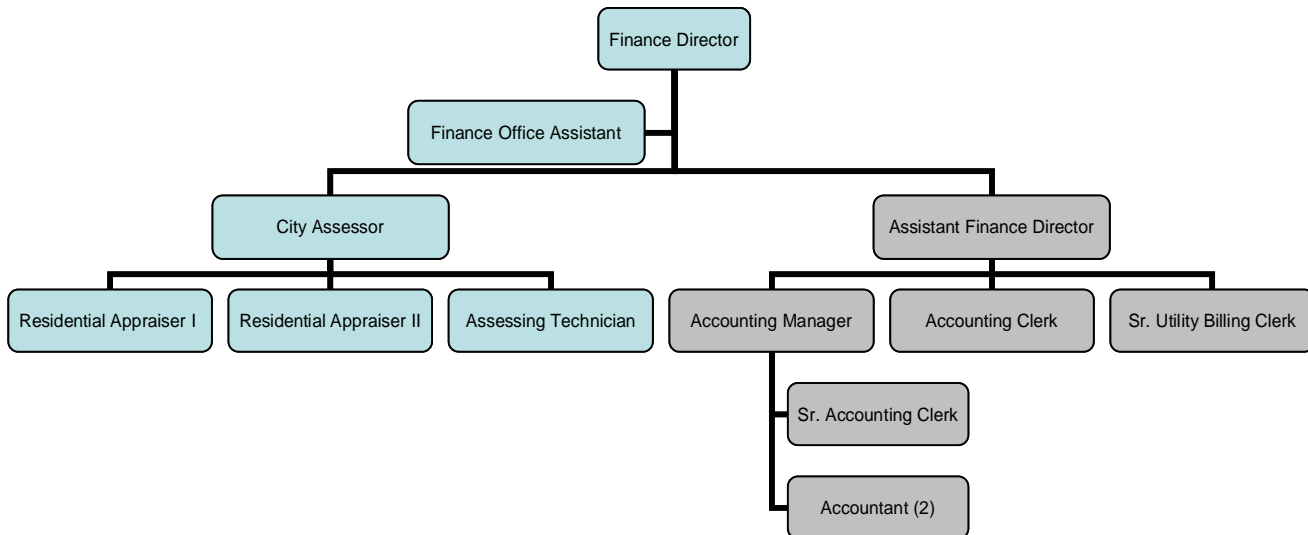
Finance: Assessing Division

Service Overview

The Assessing Division is responsible for the annual valuation and classification process involving 16,000+ parcels of real estate located in St. Louis Park. The assessing function is statutorily required and serves as the foundation for the property tax system in Minnesota. Related services include quintile inspections; new construction and permit inspections; homestead processing; tax court defense; abatements; maintenance and operation of the Property Data System (PDS); resource assistance for special assessments, housing improvement associations, acquisition & classification of right-of-way; and an information support function for internal and external customers.

Staffing

The Assessing Division of the Finance Department is staffed with 5 full-time employees. Staff paid from this budget are two residential appraisers, assessing technician, finance office assistant, and the city assessor. The finance office assistant has duties in both assessing and accounting divisions.



City of St. Louis Park Finance: Assessing Division

Budget Highlights

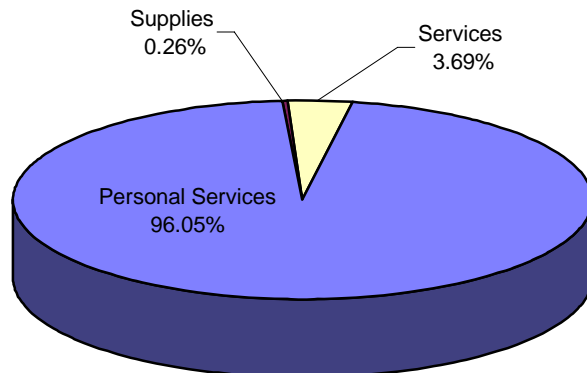
The budget for the Assessing Division has fluctuated over the past few years due to staffing changes and internal shifts for cost allocations. The Division and other LOGIS cities utilize a redesigned Property Data System (PDS-LOGIS) which has recently been completed and implemented. The primary cost for the system will be paid for by LOGIS. The budget request for 2007 includes allocation for an intern to leverage the full-time staff workload.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 396,161 | \$ 370,421 | \$ 363,632 | \$ 355,975 | \$ 367,542 |
| Supplies | 572 | 1,391 | 800 | 1,600 | 1,000 |
| Services & Other Charges | 15,596 | 11,050 | 16,476 | 15,576 | 14,130 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | (160) | 160 | - | - | - |
| Total Expenditures | \$ 412,169 | \$ 383,022 | \$ 380,908 | \$ 373,151 | \$ 382,672 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

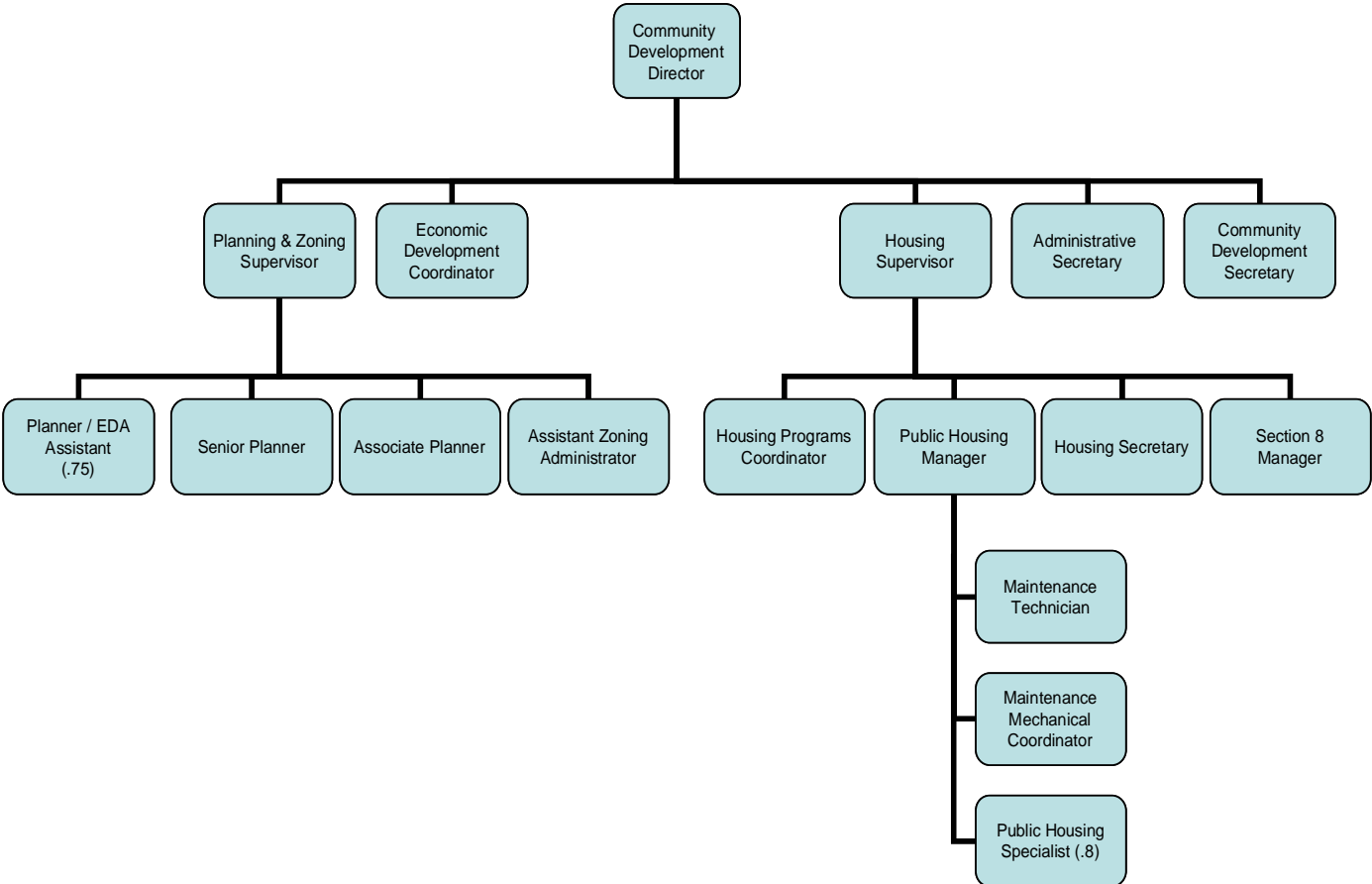
Community Development and Planning

Service Overview

Community Development encompasses activities associated with Planning and Zoning, Housing, and Economic Development. These activities require interaction with and provide staff support to the City Council, Planning Commission, Board of Zoning Appeals, Housing Authority, Economic Development Authority, Special Task Forces, and the Multi-Family Housing Coalition, to name a few. Services provided include administration of the Zoning & Subdivision Ordinances and the Comprehensive Plan. Community Development also administers housing programs and facilitates economic development and redevelopment.

Staffing

For 2007 the addition of a .75 FTE position to assist the Economic Development Coordinator and Planning Supervisor is proposed. This position will increase the departments capacity to complete complex redevelopment projects and special planning studies. Consultants are also a key supplement to and support for staff resources. Funding for consultants is either tied to specific projects or comes from special sources like grants or the Development Fund.



City of St. Louis Park Community Development and Planning

Budget Highlights

This particular budget addresses the Planning and Zoning Division functions and overall administration of the department. The 2007 budget reflects the addition of a .75 EDA/Planner Assistant position. Standard inflationary increases for all staff also contribute to the overall increase within Personal Services.

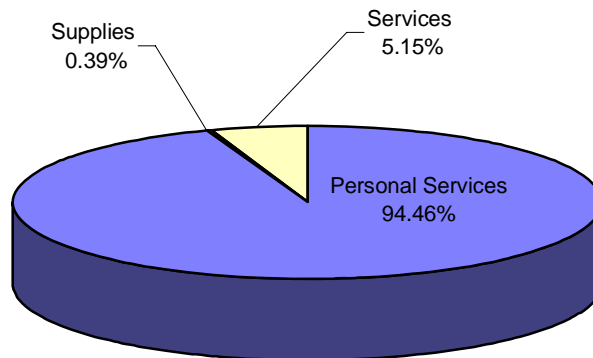
Economic Development activities can be found at the back of this budget while Housing Rehabilitation information is located under the Special Revenue Section of this budget. The Housing Authority is a separate legal entity from the City. Therefore, no budget related information is included within this document for the Housing Authority.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 843,762 | \$ 858,135 | \$ 925,181 | \$ 905,882 | \$ 968,204 |
| Supplies | 1,673 | 1,164 | 4,000 | 4,000 | 4,000 |
| Services & Other Charges | 48,722 | 39,766 | 53,650 | 53,650 | 52,750 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | <u>\$ 894,157</u> | <u>\$ 899,065</u> | <u>\$ 982,831</u> | <u>\$ 963,532</u> | <u>\$ 1,024,954</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

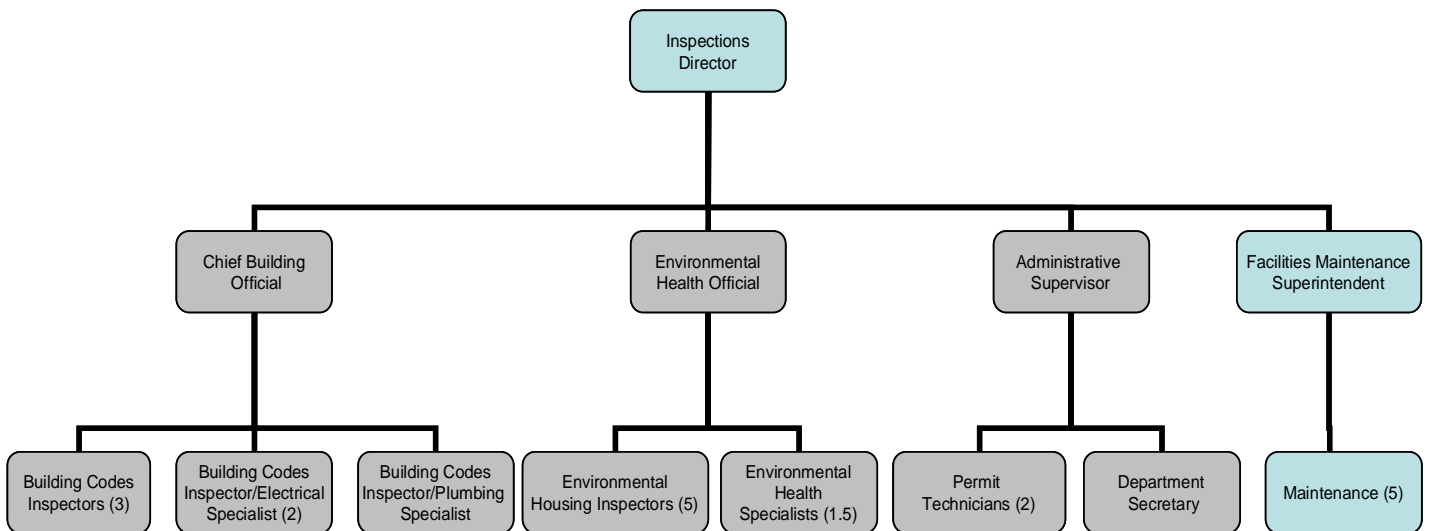
Inspections: Facilities Maintenance

Service Overview

The Facilities Maintenance Division is an internal support organization with operating responsibility for City Hall, Police Station, Fire Stations 1 & 2, Westwood Nature Center, the Municipal Service Center, and specific equipment functions. Long-term capital improvements to these sites are coordinated by this division including management of related construction projects. The division assists other City departments in the areas of property management, residential/commercial demolitions, and coordination of the City's participation in the Hennepin County Sentence-To-Serve (S.T.S.) program. This Division also provides fee based management and maintenance services to the Special Service Districts.

Staffing

This division operates with a full-time staff consisting of one superintendent and five maintenance personnel. Part-time help is used seasonally. Large projects requiring increased staff levels are accomplished by supplemental staff drawn from other divisions. Facilities Maintenance division is part of the Inspections Department.



City of St. Louis Park Inspections: Facilities Maintenance

Budget Highlights

The 2006 revised budget is flat to the 2006 adopted. The 2007 requested budget shows a significant increase, part of which is the normal increase on personal services costs, while the majority of the increase (\$175,600) relates to the transferring of expenses for the operation of the Municipal Service Center (MSC) building into the Facilities budget. The Facilities Division will now have operating responsibilities for the MSC site.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 429,962 | \$ 434,567 | \$ 466,083 | \$ 467,107 | \$ 484,355 |
| Supplies | 96,983 | 81,921 | 130,150 | 130,300 | 140,500 |
| Services & Other Charges | 298,148 | 292,934 | 317,391 | 317,691 | 539,512 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | \$ 825,093 | \$ 809,422 | \$ 913,624 | \$ 915,098 | \$ 1,164,367 |

2007 Budgeted Expenditures

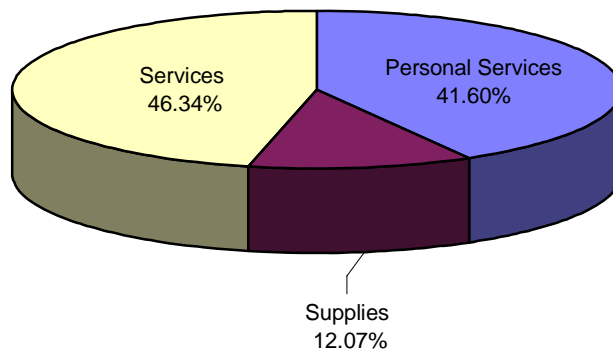
- Personal Services: All salary and benefit expenditures

- Supplies: Office, operational, general, and non-capital

- Services: Contractual services, insurance, utilities, repairs

- Capital Outlay: Equipment & improvements

- Other Expenses: Interest and bank charges



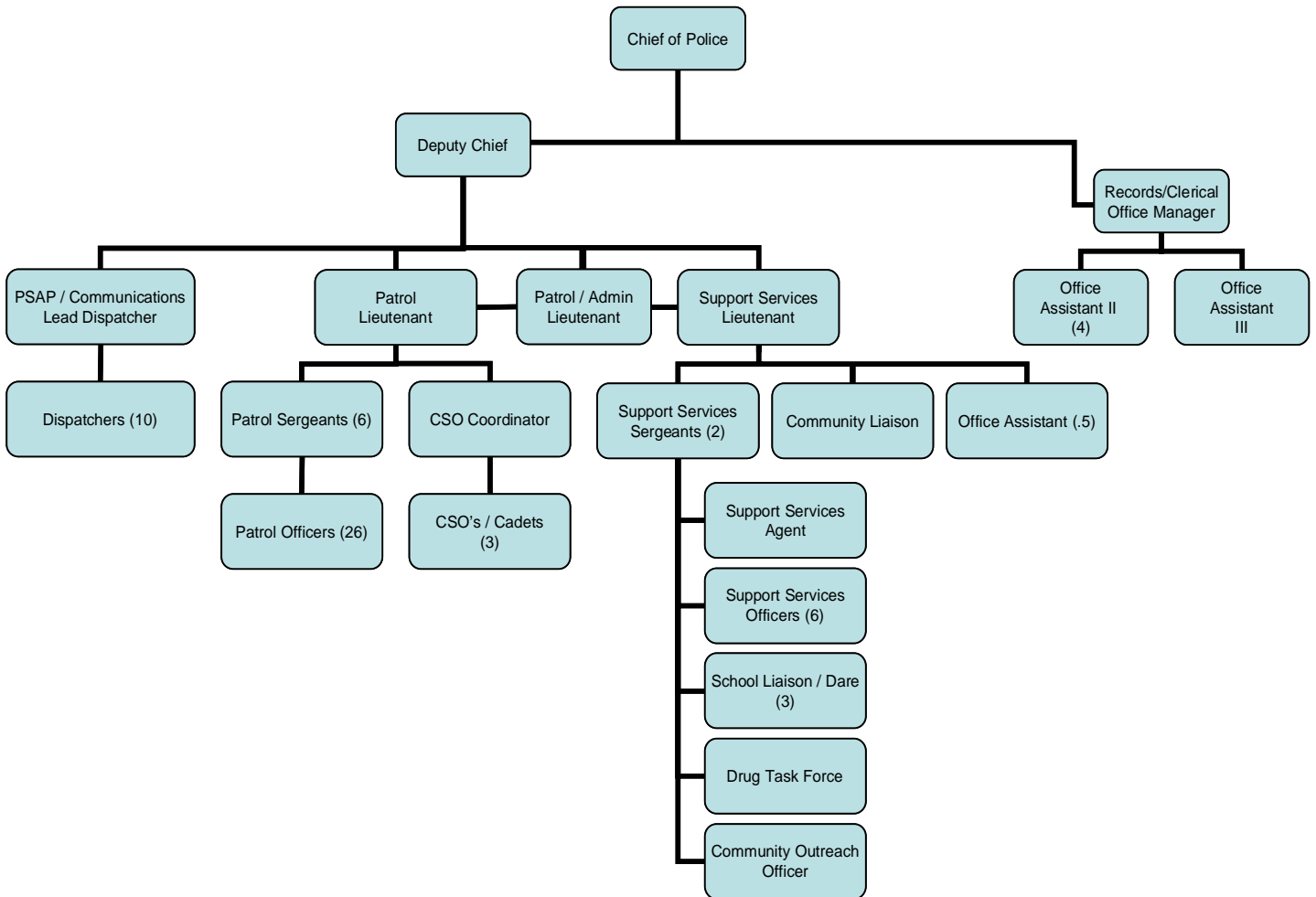
City of St. Louis Park Police Department

Service Overview

The mission of the police department is to provide citizens with quality service, professional conduct, and a safe environment in which to live, work and learn. The police department responds to emergencies and investigates crime and disorder in the community. In addition, the department works with the community to develop strategies for the prevention of crime and disorder and the promotion of quality of life in our neighborhoods.

Staffing

In 2007, the authorized sworn staffing of the police department will be maintained at 51 police officers, a ratio of 1.2 per thousand population. The police department also has 18.5 full time non-sworn employees and 3 temporary, part-time employees. Approximately 89% of the police department's operating budget is allocated to personal services.



City of St. Louis Park Police Department

Budget Highlights

The police department's 2007 budget proposal contains several requests for new funding or increases in existing categories. The following summary will outline and explain each request:

D.A.R.E. supplies, \$7,200 - The D.A.R.E./School Liaison Program, particularly with the addition of the junior high position, has created supply needs which can no longer be funded by the St. Louis Park Crime Prevention Fund. The cost of workbooks, t-shirts, graduation supplies and miscellaneous items now exceeds \$7,000 per school year.

Bicycle Patrol, \$4,000 - The expanded use and success of the bicycle patrol program, utilizing both sworn officers and reserves, has resulted in some cost increases. This money would allow us to purchase one new bicycle and equipment each year on a rotating basis as older bicycles wear out and to perform routine maintenance on all of the bicycles being used.

Training and Conferences, \$7,500 - We have relied upon state and federal grant money to assist with training costs for many years. This funding is being reduced annually and will be eliminated in the next two years. This funding will assist us in maintaining training and development standards.

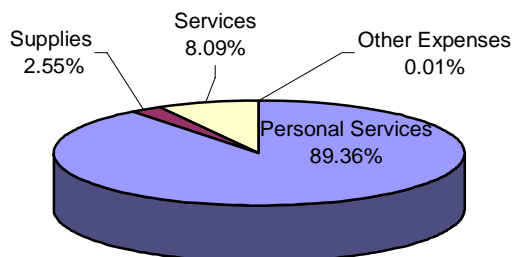
Overtime, \$10,000 - This proposed increase will address scheduling adjustments to assure FLSA compliance and accommodate the change in classification of Police Sergeants to non-exempt (overtime earning). Additionally, the increase accommodates contractual hourly rate increases which result in overtime rate increases. The Communications budget contains \$5,000 of this increase and the Police Protection budget contains \$5,000.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 4,981,152 | \$ 5,115,427 | \$ 5,769,171 | \$ 5,672,497 | \$ 5,965,982 |
| Supplies | 144,726 | 103,206 | 150,950 | 150,480 | 170,050 |
| Services & Other Charges | 637,815 | 605,649 | 774,923 | 723,873 | 540,073 |
| Capital Outlay | - | - | - | - | - |
| Transfers Out | 38,541 | - | - | - | - |
| Other Expenses | 121 | 65 | - | 323 | 500 |
| Total Expenditures | <u>\$ 5,802,355</u> | <u>\$ 5,824,347</u> | <u>\$ 6,695,044</u> | <u>\$ 6,547,173</u> | <u>\$ 6,676,605</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

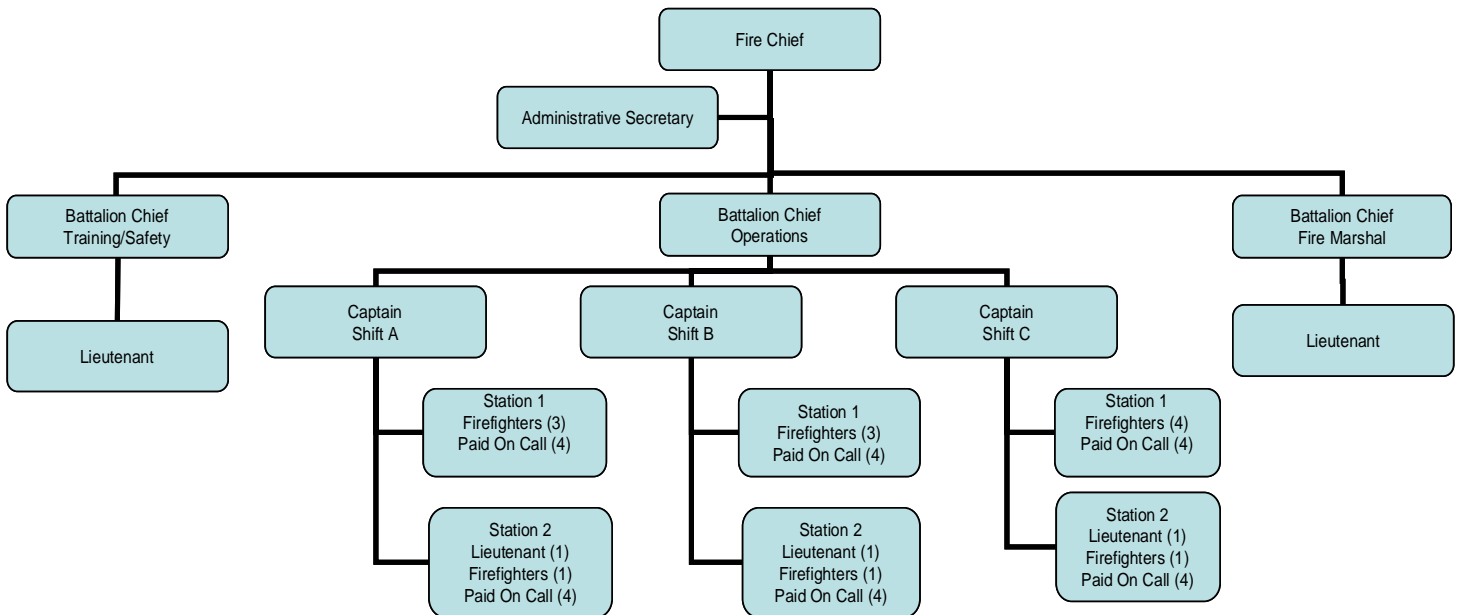
Fire

Service Overview

The St. Louis Park Fire Department is committed through effective emergency management to preventing and minimizing the loss of life and property with cooperative delivery of the highest quality, and efficient emergency fire and rescue service, emergency medical service, hazardous material emergency response, fire prevention, and public education services to the residents in and visitors to St. Louis Park. The department responded to 3,970 calls in 2005. Although call volume was similar to the total calls from 2004, we are continuing to see a decline in major fires. Emergency Medical Services continued to account for about 70% of all Fire Department calls, as it did in 2004.

Staffing

There are no staffing or organization changes planned for 2007. Through the strategic planning process, we are continuing with staff empowerment in the decision making process and enhancement of our customer service.



City of St. Louis Park Fire

Budget Highlights

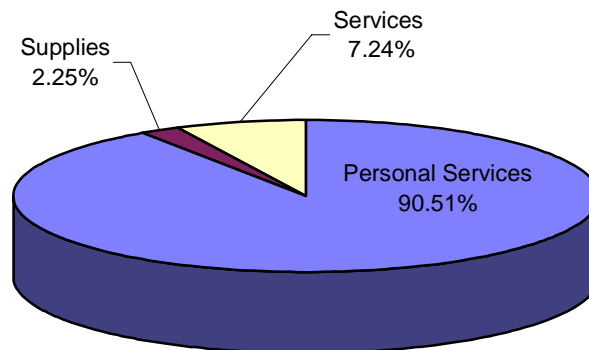
The Fire Department's 2007 budget is 2.3% over the adopted 2006 budget. This increase is due to standard anticipated salary increases.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Adopted | 2006 Revised | 2007 Adopted |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Personal Services | \$ 2,083,503 | \$ 2,233,750 | \$ 2,366,631 | \$ 2,350,435 | \$ 2,494,897 |
| Supplies | 62,466 | 79,308 | 54,543 | 73,183 | 62,098 |
| Services & Other Charges | 235,350 | 262,609 | 272,790 | 269,949 | 199,527 |
| Capital Outlay | 79,878 | 5,112 | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | <u>\$ 2,461,197</u> | <u>\$ 2,580,779</u> | <u>\$ 2,693,964</u> | <u>\$ 2,693,567</u> | <u>\$ 2,756,522</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

Inspections

Service Overview

The Inspection Department provides education, issuance of permits, and administration of codes through a variety of inspection programs to benefit the health, safety and vitality of the community. Maintenance and capital improvements of City facilities have recently been integrated into the Department. The Facilities Maintenance operations and budget information is reflected separately within this budget document and is not included within the Inspections budget.

Some of the various codes administered to accomplish our mission include Minnesota State Building Codes, Minnesota Food and Environmental Codes, and City Property Maintenance, Housing, and Zoning Codes. In addition, the Department also issues licenses for operation of regulated commercial businesses, restaurants, apartment buildings, and selected contractors. Annual inspections of licensed facilities are conducted to maintain minimum standards.

Maintenance of the City's residential and commercial properties is being enhanced with proactive identification of substandard buildings in addition to the time of sale inspection program, intended to correct deteriorating and hazardous conditions in all of the City buildings.

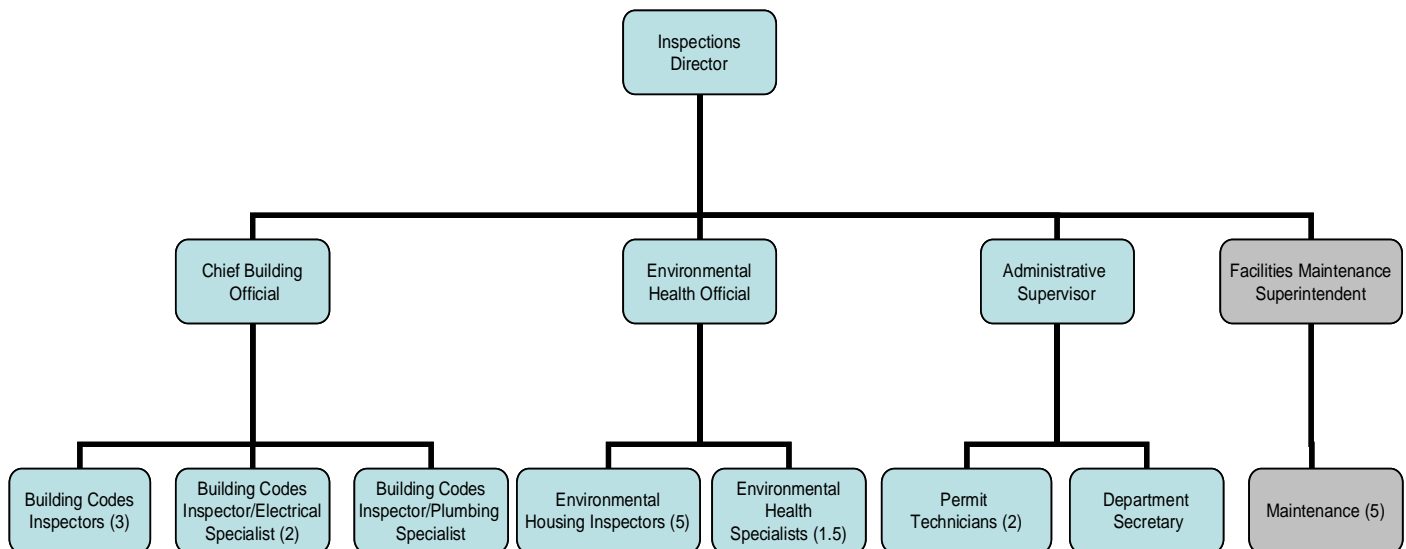
Staffing

Upwards of 20,000 inspections are performed in a year by a 2007 proposed department staff consisting of twenty (20) full-time and one (1) part-time regular positions. The number of inspections has substantially increased over the last few years. Consulting electrical inspection and plan review services are also utilized when needed to maintain the desired service level when permit review and inspection requests spike upward. Only the regular classified positions are reflected in the organization chart below.

Staffing reflects an additional Building Codes Inspector position to accommodate the service requests occurring from increasing construction activity. Sufficient inspector staffing will allow an inspector to be assigned to office plan review, being available at most times to answer customer questions and immediately process simple plan reviews.

Another proposed change for 2007 is the addition of an Environmental Housing Inspector. The position will enhance both our rental housing and property maintenance inspection programs. This position replaces a part-time Health Specialist vacancy and a temporary part-time housing position.

All of the inspector and supervisor positions are being continually developed as multi-discipline positions to allow the most flexible and effective use of our staffing resources.



City of St. Louis Park Inspections

Budget Highlights

Permit revenue continues to increase from high valuation construction projects and the significant permit application activity. This is a direct result of redevelopment projects and property owners choosing to make reinvestment in their homes and businesses. License fee revenue by contrast is a relatively steady amount which is based on a set fee for a specific number of establishments.

Adding a regular Building Codes Inspector position is proposed for 2007. Permit revenues are sufficient to fund this position and maintain an appropriate fee for service relationship. This addition will replace a temporary position which was added during 2006 due to a position vacancy and increasing inspection requests.

Reallocating funds for 2007 from a vacant part-time and temporary positions, in addition to a modest rental license fee increase will cover the annual costs of adding the proposed full-time Housing Inspector.

Economic and construction activity fluctuations will affect actual permit revenue for 2007 and future years. The department operating expenses indicated in the budget are predominantly for personnel and related support costs. Expenditures for inspection services typically continue for the following year or two after permits were issued and revenue was received.

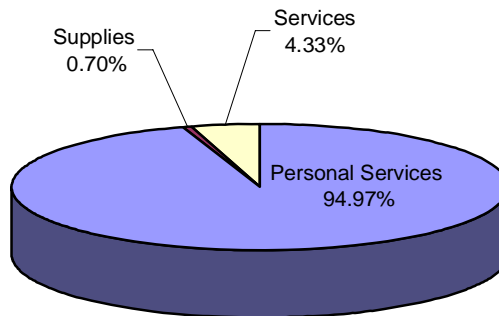
Approximately 85 percent of the Department activities are fee for service based, either from permits or licenses. The relationship between revenue and service costs must be evaluated over a several year period to accurately account for significant construction fluctuations.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Adopted | 2006 Revised | 2007 Adopted |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Personal Services | \$ 1,375,407 | \$ 1,467,548 | \$ 1,612,317 | \$ 1,655,350 | \$ 1,703,179 |
| Supplies | 10,033 | 16,879 | 10,000 | 10,000 | 12,500 |
| Services & Other Charges | 97,857 | 111,655 | 112,982 | 112,982 | 77,627 |
| Capital Outlay | 17,905 | - | - | - | - |
| Other Expenses | 10,814 | 16,954 | - | - | - |
| Total Expenditures | <u>\$ 1,512,016</u> | <u>\$ 1,613,036</u> | <u>\$ 1,735,299</u> | <u>\$ 1,778,332</u> | <u>\$ 1,793,306</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

Public Works: Administration

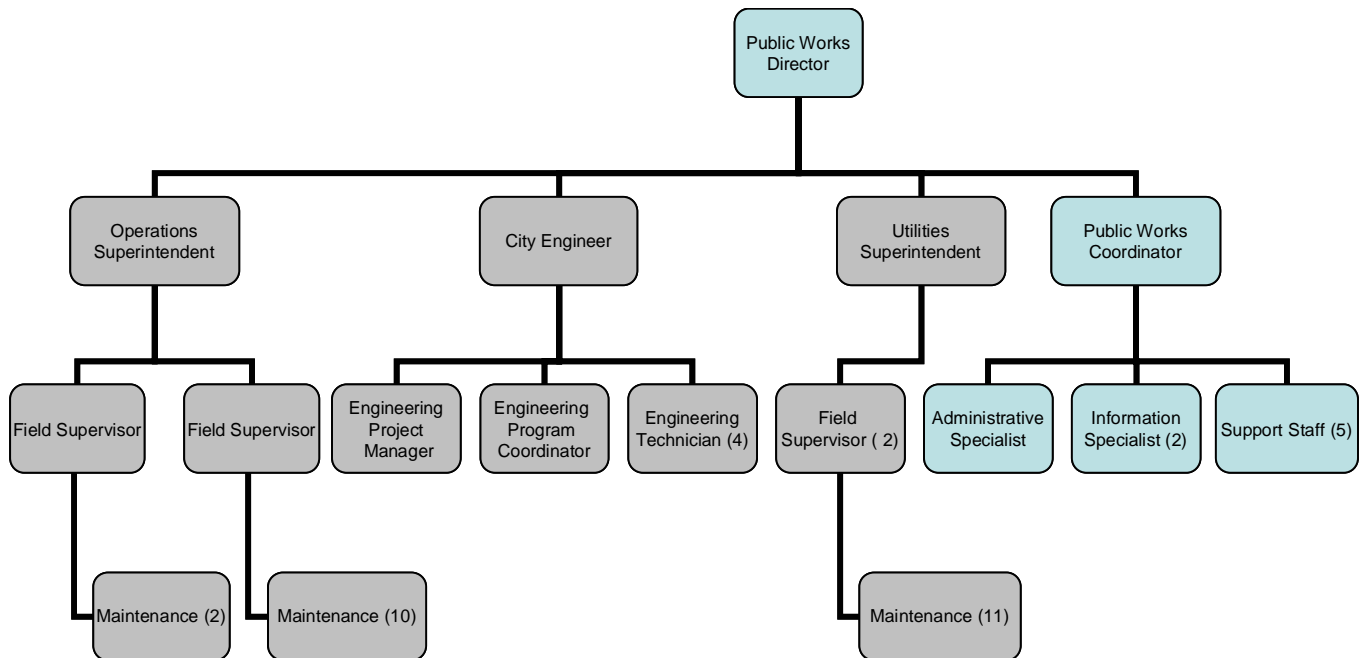
Service Overview

The Public Works Administrative group is designed to provide administrative support for the other three Public Works divisions: Engineering, Operations, and Utilities. This division also manages the Solid Waste program and provides project management services for a portion of the City's Capital Improvement Program.

The focus in 2007 is to complete the initial development and implementation of management systems to track and manage city infrastructure assets, such as streets, water, and sewer systems. These systems are critical in monitoring and managing our programs, services, and infrastructure assets. Another major initiative in 2007 is to aid in providing project management services for Capital Improvements which were previously being done only by the Engineering and Utilities divisions. The administrative group coordinates data collection and dissemination efforts for the management systems. Increased mapping capabilities are providing new ways to organize large amounts of data to better inform decision-makers, staff, and the public.

Staffing

Due to a continuing need for assistance in managing data and information, a new Information Systems Technician position was proposed in 2005 to be created in 2006. Instead however, a 2006 Citywide organizational restructuring shifted Fleet Management, Facility Maintenance, and Special Service District services from Public Works to other Departments. As a result the managing of Public Works data can now be handled by existing division staff. No staffing changes are planned for 2007.



City of St. Louis Park Public Works: Administration

Budget Highlights

Personnel expenses dominate this budget, making up 96% of the total. The reduction in costs in 2007 is the result of the elimination of a proposed Information Systems Technician position.

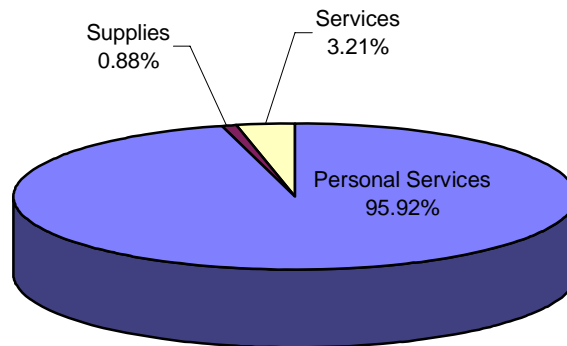
A substantial portion of the funding for this budget comes from transfers from the Water, Sewer, Storm Water, and Solid Waste enterprise funds. To be specific, in 2007 it is proposed that approximately \$451,000 from enterprise funds should be used to fund personnel costs associated with this division.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 689,372 | \$ 714,151 | \$ 796,998 | \$ 796,998 | \$ 766,937 |
| Supplies | 6,888 | 3,382 | 6,000 | 8,556 | 7,000 |
| Services & Other Charges | 24,434 | 15,880 | 25,650 | 25,117 | 25,650 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | \$ 720,694 | \$ 733,413 | \$ 828,648 | \$ 830,671 | \$ 799,587 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

Public Works: Engineering

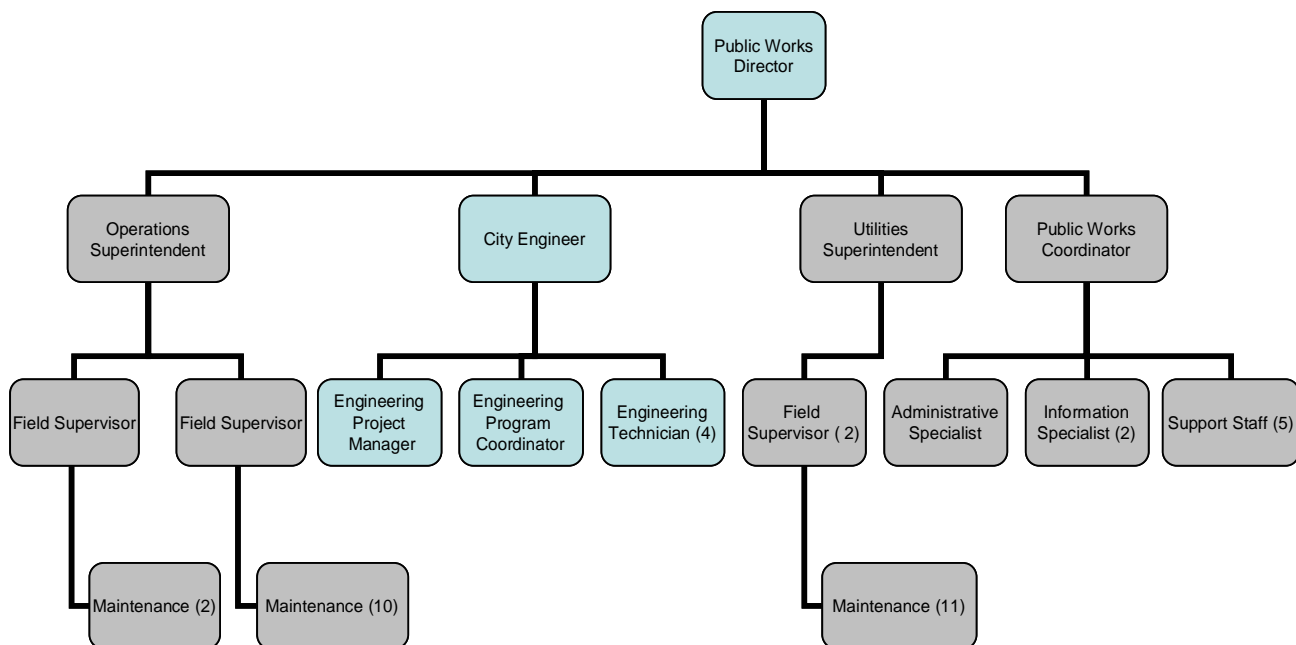
Service Overview

The Engineering Division of the Department of Public Works primarily provides support services for the Water, Sewer, Street and Traffic Divisions, Community Development, and Parks & Recreation Departments. Division activities focus on implementing long-term capital improvements to the City's infrastructure from concept through construction including inspections, studies, analysis, surveys, design, public involvement, construction inspection, and administration. Division staff perform bridge inspections, process and analyze traffic requests, conduct traffic studies, provide input on proposed developments, administer permits, and oversee the City's Pavement Management Program and Comprehensive Water Resource Management Plan (CWRMP). The division selects and manages consultants as needed to provide services for the City. The division provides input and coordination with other municipalities, Hennepin County, and the State on various transportation-related issues and projects within or affecting the City. The Division also provides timely response and service to general public requests on a daily basis.

The Engineering Division has also developed a Residential Street Maintenance and Rehabilitation Program that provides a strategy for the most cost-effective, long-term maintenance of the City's streets. This program will reference the Utility Division's infrastructure management system to facilitate utility and roadway improvements in a coordinated, systematic way. Implementation of this program began in 2005.

Staffing

The Engineering Division currently has a full-time staff of seven (7) consisting of one (1) City Engineer, one (1) Engineering Project Manager, one (1) Engineering Program Coordinator, and four (4) Engineering Technicians. The Division was reduced by two in 2004 due to budget cuts (1 Engineering Technician and 1 Survey Aide). The primary tasks performed are the development, design, and construction inspection/administration of public improvements and the public involvement efforts associated with the improvements, as well as development reviews, traffic requests, right-of-way permitting, and surface water management.



City of St. Louis Park Public Works: Engineering

Budget Highlights

The 2007 budget is increased from the 2006 adopted budget by \$20,478 (2.8%). The increase is basically due to standard inflationary salary increases.

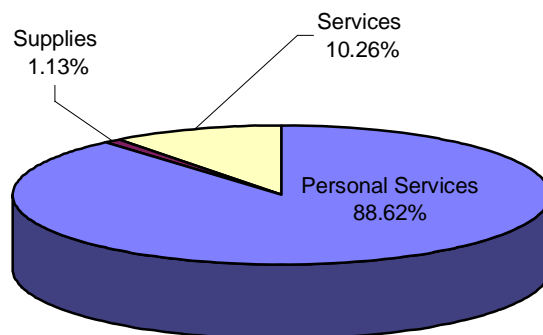
2007 will include final design and construction of Excelsior Boulevard, west of TH 100. The Engineering Division is also working with MnDOT for the funding, planning, and design for future improvements to the TH-100 and TH-7 corridors, and with Hennepin County on the replacement of the Minnetonka Avenue Bridge over the Hutchinson Spur Trail. Flood drainage and flood control improvement projects will also be conducted City-wide, as well as pavement management projects.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 586,372 | \$ 564,151 | \$ 631,084 | \$ 636,062 | \$ 660,469 |
| Supplies | 3,834 | 6,470 | 8,800 | 7,900 | 8,400 |
| Services & Other Charges | 117,437 | 76,609 | 84,940 | 83,599 | 76,433 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | \$ 707,643 | \$ 647,230 | \$ 724,824 | \$ 727,561 | \$ 745,302 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

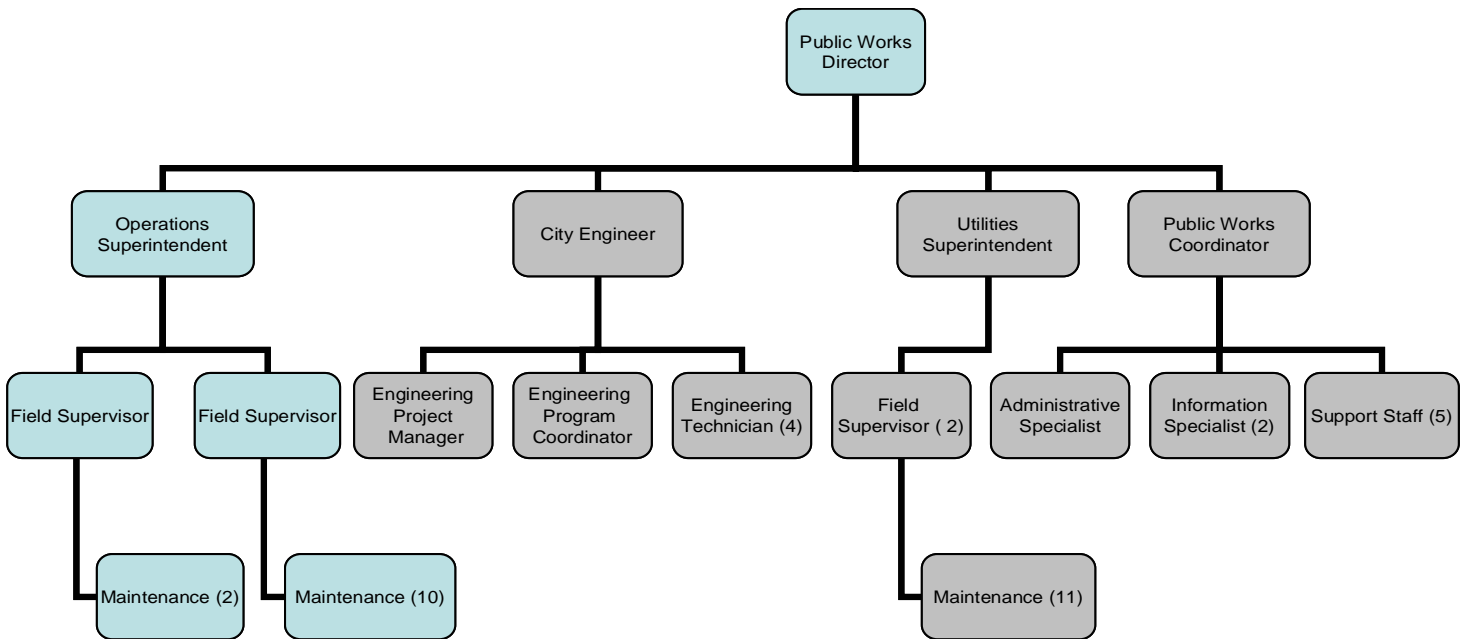
Public Works: Operations

Service Overview

The Operations Division has a mission to ensure the safety of the traveling public and to provide for a safe, functional transportation system within St. Louis Park. The Division is responsible for providing timely response to citizen requests, providing data for short and long range planning to aid City Council and staff in making sound policy and procedural decisions, and cooperating with other branches of city government so as to maximize service delivery to the public. A computerized asset management system is being utilized by the division to assist in the management of the transportation system facilities. Consistent with the Vision St. Louis Park, the division is striving to provide necessary accommodations to the public for transportation needs such as sidewalks, trails, and a safe transportation system. In order to achieve the goal of responsive government, the division is working with employees and residents to provide effective, quality services.

Staffing

Staff paid from this budget include 12 maintenance employees and 3 management employees. Future staffing in 2007 and beyond may be impacted by evolving budget issues.



City of St. Louis Park Public Works: Operations

Budget Highlights

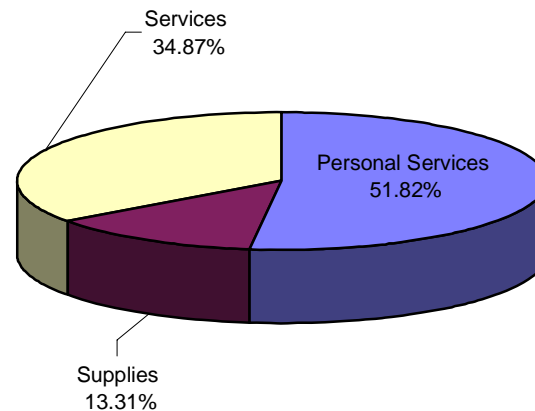
The revised 2006 budget increased from the adopted budget due to unexpectedly high material costs (salt and asphalt) and the implementation of a street light pole replacement program. The 2007 proposed budget increased from the 2006 revised budget due to inflationary adjustments.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 1,021,823 | \$ 1,011,743 | \$ 1,076,838 | \$ 1,101,252 | \$ 1,189,580 |
| Supplies | 279,855 | 265,875 | 299,900 | 300,800 | 305,500 |
| Services & Other Charges | 1,259,202 | 1,107,963 | 1,094,230 | 1,152,373 | 800,583 |
| Capital Outlay | 11,066 | - | 35,000 | - | - |
| Other Expenses | - | 6,430 | - | - | - |
| Total Expenditures | \$ 2,571,946 | \$ 2,392,011 | \$ 2,505,968 | \$ 2,554,425 | \$ 2,295,663 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



**City of St. Louis Park
Special Revenue Funds**

Summary of Actual & Budgeted Revenues

| Revenue | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Adopted | Revised | Adopted |
| Parks & Recreation | \$ 4,670,764 | \$ 5,436,893 | \$ 4,746,736 | \$ 4,835,254 | \$ 5,608,137 |
| Cable Television | 390,425 | 559,266 | 394,000 | 455,000 | 1,258,000 |
| CDBG | 211,572 | 155,189 | 219,000 | 213,302 | 205,000 |
| Special Service Districts | 149,945 | 159,958 | 163,118 | 163,118 | 246,342 |
| Housing Rehabilitation | 528,417 | 588,056 | 498,535 | 502,012 | 514,325 |
| Police & Fire Pension | 91,612 | 852,336 | 100,000 | 100,000 | 150,000 |
| Total Revenues | \$ 6,042,735 | \$ 7,751,698 | \$ 6,121,389 | \$ 6,268,686 | \$ 7,981,804 |

Summary of Actual & Budgeted Expenditures

| Expenditure | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Adopted | Revised | Adopted |
| Parks & Recreation | \$ 4,955,905 | \$ 5,178,852 | \$ 4,746,736 | \$ 4,835,254 | \$ 5,608,137 |
| Cable Television | 377,188 | 411,984 | 422,509 | 425,429 | 699,445 |
| CDBG | 229,863 | 161,558 | 219,000 | 213,302 | 205,000 |
| Special Service Districts | 165,250 | 219,209 | 224,533 | 224,533 | 226,333 |
| Housing Rehabilitation | 470,873 | 586,557 | 721,152 | 644,887 | 692,609 |
| Police & Fire Pension | 785,954 | 1,737,548 | 418,000 | 418,000 | 384,000 |
| Total Expenditures | \$ 6,985,033 | \$ 8,295,708 | \$ 6,751,930 | \$ 6,761,406 | \$ 7,815,523 |

City of St. Louis Park Parks and Recreation

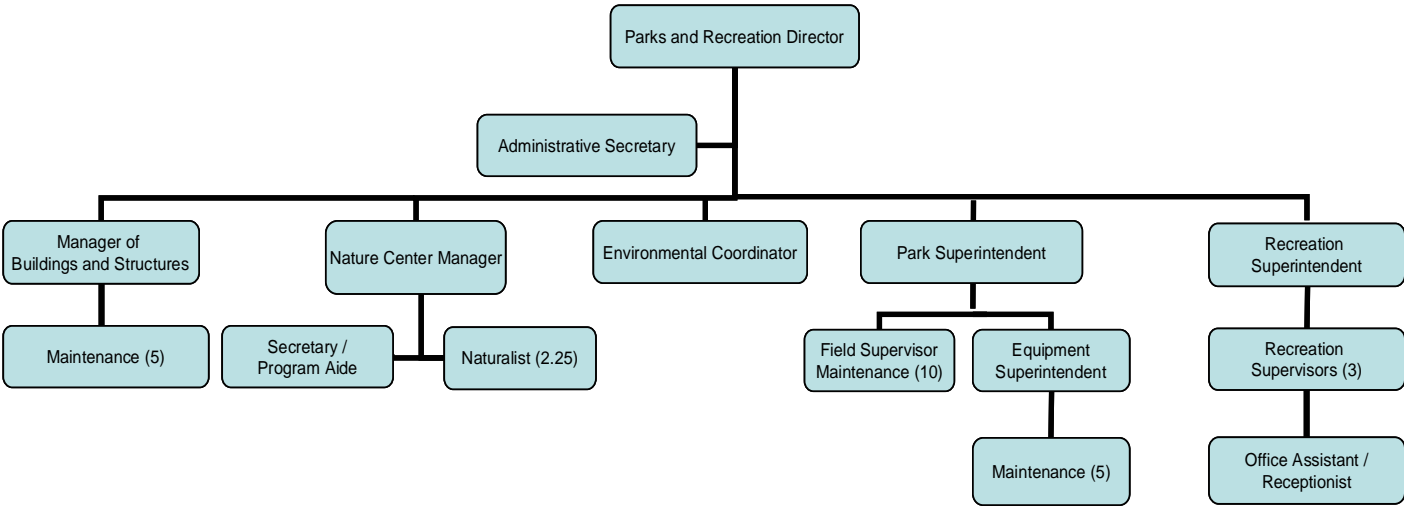
Service Overview

The Parks and Recreation Department consists of seven operating divisions: Recreation Center, Westwood Hills Environmental Education Center (WHEEC), Environment, Park Maintenance, Vehicle Maintenance, Equipment Replacement, and Organized Recreation. Vision St. Louis Park has been a major force in providing direction for Parks and Recreation services. We continue to place children first in our community by providing year-round recreational activities as well as volunteer opportunities for youth in our community.

Information regarding the Equipment Replacement is located separately within this budget document.

Staffing

The department has shared resources between divisions. These positions are indicated on the individual division sections within this budget document.



City of St. Louis Park Parks and Recreation

Budget Highlights

In 2007, the following projects and initiatives are proposed: Ainsworth Park sun shelter, Cedar Knoll Park fence replacement, playground equipment at Bronx, Cedarhurst, Knollwood Green, and Sunset Parks, Westwood Hills parking lot and entrance trail overlay, Rec Center parking lot repair and sealcoat, and field improvements at the Jr. High School. Funds will also be spent on replacement of trees lost to storms or disease. We will continue to evaluate both active and passive park sites and create a master plan that will guide the capital improvement projects in the future.

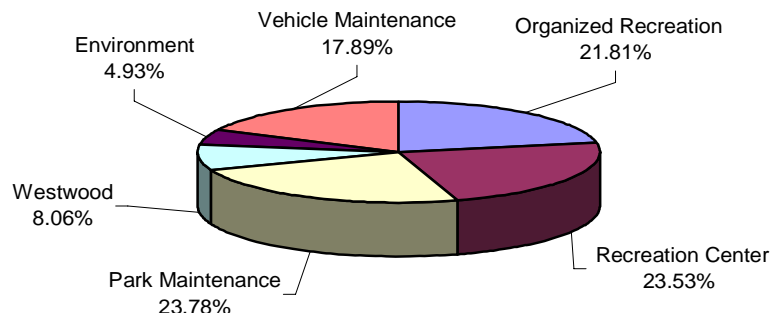
Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 | | 2007 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 2,513,933 | \$ 2,701,446 | \$ 2,887,292 | \$ 2,887,292 | \$ 3,540,854 |
| Licenses & Permits | 2,120 | 7,075 | - | - | - |
| Intergovernmental | 54,229 | 53,762 | 94,702 | 94,702 | 56,402 |
| Charges For Services | 1,279,593 | 1,356,417 | 1,048,770 | 1,147,888 | 1,077,220 |
| Special Assessments | 3,597 | 17,586 | - | - | - |
| Rent Revenue | 625,594 | 823,034 | 700,072 | 681,072 | 807,061 |
| Transfers In | 183,143 | 457,302 | - | - | 100,000 |
| Interest Income | 4,449 | 718 | 8,000 | 8,000 | 8,000 |
| Miscellaneous | 4,106 | 19,553 | 7,900 | 16,300 | 18,600 |
| Total Revenues | \$ 4,670,764 | \$ 5,436,893 | \$ 4,746,736 | \$ 4,835,254 | \$ 5,608,137 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Organized Recreation | \$ 1,061,171 | \$ 1,123,739 | \$ 1,193,136 | \$ 1,198,976 | \$ 1,223,354 |
| Recreation Center | 1,367,415 | 1,283,891 | 1,306,850 | 1,317,274 | 1,319,600 |
| Park Maintenance | 1,452,691 | 1,532,978 | 1,527,676 | 1,540,457 | 1,333,382 |
| Westwood | 396,181 | 411,451 | 445,457 | 445,712 | 452,085 |
| Environment | 678,447 | 826,793 | 273,618 | 273,618 | 276,598 |
| Vehicle Maintenance | - | - | - | - | 1,003,119 |
| Contingency | - | - | - | 59,217 | - |
| Total Expenditures | \$ 4,955,905 | \$ 5,178,852 | \$ 4,746,736 | \$ 4,835,254 | \$ 5,608,137 |

2007 Budgeted Expenditures by Division



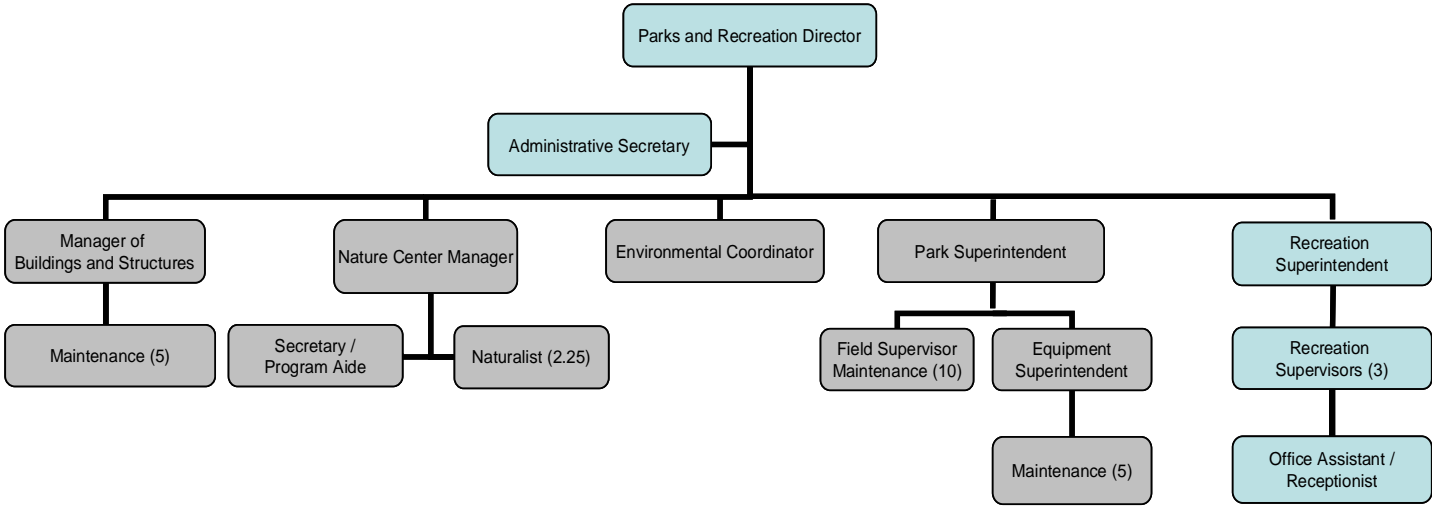
City of St. Louis Park Organized Recreation

Service Overview

The Organized Recreation Division is responsible for providing recreation program opportunities for residents of all ages and abilities. Although many of our programs have user fees, the department offers fee assistance to children and families who can not afford to pay the full cost of the program. There are over 3,000 youth involved in our programs. The majority of our youth programs are instructional in nature. Our mission is to develop skills and have fun. Currently, we have over 30 youth t-ball and soccer teams involved in our programs. In addition to youth sports and recreation programs, we offer several adult team sport programs. Our adult softball program has 190 teams. We also have an additional 140 adult sports teams signed up for basketball, volleyball, football, soccer, kickball, and broomball.

Staffing

The Organized Recreation Division has 6.5 staff including the Parks and Recreation Director. The Administrative Secretary is a shared resource between the Recreation Center Division and Organized Recreation division.



City of St. Louis Park Organized Recreation

Budget Highlights

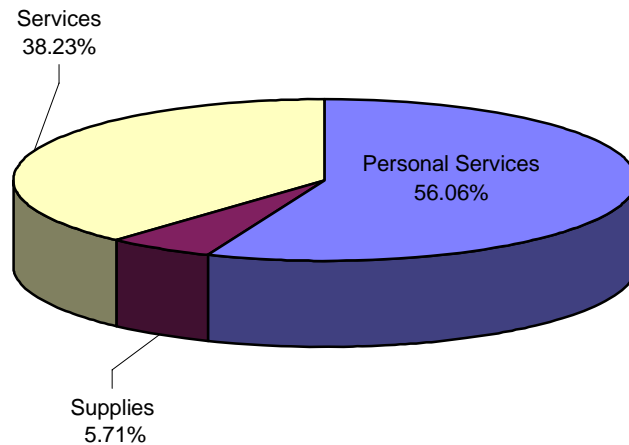
The 2007 Organized Recreation adopted budget includes the recreation programs we offer for youth and adults. Many of these programs are in response to requests from residents or recent trends in the area of Parks and Recreation. We will continue to change our offerings for youth and family programs to meet the needs of the community.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 659,607 | \$ 640,400 | \$ 659,363 | \$ 665,203 | \$ 685,781 |
| Supplies | 41,841 | 40,501 | 68,832 | 68,832 | 69,832 |
| Services & Other Charges | 352,061 | 428,611 | 464,941 | 464,941 | 467,741 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | 7,662 | 14,227 | - | - | - |
| Total Expenditures | <u>\$ 1,061,171</u> | <u>\$ 1,123,739</u> | <u>\$ 1,193,136</u> | <u>\$ 1,198,976</u> | <u>\$ 1,223,354</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



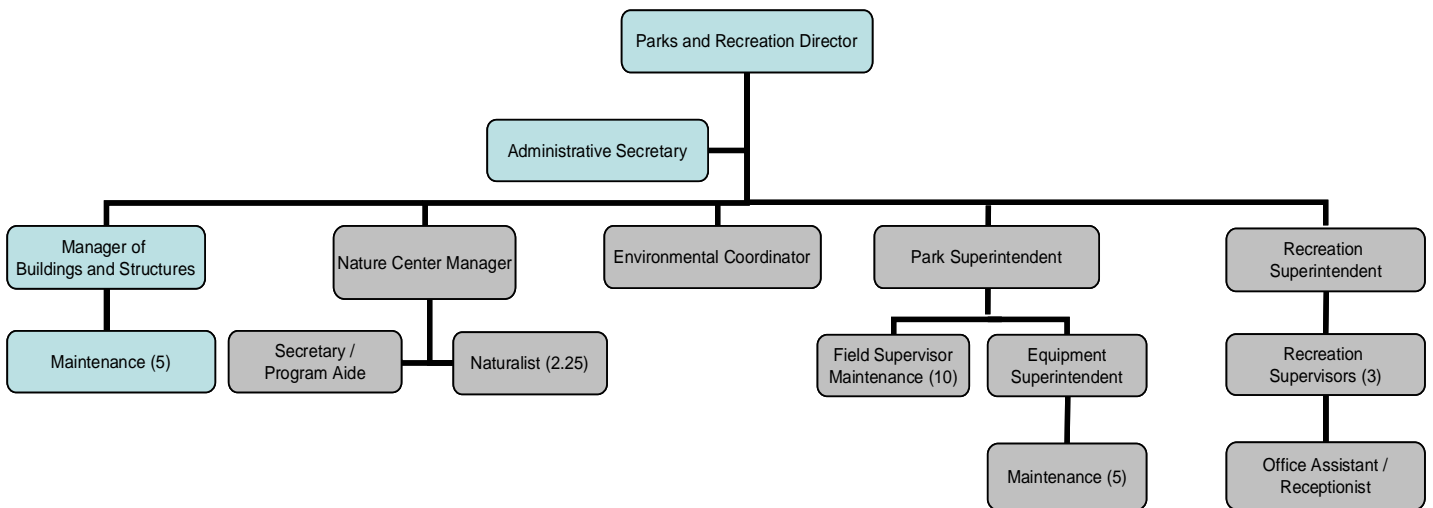
City of St. Louis Park Recreation Center

Service Overview

The Recreation Center Division includes the outdoor aquatic park, two indoor ice arenas, a concession stand, and two rooms within the Recreation Center, which can be reserved. The Recreation Center provides a community gathering place and offers wholesome family oriented activities while maximizing revenue opportunities and minimizing operational expenses. The Aquatic Park continues to be a busy place during the summer where children and adults can have fun in the water. A newly installed generator provides back-up power and will serve to decrease utility costs for operating the Recreation Center in coming years.

Staffing

Recreation Center permanent staffing consists of 6.5 employees. The staff consists of one manager, five maintenance staff, and an administrative secretary who shares time between this division and Organized Recreation. Approximately 70 summer staff positions are hired to operate the Aquatic Park in the summer.



City of St. Louis Park Recreation Center

Budget Highlights

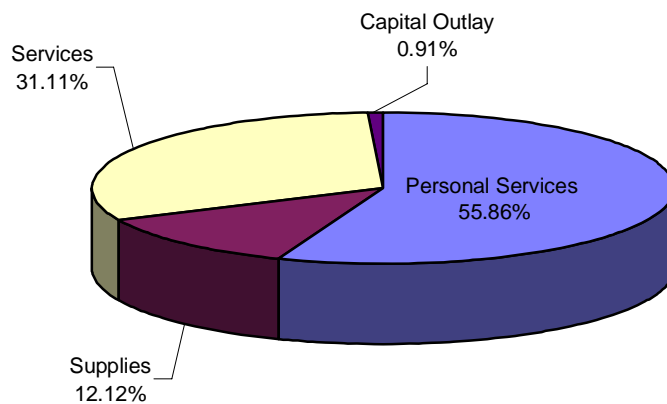
Personal Services and utility costs are the major budget expenditures. In 2006, a generator was added at the Rec Center to provide back up power and to provide relief during high peak demand times. Over a few years, the generator will provide cost savings to the City. As equipment upgrades are implemented, cost of operation from a utility standpoint will receive increased attention. A major emphasis will continue to be operating the Aquatic Park with efficient summer staff. Efficiencies in equipment operation costs are also being evaluated. Revenues will continue increasing as rental fees increase and demand for ice time remains strong.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 665,717 | \$ 689,301 | \$ 696,060 | \$ 696,951 | \$ 735,942 |
| Supplies | 129,435 | 158,203 | 157,400 | 160,300 | 160,300 |
| Services & Other Charges | 411,968 | 431,407 | 443,390 | 450,023 | 411,358 |
| Depreciation | 295 | - | - | - | - |
| Capital Outlay | - | - | 10,000 | 10,000 | 12,000 |
| Transfers Out | 160,000 | - | - | - | - |
| Other Expenses | - | 4,980 | - | - | - |
| Total Expenditures | \$ 1,367,415 | \$ 1,283,891 | \$ 1,306,850 | \$ 1,317,274 | \$ 1,319,600 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park

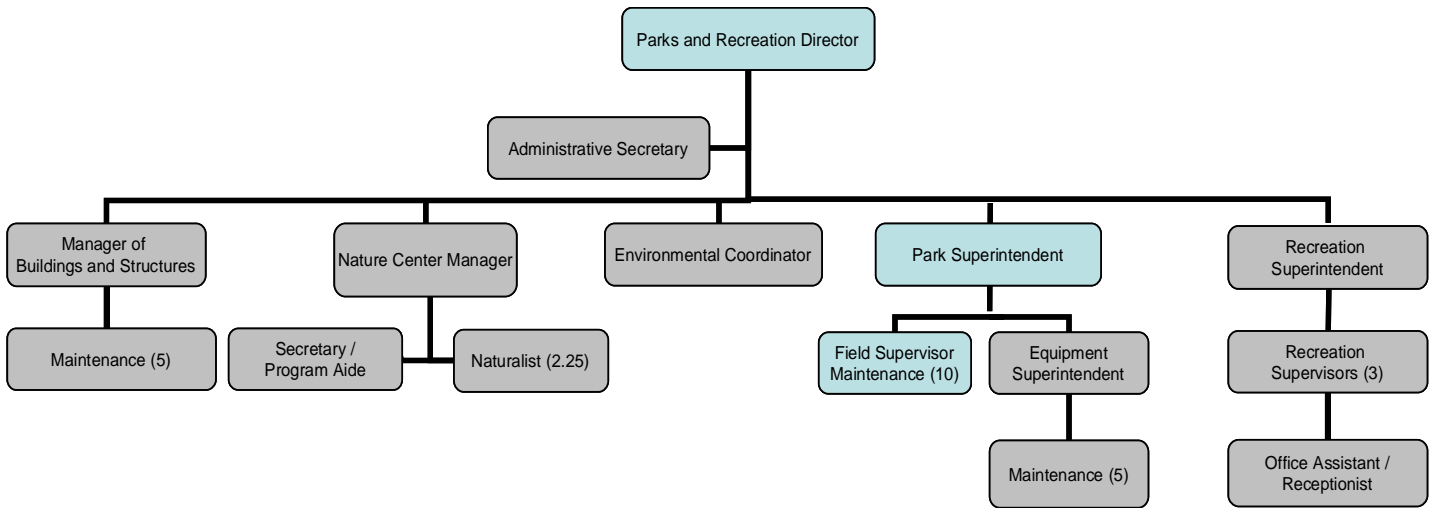
Park Maintenance

Service Overview

The Park Maintenance Division maintains the parks and trees in the City. There are 52 park areas including the Westwood Hills Environmental Education Center. Within our parks, we maintain an amphitheater, hockey rinks, ball fields, soccer fields, a water feature, a skate park, irrigation, and trails. In addition to a number of open spaces that we mow throughout the year, there are approximately 500 acres of city property that our maintenance crew mows each year. The Park Maintenance division is also responsible for maintaining the buildings and shelters located in our parks.

Staffing

The Park Maintenance Division includes one manager, one field supervisor, and ten maintenance staff.



City of St. Louis Park Park Maintenance

Budget Highlights

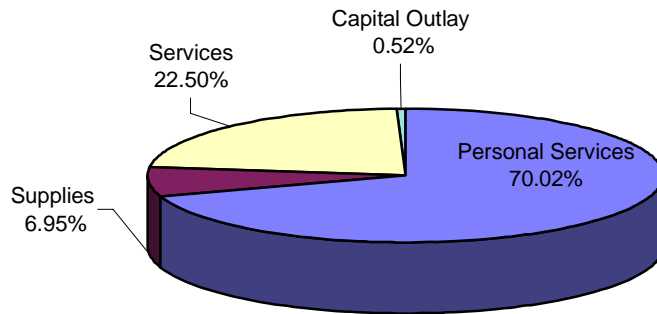
The 2007 budget includes the following maintenance projects: overlaying basketball and trail areas, scenery work in parks, building outdoor ice rinks, mowing, ball field maintenance, playground inspection and repair, irrigation, and other routine maintenance items that occur in the parks. The maintenance items in the budget are more routine in nature. All of the redevelopment of existing structures and new development items are in our CIP.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 | | 2007 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 830,863 | \$ 864,313 | \$ 886,642 | \$ 899,423 | \$ 933,627 |
| Supplies | 91,883 | 104,766 | 92,700 | 92,700 | 92,700 |
| Services & Other Charges | 520,645 | 561,509 | 543,834 | 543,834 | 300,055 |
| Capital Outlay | 9,300 | 2,390 | 4,500 | 4,500 | 7,000 |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | \$ 1,452,691 | \$ 1,532,978 | \$ 1,527,676 | \$ 1,540,457 | \$ 1,333,382 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

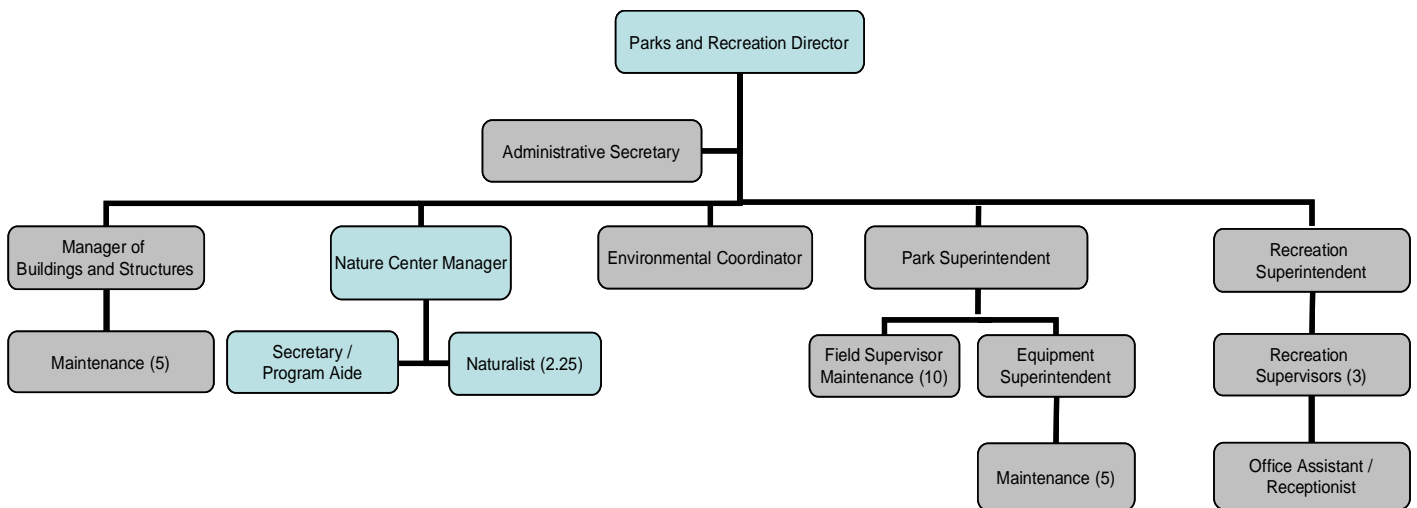
Westwood Hills Environmental Education Center (WHEEC)

Service Overview

The Westwood Hills Environmental Education Center Division (WHEEC) is responsible for providing environmental education and natural history programming, passive outdoor enjoyment, and wildlife observation on the 150 acre nature preserve. On average over the past ten years, over 28,000 individuals participate each year in formal programs conducted by the naturalist staff or visit the interpretive center. Programs are offered for all ages and abilities, not only at the nature center, but in other city park lands and other metro cities as well. Our staff work closely with local school staff to design programs that support their educational outcomes and requirements.

Staffing

The staff at WHEEC consists of one manager, 2.25 naturalists and 1 clerical support person. There are also 2.25 non-benefited staff who are employed year-round to assist in the designing and teaching of the programs. A very active volunteer staff also assist in the operation and programming of the center.



City of St. Louis Park Westwood Hills Environmental Education Center (WHEEC)

Budget Highlights

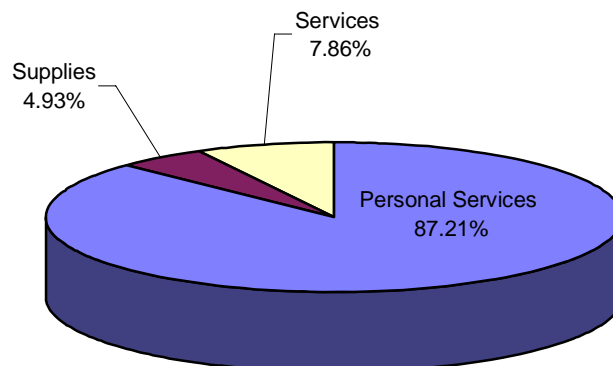
Several CIP projects were completed in 2006. Over 500 large native trees and shrubs were planted; a natural resources inventory was completed of the entire park; a nature-themed playground was installed along with a sheltered picnic area and storage/maintenance facility. A Bassett Creek management project was also completed at the Westdale Park site to help improve water quality at Westwood Lake with an entrance gate and trail connection to the nature center. CIP projects planned for 2007 include repaving the parking lot and entrance trail, as well as continuing to plant native trees and shrubs. In an effort to increase revenues, staff is continuing to design and implement new daytime program opportunities for home school students, as well as an outreach program to be taught in area schools, businesses, churches, etc.

Summary of Actual & Budgeted Expenditures

| <u>Expenditure Classification</u> | <u>2004 Actual</u> | <u>2005 Actual</u> | <u>2006 Adopted</u> | <u>2006 Revised</u> | <u>2007 Adopted</u> |
|-------------------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services | \$ 357,395 | \$ 371,507 | \$ 384,535 | \$ 384,535 | \$ 394,253 |
| Supplies | 15,009 | 18,119 | 21,800 | 22,300 | 22,300 |
| Services & Other Charges | 23,447 | 21,404 | 39,122 | 38,877 | 35,532 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | 330 | 421 | - | - | - |
| Total Expenditures | <u>\$ 396,181</u> | <u>\$ 411,451</u> | <u>\$ 445,457</u> | <u>\$ 445,712</u> | <u>\$ 452,085</u> |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

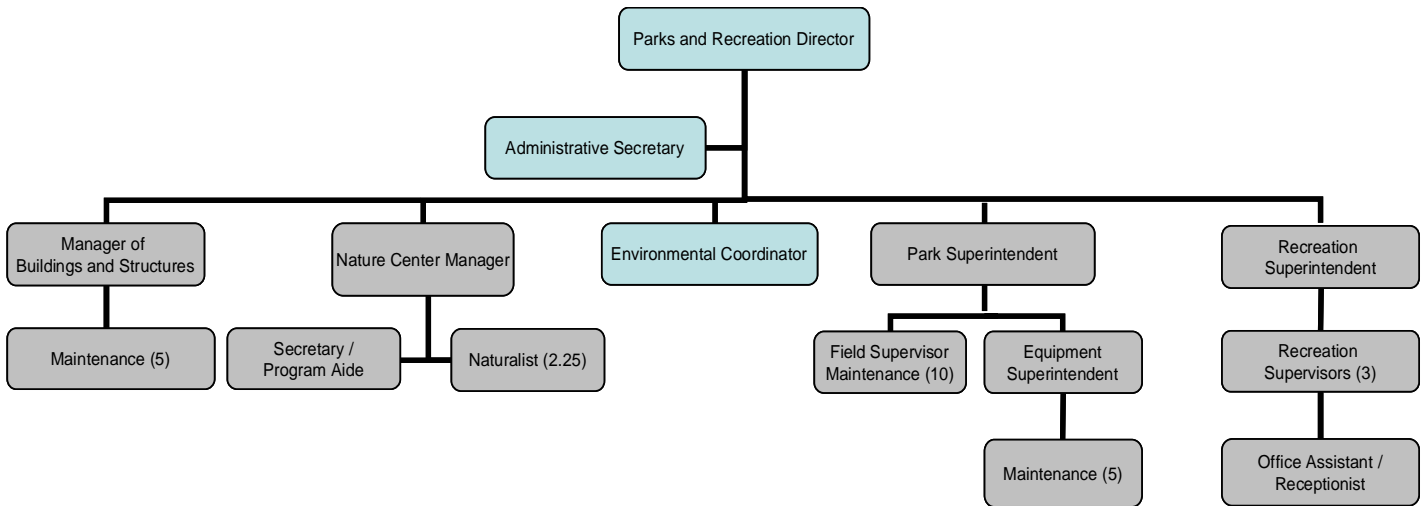
Environment

Service Overview

The Environment Division is responsible for coordinating environmental issues in the City. The forestry portion of the budget provides tree planting and maintenance of 70,000 park and open space trees throughout the City of St. Louis Park. The City also provides professional assistance for 20,000 boulevard trees. The City takes a proactive approach to its trees by providing some assistance to residents who want to protect their elm trees and oak trees by injecting them with a fungicide injection that helps to prevent Dutch Elm disease and Oak Wilt. The City of St. Louis Park provides tree and weed inspectors who inspect both private and public property. The Environment Division provides emphasis on preserving the City's natural areas by assisting staff and residents with issues and concerns. This division is also responsible for planting and maintaining flower beds, wildlife management, erosion control enforcement, environmental outreach, and shore line restoration.

Staffing

The Environment Division includes one environmental coordinator and seasonal administration, forestry, weed control, and flower planting staff. The full-time position is a shared resource with Water, Solid Waste, and Storm Water divisions.



City of St. Louis Park Environment

Budget Highlights

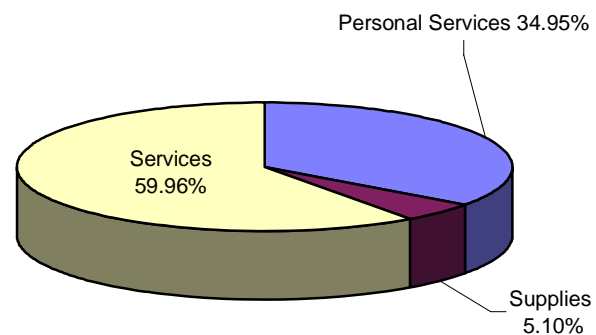
The Environmental Coordinator administers the forestation and reforestation programs, oversees turf and natural resource management, assists with the assessment of environmental impact resulting from proposed projects, assists in storm water management, and develops various educational programs to educate the public on environmental issues. The City has lost many Elm trees to Dutch Elm disease. Our goal is to replace all of the trees lost to this disease.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Adopted | 2006 Revised | 2007 Adopted |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services | \$ 98,567 | \$ 91,254 | \$ 93,558 | \$ 93,558 | \$ 96,663 |
| Supplies | 10,354 | 29,268 | 14,500 | 14,500 | 14,100 |
| Services & Other Charges | 569,649 | 703,858 | 165,560 | 165,560 | 165,835 |
| Capital Outlay | (123) | - | - | - | - |
| Other Expenses | - | 2,413 | - | - | - |
| Total Expenditures | \$ 678,447 | \$ 826,793 | \$ 273,618 | \$ 273,618 | \$ 276,598 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park

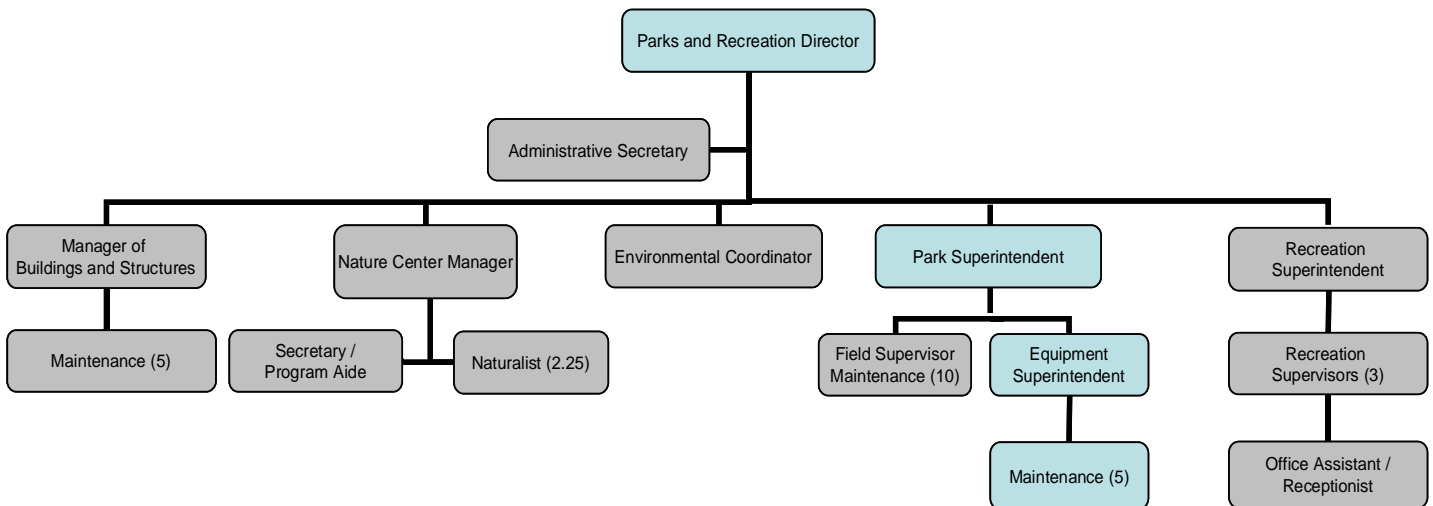
Park & Recreation: Vehicle Maintenance

Service Overview

The Municipal Service Center is the location where the Central Equipment Services work unit within the Park & Recreation Department provides preventive maintenance, repairs, fuel, other services, and storage of City equipment. This work unit is responsible for maintenance on all City equipment ranging from large fire apparatus to hand held power tools. Rates charged for equipment are based on the cost of fuel, oil, maintenance, insurance, and all other expenses related to the operation of the Municipal Service Center.

Staffing

The Municipal Service Center's Central Equipment Services work unit operates a full time staff of six (6) employees.



City of St. Louis Park Park & Recreation: Vehicle Maintenance

Budget Highlights

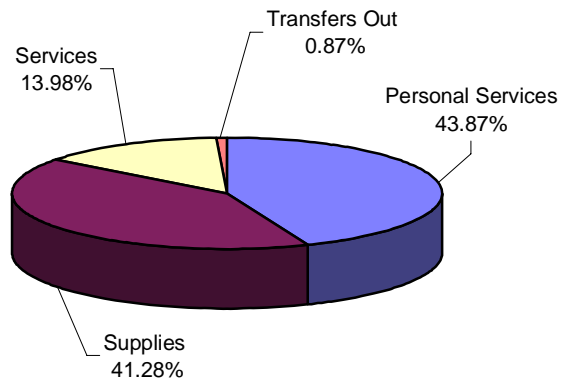
A major change for 2007 is the elimination of the cost chargeback system to the General Fund & Park & Recreation for vehicle maintenance. This budget is now a division of the Park & Recreation Department and covers all costs for vehicle repairs. This will simplify budgeting and allows for more accountability for vehicle maintenance costs. The Enterprise Funds will continue to be charged for their portion of vehicle maintenance through a transfer. This change is discussed in more detail within the Budget Overview section.

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2003 | 2004 | 2006 | | 2007 |
|----------------------------|-------------|-------------|-------------|-------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ - | \$ - | \$ - | \$ - | \$ 440,064 |
| Supplies | - | - | - | - | 414,100 |
| Services & Other Charges | - | - | - | - | 140,210 |
| Depreciation | - | - | - | - | |
| Capital Outlay | - | - | - | - | |
| Transfers Out | - | - | - | - | 8,746 |
| Other Expenses | - | - | - | - | |
| Total Expenditures | \$ - | \$ - | \$ - | \$ - | \$ 1,003,119 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park

Cable Television

Service Overview

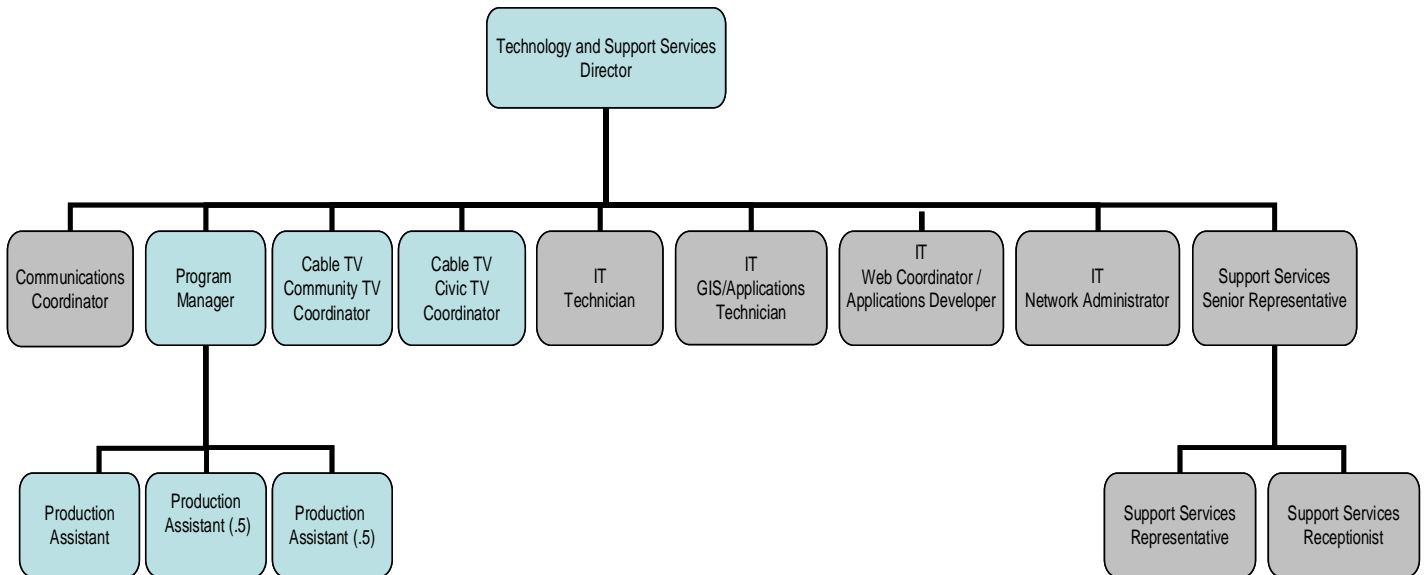
The Cable Television Fund provides funding for various services including: cable franchise administration; Telecommunications Advisory Commission staff support; Community TV Channels 15 and 96; Civic Channel 17 production; and a grant for Educational Channel 14.

Community TV Channels 15 and 96 benefit City residents, workers, and schools through: use of cable TV as personal and organizational communications; regularly offering Community Education Video Classes and mentoring the Senior Video Club; and individual consulting with eligible persons and organizations. Civic TV Channel 17's mission is to produce programming about City services, civic events, and local issues; provide coverage of public meetings; and assist City departments with audio/video needs. This programming informs citizens and empowers their participation and influence in the governing process. These services are provided without using property taxes. The cable system operator pays franchise fees of 5% of the gross revenues collected in St. Louis Park for the use of the public right of way.

Beginning in 2007, the City assumes responsibility for the cable company's Local Origination Channel 16. On June 30, 2006, Time Warner Cable paid the City \$800,000 to provide TV production equipment over the 15 year franchise that took effect January 27, 2006.

Staffing

The addition of a full-time Program Producer and two part-time Production Assistants are proposed for 2007 for assuming Local Origination.



City of St. Louis Park Cable Television

Budget Highlights

The state of communications, entertainment, and data delivery via land lines (coaxial cable, fiber optics, or twisted pair) and RF (satellite, cellular, spread spectrum, TV broadcasting) is ever changing. Staff will continue to monitor and influence policies through participation in pertinent government associations. The fund balance is managed conservatively due to the possibility of legal challenges, changes in state or federal law, or changes in revenue collected through franchise fees.

The increase in the 2007 budget is mainly due to the additions to staff that will be required to assume responsibility for Local Origination. A capital expenditure will also be made for a production van.

Summary of Actual & Budgeted Revenues

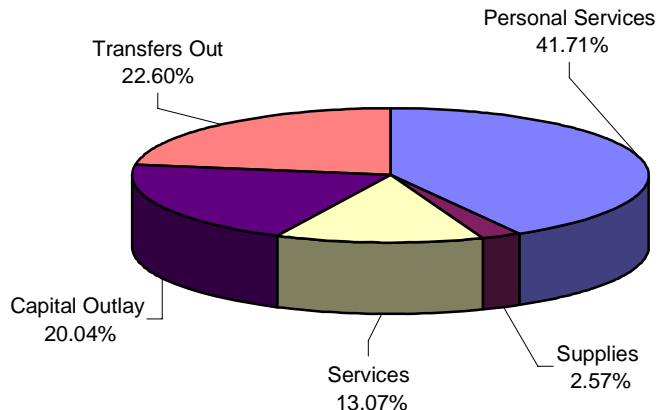
| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Charges For Services | \$ 391,972 | \$ 546,525 | \$ 390,000 | \$ 440,000 | \$ 440,000 |
| Transfers In | - | - | - | - | - |
| Interest Income | 3,562 | 12,716 | 4,000 | 15,000 | 18,000 |
| Miscellaneous | (5,109) | 25 | - | - | 800,000 |
| Total Revenues | \$ 390,425 | \$ 559,266 | \$ 394,000 | \$ 455,000 | \$ 1,258,000 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 133,046 | \$ 136,550 | \$ 146,329 | \$ 172,468 | \$ 291,736 |
| Supplies | 14,151 | 6,728 | 14,250 | 14,250 | 18,000 |
| Services & Other Charges | 81,081 | 116,168 | 77,889 | 77,670 | 91,400 |
| Capital Outlay | 17,934 | 16,456 | 13,500 | - | 140,200 |
| Transfers Out | 130,976 | 136,066 | 170,541 | 161,041 | 158,109 |
| Other Expenses | - | 16 | - | - | - |
| Total Expenditures | \$ 377,188 | \$ 411,984 | \$ 422,509 | \$ 425,429 | \$ 699,445 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park Community Development Block Grant

Service Overview

The Community Development Block Grant (CDBG) program allows local governments to exercise greater control over the community development process and to promote more effective use of resources to eliminate urban deterioration. Funds are distributed according to a formula based on population and other demographic and housing statistics. The City of St. Louis Park has been a participant in the CDBG program, formerly known as the Urban Hennepin County Community Development program, since 1978. Funding of eligible community development activities requires that activities principally benefit low and moderate income persons, prevent or eliminate slums and blight, or meet urgent needs.

Budget Highlights

The timing for making decisions on the use of CDBG funds does not coincide with the City's annual budget schedule. The Council adopts a resolution early each spring approving the appropriations for each grant year's award. The grant year starts the following July 1st and the City has eighteen months in which to expend the grant monies awarded. The allocation of CDBG funds for 2007 will not be determined until spring of 2007. Similar to the 2006 grant, a portion of the 2007 grant will be utilized to reimburse the City for administrative salaries. With the exception of personal services, expenditures for the 2007 estimated CDBG allocation are not broken down by individual agencies, but rather shown as a lump sum "to be allocated". In recent years, CDBG grant funds have been utilized primarily to fund capital improvements and contract costs. The 2006 revised budget amounts represent expenditures of CDBG funds in several areas including: improvements to a multi-family development in the community, funding for the City's Emergency Repair Program, for St. Louis Park's Emergency Program (STEP) acquisition assistance, and funding for West Hennepin Affordable Land Trust for affordable homeownership units.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Intergovernmental | \$ 211,572 | \$ 155,083 | \$ 219,000 | \$ 213,302 | \$ 205,000 |
| Interest Income | - | 106 | - | - | - |
| Total Revenues | <u>\$ 211,572</u> | <u>\$ 155,189</u> | <u>\$ 219,000</u> | <u>\$ 213,302</u> | <u>\$ 205,000</u> |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 24,757 | \$ 6,773 | \$ 7,067 | \$ 6,054 | \$ 6,153 |
| Supplies | - | - | - | - | - |
| Services & Other Charges | 205,106 | 154,785 | 211,933 | 207,248 | 198,847 |
| Capital Outlay | - | - | - | - | - |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | <u>\$ 229,863</u> | <u>\$ 161,558</u> | <u>\$ 219,000</u> | <u>\$ 213,302</u> | <u>\$ 205,000</u> |

**City of St. Louis Park
Community Development Block Grant**

2007 Budgeted Expenditures

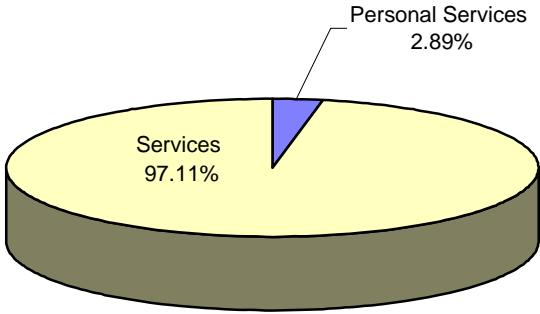
- Personal Services: All salary and benefit expenditures

- Supplies: Office, operational, general, and non-capital

- Services: Contractual services, insurance, utilities, repairs

- Capital Outlay: Equipment & improvements

- Other Expenses: Interest and bank charges



City of St. Louis Park

Inspections: Special Service District No. 1

Service Overview

During the 1990's the State of MN passed legislation that allowed local jurisdictions to create Special Service Districts (SSD) . The purpose of the SSD is to allow commercial businesses in the area served by the SSD to assist in maintaining infrastructure improvements and thus maintain and promote the economic vitality of the area.

Special Service District No. 1 was created in 1995 and is located along Excelsior Blvd. from T.H. 100 to Quentin Avenue, along Park Center Blvd. from Excelsior Blvd. to 36th Street, and along 36th Street from Park Center Blvd. to east of Beltline Drive.

The use of the Special Service District tool in the Excelsior Boulevard area aligns closely with Vision St. Louis Park recommendations addressing:

- * Insuring area is attractive, distinctive, and well maintained
- * Improving pedestrian accessibility and safety

Budget Highlights

The 2007 budget is flat to the 2006 adopted budget. At the end of 2007 the operating fund balance reserve is expected to be at approximately 50% of the operating budget. The City participates in maintenance costs as the Recreation Center / Wolf Park are included in the SSD. The 2007 budget will be approved by the SSD Advisory Board, which is made up of property owners in the District, and will be sent to Hennepin County for special assessments to be assigned to the benefiting properties.

The SSD 1 streetscape project was constructed in 1995. As the infrastructure continues to age, additional maintenance activities can be expected. A few of the additional expected maintenance activities include: the rehabilitation of the bus shelters, painting of traffic signals, and replacement of more of the planted landscape materials.

In 2007/2008 streetscape projects along Excelsior Blvd. from TH 100 to Louisiana Ave. are planned in conjunction with Hennepin County's Excelsior Boulevard reconstruction projects. A Special Service District # 4 has been created to insure proper maintenance of these improvements.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 83 | \$ 119 | \$ - | \$ - | \$ - |
| Charges For Services | 27,605 | 15,074 | 26,689 | 26,689 | 33,041 |
| Special Assessments | 38,125 | 76,425 | 81,311 | 81,311 | 93,371 |
| Interest Income | 829 | 1,556 | 500 | 500 | 1,500 |
| Miscellaneous | 1,993 | 997 | 1,993 | 1,993 | 1,993 |
| Total Revenues | \$ 68,635 | \$ 94,171 | \$ 110,493 | \$ 110,493 | \$ 129,905 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Supplies | \$ 8,011 | \$ 12,247 | \$ 9,700 | \$ 9,700 | \$ 11,700 |
| Services & Other Charges | 89,562 | 114,425 | 116,712 | 116,712 | 114,712 |
| Total Expenditures | \$ 97,573 | \$ 126,672 | \$ 126,412 | \$ 126,412 | \$ 126,412 |

City of St. Louis Park

Inspections: Special Service District No. 2

Service Overview

During the 1990's the State of MN passed legislation that allowed local jurisdictions to create Special Service Districts (SSD) . The purpose of the SSD is to allow commercial businesses in the area served by the SSD to assist in maintaining infrastructure improvements and thus maintain and promote the economic vitality of the area.

In 1998, a second special service district was created as a means of insuring the proper maintenance of the improvements while at the same time equipping the property owners with a tool to promote and maintain the economic vitality of these areas. Special Service District No. 2 is located along Excelsior Blvd. from France Ave. to Monterey Ave.

The use of the Special Service District tool in the Excelsior Boulevard area aligns closely with Vision St. Louis Park recommendations addressing:

- * Insuring area is attractive, distinctive, and well maintained
- * Improving pedestrian accessibility and safety

Budget Highlights

The 2007 budget has a 5% increase from the 2006 adopted budget with a corresponding increase in the service charge paid by the property owners. The City participates in service charge maintenance costs paying a small amount for the area around the bus shelter with the property owners paying the balance. The final budget will be approved by the Advisory Board, which is made up of property owners in the District, and will be sent to Hennepin County for special assessments to be assigned to the benefiting properties.

The SSD 2 streetscape project was constructed in 1997. As the infrastructure continues to age, additional maintenance activities can be expected. A few of the additional expected maintenance activities include: the rehabilitation of the bus shelters and replacement of more of the planted landscape materials.

In 2007/2008 streetscape projects along Excelsior Blvd. from TH 100 to Louisiana Ave. are planned in conjunction with Hennepin County's Excelsior Boulevard reconstruction projects. A Special Service District will need to be created to insure proper maintenance of these improvements.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Adopted | Revised | |
| General Property Taxes | \$ 150 | \$ 93 | \$ - | \$ - | \$ - |
| Charges For Services | 33 | 95 | 82 | 82 | 51 |
| Special Assessments | 33,713 | 32,970 | 36,218 | 36,218 | 38,168 |
| Interest Income | 144 | 133 | 150 | 150 | 75 |
| Total Revenues | \$ 34,040 | \$ 33,291 | \$ 36,450 | \$ 36,450 | \$ 38,294 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Adopted | Revised | |
| Supplies | \$ 4,221 | \$ 6,896 | \$ 3,800 | \$ 3,800 | \$ 3,800 |
| Services & Other Charges | 29,690 | 37,771 | 32,619 | 32,619 | 34,419 |
| Total Expenditures | \$ 33,911 | \$ 44,667 | \$ 36,419 | \$ 36,419 | \$ 38,219 |

City of St. Louis Park

Inspections: Special Service District No. 3

Service Overview

During the 1990's the State of MN passed legislation that allowed local jurisdictions to create Special Service Districts (SSD). The purpose of the SSD is to allow commercial businesses in the area served by the SSD to assist in maintaining infrastructure improvements and thus maintain and promote the economic vitality of the area.

Special Service District No. 3 was created in 2002 and is located along Excelsior Blvd. from Monterey Dr. to Quentin Ave.

The use of the Special Service District tool in the Excelsior Boulevard area aligns closely with Vision St. Louis Park recommendations addressing:

- * Insuring area is attractive, distinctive, and well maintained
- * Improving pedestrian accessibility and safety

Budget Highlights

The 2007 budget is flat to the 2006 adopted budget. The 2007 service charge has been set at the approximate budget amount in order to hold the budget reserve at 50% of the annual budget. The City participates in service charge costs for the EDA owned parcels with the property owners paying the balance. The final budget for the District is approved by the Advisory Board, which is made up of property owners in the District, before being sent to Hennepin County for special assessments to be assigned to the benefiting properties.

In 2007/2008 streetscape projects along Excelsior Blvd. from TH 100 to Louisiana Ave. are planned in conjunction with Hennepin County's Excelsior Boulevard reconstruction projects. A Special Service District # 4 has been created to insure proper maintenance of these improvements.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Adopted | Revised | |
| General Property Taxes | \$ 86 | \$ 41 | \$ - | \$ - | \$ - |
| Charges For Services | 7,113 | 4,320 | 335 | 335 | 1,345 |
| Special Assessments | 39,219 | 26,376 | 15,040 | 15,040 | 60,357 |
| Interest Income | 852 | 1,759 | 800 | 800 | 1,500 |
| Total Revenues | \$ 47,270 | \$ 32,496 | \$ 16,175 | \$ 16,175 | \$ 63,202 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Adopted | Revised | |
| Supplies | \$ 1,261 | \$ 381 | \$ 2,700 | \$ 2,700 | \$ 3,000 |
| Services & Other Charges | 32,505 | 47,489 | 59,002 | 59,002 | 58,702 |
| Total Expenditures | \$ 33,766 | \$ 47,870 | \$ 61,702 | \$ 61,702 | \$ 61,702 |

City of St. Louis Park

Inspections: Special Service District No. 4

Service Overview

During the 1990's the State of MN passed legislation that allowed local jurisdictions to create Special Service Districts (SSD). The purpose of the SSD is to allow commercial businesses in the area served by the SSD to assist in maintaining infrastructure improvements and thus maintain and promote the economic vitality of the area.

Special Service District No. 4 was created in 2005 and is located adjacent to Excelsior Boulevard within an area bounded by Highway 100 westerly to Louisiana Avenue.

The use of the Special Service District tool in the Excelsior Boulevard area aligns closely with Vision St. Louis Park recommendations addressing:

- * Insuring area is attractive, distinctive, and well maintained
- * Improving pedestrian accessibility and safety

Budget Highlights

Special Service District 4 is a new district and the first expenses will occur in 2008. In 2007, the property owners will pay a service charge of approximately 50% of the anticipated annual budget so that sufficient funds will be available in 2008 to cover initial expenses. Two properties are not included in the first phase of constructing streetscape, and therefore will not be assessed a service charge until 2008. The City participates in service charge costs for the EDA owned parcels with the property owners paying the balance. The final budget for the District is approved by the Advisory Board, which is made up of property owners in the District, before being sent to Hennepin County for special assessments to be assigned to the benefiting properties.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|------------------------|----------------|----------------|-------------|-------------|------------------|
| | | | Adopted | Revised | |
| General Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges For Services | - | - | - | - | 553 |
| Special Assessments | - | - | - | - | 14,388 |
| Interest Income | - | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ - | \$ 14,941 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|----------------------------|----------------|----------------|-------------|-------------|-----------------|
| | | | Adopted | Revised | |
| Supplies | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Other Charges | - | - | - | - | - |
| Total Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |

City of St. Louis Park Housing Rehabilitation

Service Overview

The Housing Rehabilitation Fund receives the administrative bond fees on private activity revenue bonds authorized by the City. The fee is 1/8 of 1% of the outstanding principal balance of the bonds. In accordance with City Council policy established in 1996, monies received are to be used primarily for housing redevelopment and rehabilitation purposes. In order to segregate these funds from other general funds, a separate fund was established in 1993.

Budget Highlights

Funds budgeted for 2007 housing rehab program activities are slightly higher than those budgeted for 2006. Total funds budgeted for housing rehab program activities in 2007 are \$1,196,520 as compared to \$1,099,050 in 2006. The 2007 budget includes appropriations for various housing initiatives including \$150,000 to discount the single family rehab loan programs, \$50,000 for the Home Renewal Rehab Program, \$150,000 for the Citywide Neighborhood Inspection Program, \$10,000 to fund administrative costs associated with the establishment of Housing Improvement Area (HIA), \$30,000 to fund the NAGP, and \$40,000 to fund a Neighborhood Public Art program. The budget also includes expenditures related to the Move-Up in the Park Programs including: \$10,000 for the sale of excess public lands; \$114,000 for the Small Home Acquisition Program; \$85,000 for design services, rehab advisor, workshops, and marketing; and \$407,520 for the Transformation Loan Program. New housing programs being proposed for this year include \$20,000 for an Environmental Design & Material Use Incentive Program, \$50,000 for a Duplex Acquisition/Rehab Homeownership Program, \$20,000 for a Senior Market Study, and \$60,000 for a Matching Fund Program for STEP, Children 1st and Meadowbrook. All expenditures except those for NAGP will be funded through the Development Fund budget. As a result, only the financing sources have changed, but the programs still remain intact. Expenditures relating to new programs or initiatives will be subject to specific City Council approval.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 5,708 | \$ 5,440 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Charges For Services | 1,550 | 6,424 | 2,100 | 2,100 | 2,100 |
| Interest Income | 31,148 | 52,609 | 32,000 | 32,000 | 48,000 |
| Miscellaneous | 490,011 | 523,583 | 461,435 | 464,912 | 461,225 |
| Total Revenues | \$ 528,417 | \$ 588,056 | \$ 498,535 | \$ 502,012 | \$ 514,325 |

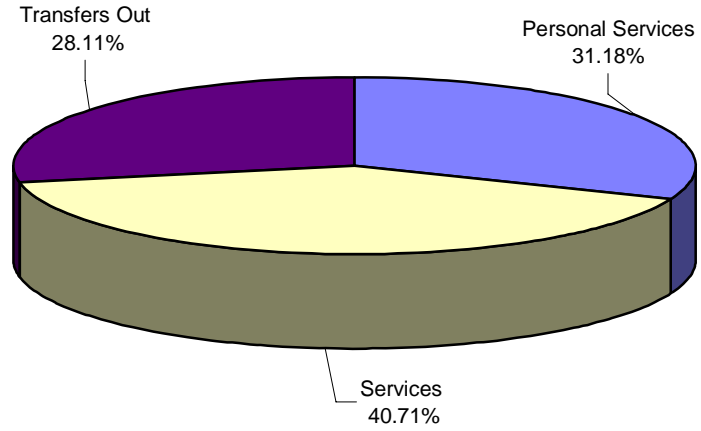
Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 176,157 | \$ 201,665 | \$ 209,575 | \$ 210,110 | \$ 215,746 |
| Supplies | 276 | 2,015 | - | - | - |
| Services & Other Charges | 62,028 | 194,022 | 310,373 | 233,573 | 282,073 |
| Capital Outlay | 46,558 | - | - | - | - |
| Transfers Out | 185,854 | 188,722 | 201,204 | 201,204 | 194,790 |
| Other Expenses | - | 133 | - | - | - |
| Total Expenditures | \$ 470,873 | \$ 586,557 | \$ 721,152 | \$ 644,887 | \$ 692,609 |

City of St. Louis Park Housing Rehabilitation

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park Police and Fire Pension

Service Overview

The Police and Fire Pension Fund was established in 2000 based on Minnesota Laws 1999 - Chapter 222 Omnibus Retirement Bill Consolidation Accounts Excess Funding Refund. This fund can only be used for Police and Fire purposes.

Staffing

There are no direct personnel costs associated with this fund.

Budget Highlights

Beginning in 2004, the Police and Fire Pension Fund was responsible for funding the Dispatch Division of the Police Department. This funding mechanism was reduced in 2005 and 2006, and the City hopes to continue to reduce the reliance on this fund in future years.

Summary of Actual & Budgeted Revenue

| Revenue Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Adopted | Revised | |
| Intergovernmental | \$ - | \$ 744,265 | \$ - | \$ - | \$ - |
| Interest Income | 91,612 | 105,071 | 100,000 | 100,000 | 150,000 |
| Total Revenues | <u>\$ 91,612</u> | <u>\$ 849,336</u> | <u>\$ 100,000</u> | <u>\$ 100,000</u> | <u>\$ 150,000</u> |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|----------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| | | | Adopted | Revised | |
| Personal Services | \$ - | \$ - | \$ - | \$ - | \$ - |
| Supplies | 3,644 | 1,167,039 | - | - | - |
| Services & Other Charges | - | 41,324 | 34,000 | 34,000 | - |
| Capital Outlay | 16,752 | - | - | - | - |
| Transfers Out | 765,558 | 529,185 | 384,000 | 384,000 | 384,000 |
| Other Expenses | - | - | - | - | - |
| Total Expenditures | <u>\$ 785,954</u> | <u>\$ 1,737,548</u> | <u>\$ 418,000</u> | <u>\$ 418,000</u> | <u>\$ 384,000</u> |

**City of St. Louis Park
Enterprise Funds**

Summary of Actual & Budgeted Revenues

| Revenue | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|-----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | | | Adopted | Revised | Adopted |
| Water Utility | \$ 2,643,283 | \$ 2,784,783 | \$ 3,062,310 | \$ 3,062,310 | \$ 3,254,435 |
| Sewer Utility | 4,311,641 | 4,446,697 | 4,281,277 | 4,509,025 | 4,910,394 |
| Solid Waste | 2,055,758 | 2,032,696 | 2,247,667 | 2,288,103 | 2,410,283 |
| Storm Water | 839,601 | 1,935,209 | 1,451,643 | 1,348,843 | 2,173,408 |
| Total Revenues | <u>\$ 9,850,283</u> | <u>\$ 11,199,385</u> | <u>\$ 11,042,897</u> | <u>\$ 11,208,281</u> | <u>\$ 12,748,520</u> |

Summary of Actual & Budgeted Expenses

| Expense | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | Adopted | Revised | Adopted |
| Water Utility | \$ 3,474,123 | \$ 3,519,892 | \$ 3,875,630 | \$ 4,026,679 | \$ 4,651,251 |
| Sewer Utility | 4,581,593 | 4,624,908 | 5,209,616 | 4,927,653 | 6,059,109 |
| Solid Waste | 2,309,684 | 2,364,695 | 2,496,533 | 2,484,994 | 2,552,364 |
| Storm Water | 1,130,377 | 1,059,217 | 1,419,454 | 1,514,706 | 3,360,835 |
| Total Expenses | <u>\$ 11,495,777</u> | <u>\$ 11,568,712</u> | <u>\$ 13,001,233</u> | <u>\$ 12,954,032</u> | <u>\$ 16,623,559</u> |

City of St. Louis Park

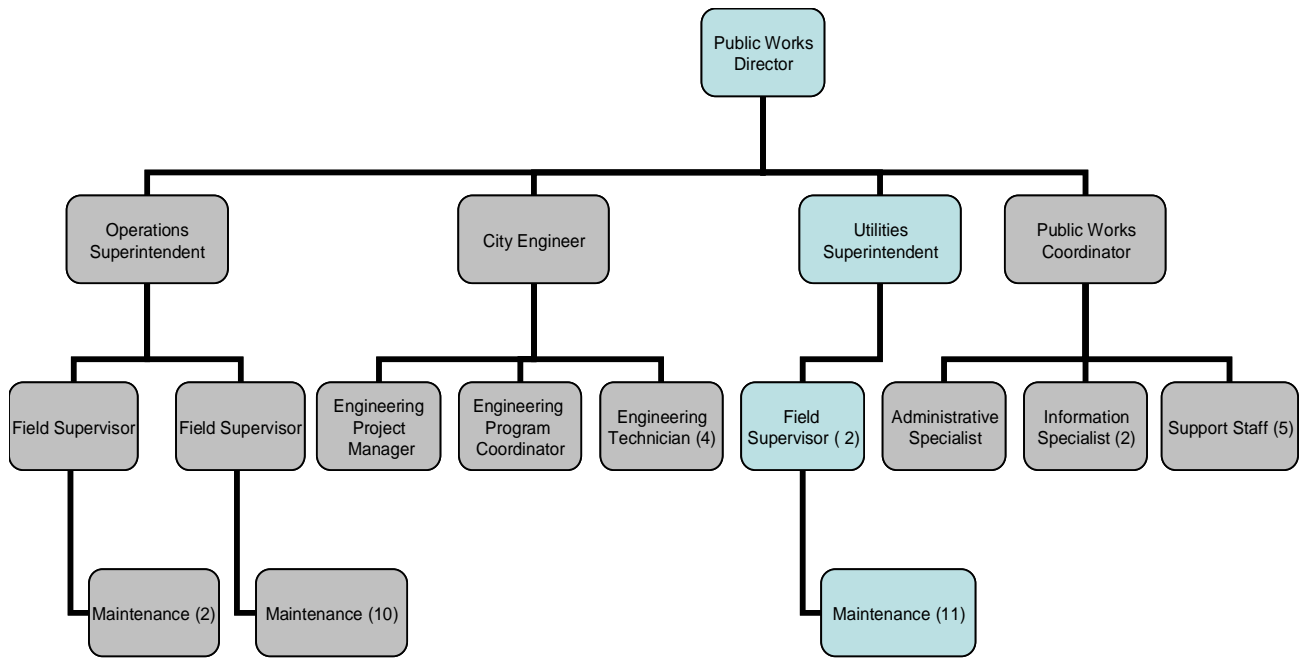
Public Works: Water Utility

Service Overview

The Utility Division, Water Operations, has a mission to provide residents and businesses with adequate amounts of clean, safe, drinking water in an environmentally and economically sound manner. Towards that goal, a Water Contingency and Conservation Plan was developed and adopted in 1998 which provides guidance for water system emergencies and conservation of the water supply. An Information Management System (IMS) has been implemented to assist in the preventive maintenance programs for the wells, treatment plant operations, storage facilities, and the distribution system, as well as to aid in long term capital planning. Water production is controlled by a computerized logic system that includes an energy management system that has produced savings in energy costs. Emergency generators are being installed at two water treatment plants that will provide adequate supply of water in a power outage emergency. Consistent with Vision St. Louis Park, the division is striving to provide education to the public with an emphasis on grade school age children.

Staffing

The Utility Division works as a complete unit sharing all duties in the Water, Sanitary Sewer, Storm Sewer, and Reilly operations. The division has fourteen employees consisting of one superintendent, two supervisors, and eleven employees performing operations and maintenance.



City of St. Louis Park Public Works: Water Utility

Budget Highlights

The Water Utility Department has just completed a 15-year review of the water infrastructure. The anticipated major projects in 2007 include water main replacements on Excelsior Boulevard west of Highway 100. The water treatment plants are scheduled to be rehabilitated over the next several years which will improve their filtering efficiency and the addition of treatment to insure radium compliance based on State of Minnesota requirements.

Utility revenue is generated through water rates and billed services. No property tax dollars are allocated for the operation of the water utility. Rates for this utility have remained stable for the past few years and are scheduled to increase from \$0.90 per 100 cubic feet of water in 2006 to \$1.04 per 100 cubic feet of water in 2007. The scheduled rate increase in 2007 is due to the scheduled water treatment plant and watermain rehabilitation programs.

For budgetary purposes, depreciation is not included as an expense. Instead, the amount projected to be expended for infrastructure improvements (capital outlay) is included as an expense to the operations.

Summary of Actual & Budgeted Revenues

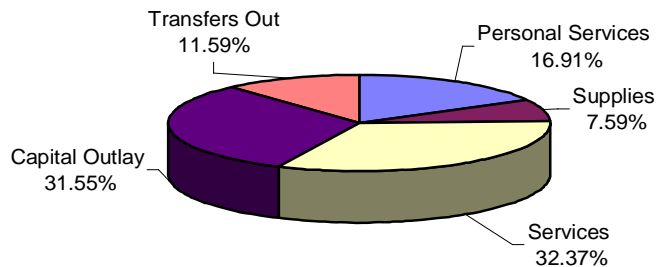
| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Licenses & Permits | \$ 2,000 | \$ 2,625 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Intergovernmental | - | 304,671 | - | - | - |
| Charges For Services | 2,369,645 | 2,290,100 | 2,722,450 | 2,722,450 | 2,921,029 |
| Special Assessments | 46,111 | 46,660 | 136,000 | 136,000 | 141,625 |
| Transfers In | 21,315 | 73,350 | - | - | - |
| Interest Income | 53,045 | 39,430 | 55,000 | 55,000 | 40,000 |
| Miscellaneous | 151,167 | 27,947 | 147,360 | 147,360 | 150,281 |
| Total Revenues | \$ 2,643,283 | \$ 2,784,783 | \$ 3,062,310 | \$ 3,062,310 | \$ 3,254,435 |

Summary of Actual & Budgeted Expenses

| Expense Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 530,631 | \$ 643,530 | \$ 659,892 | \$ 589,627 | \$ 786,616 |
| Supplies | 328,054 | 304,587 | 308,400 | 358,400 | 352,800 |
| Services & Other Charges | 1,452,535 | 1,324,851 | 1,417,873 | 1,525,723 | 1,505,403 |
| Depreciation | 345,193 | 322,152 | - | - | - |
| Capital Outlay | - | - | 982,500 | 1,045,964 | 1,467,551 |
| Transfers Out | 807,007 | 912,771 | 506,965 | 506,965 | 538,881 |
| Other Expenses | 10,703 | 12,001 | - | - | - |
| Total Expenses | \$ 3,474,123 | \$ 3,519,892 | \$ 3,875,630 | \$ 4,026,679 | \$ 4,651,251 |

2007 Budgeted Expenses

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park

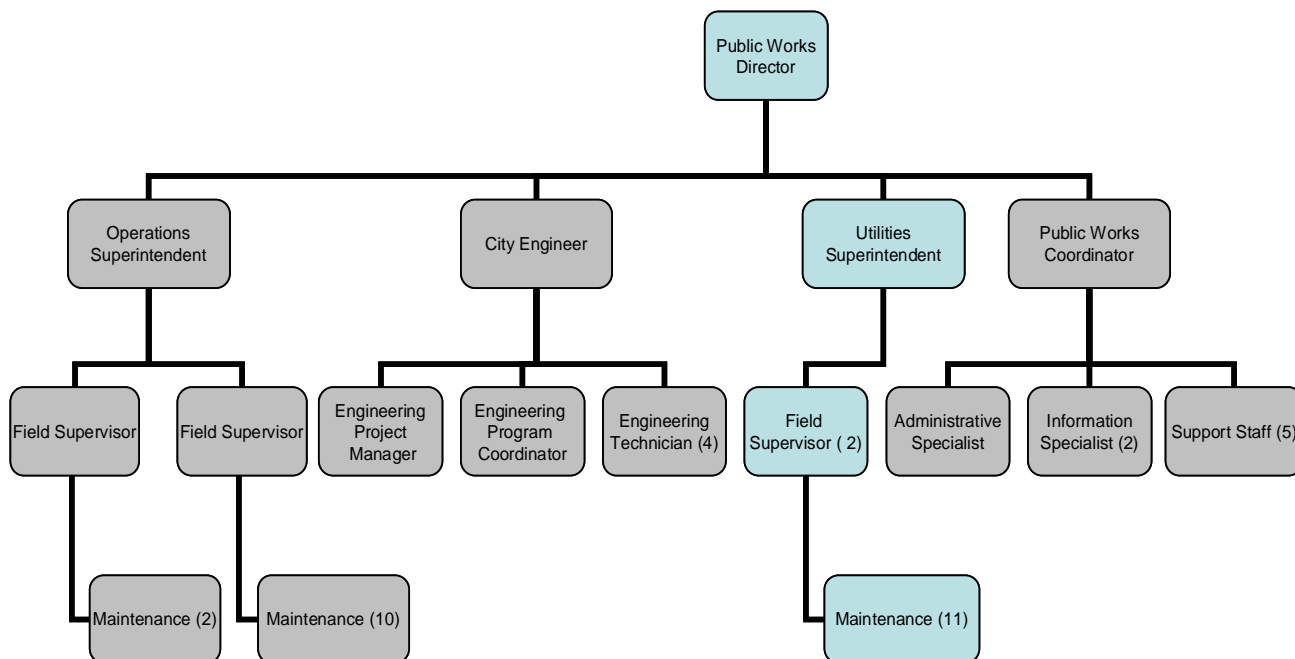
Public Works: Sanitary Sewer Utility

Service Overview

Sanitary Sewer Operations has a mission to maintain, operate, and improve the collection system as effectively, economically, and efficiently as possible. An Information Management System is used to assist in the maintenance, operation, and improvement of the collection system. A capital improvement program has been implemented to repair and replace the aging infrastructure. A collection system maintenance program is in place, which provides for the 140 miles of sewer to be cleaned at least once every three years. The system transports over two billion gallons of sewage each year to main collector pipelines operated by Metropolitan Council Environmental Services (MCES). The sewage is transported to the Metro treatment plant in St. Paul where it is treated and discharged into the Mississippi River.

Staffing

The Utility Division works as a complete unit sharing all duties in the water, sanitary sewer, storm sewer and reilly operations. The division has fourteen employees consisting of one superintendent, two supervisors and eleven employees performing operations and maintenance.



City of St. Louis Park Public Works: Sanitary Sewer Utility

Budget Highlights

Sanitary Sewer rates are scheduled to increase by 5% in 2007.

MCES charges - over the past several years, MCES has been working to reduce the amount of reserves they carried. The reserve reduction resulted in lower payments for the discharge of sewer. At this time, the MCES has gone back to charging the full amount for sewer flow. MCES charges account for approximately 80% of the total expenditure budget not including the capital improvement program and transfers to the general fund.

Administrative and overhead fee transfer to General Fund - in prior years, this fund has transferred a nominal amount to the General Fund for administrative services and overhead. Beginning in 2004, this fund began contributing the full amount for overhead and services received.

For budgetary purposes, depreciation is not included as an expense. Instead, the amount projected to be expended for infrastructure improvements (capital outlay) is included as an expense to the operations.

Summary of Actual & Budgeted Revenues

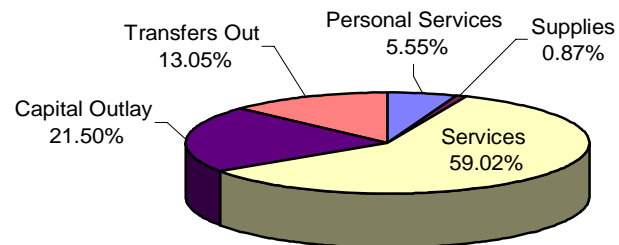
| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 210,000 |
| Charges For Services | 4,264,946 | 4,366,911 | 4,231,277 | 4,397,025 | 4,588,394 |
| Special Assessments | (1,517) | 947 | - | - | - |
| Transfers In | - | - | - | - | - |
| Miscellaneous | 48,212 | 78,839 | 50,000 | 112,000 | 112,000 |
| Total Revenues | \$ 4,311,641 | \$ 4,446,697 | \$ 4,281,277 | \$ 4,509,025 | \$ 4,910,394 |

Summary of Actual & Budgeted Expenses

| Expense Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 514,735 | \$ 459,009 | \$ 455,062 | \$ 450,109 | \$ 336,554 |
| Supplies | 32,521 | 30,492 | 52,900 | 52,900 | 52,750 |
| Services & Other Charges | 3,193,744 | 3,168,333 | 3,577,534 | 3,580,584 | 3,576,276 |
| Depreciation | 247,356 | 246,707 | - | - | - |
| Capital Outlay | - | - | 378,060 | 98,000 | 1,302,680 |
| Transfers Out | 593,237 | 720,367 | 746,060 | 746,060 | 790,849 |
| Other Expenses | - | - | - | - | - |
| Total Expenses | \$ 4,581,593 | \$ 4,624,908 | \$ 5,209,616 | \$ 4,927,653 | \$ 6,059,109 |

2007 Budgeted Expenses

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park

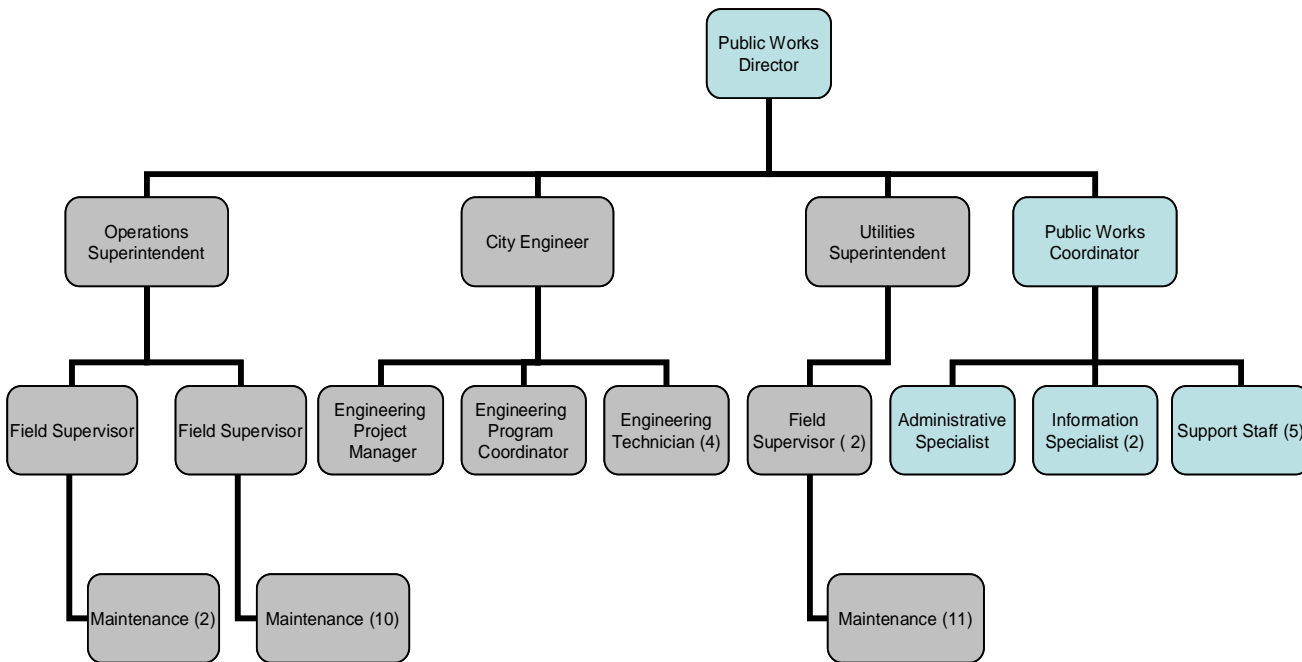
Public Works: Solid Waste Utility

Service Overview

By contract, the City provides for weekly organized collection and disposal of mixed municipal solid waste, recyclables, yard waste, bulk goods (furniture), and white goods (appliances) for all single through four-plex residential units. The Public Works Administrative Division provides ongoing contract administration services and contractor interface as well as addresses the day-to-day issues, concerns, and questions from the public. The current 5-year contract with Waste Management began 9/30/2003 and extends through 9/30/2008.

Staffing

The Public works administrative division consists of one coordinator, one administrative specialist, two information specialists, and five support staff. This division performs the administrative duties for solid waste as well as other public works divisions.



City of St. Louis Park
Public Works: Solid Waste Utility

Budget Highlights

In 2003 the solid waste program was changed to a pay-as-you-throw program, changing the rate structure to conform with the current contract. Collection & disposal rates change annually based on the current contract. As directed by Council, the revenues need to balance expenditures in the near future, based on the financial plan by Finance, as the Solid Waste fund reserve no longer has adequate funds to continue to subsidize the revenue from residents.

One of the Solid Waste program primary goals is environmental stewardship. This involves reducing the amount of waste collected and increasing the amount of recycling collected in the City. In 2004 we were very successful in increasing recycling from past years by changing the program to pay-as-you-throw and by having a much stronger emphasis on increasing recycling through continued education. Recycling participation (number of households recycling) has since decreased, but through educational efforts tonnages have remained the same or increased from 2005 to 2006. Consideration is also being given to expanding the City recycling program to include high-density residential as well as commercial and industrial properties. Finally, other new options, such as additional materials or single stream commingling may be tried to keep recycling tonnage increasing in the future.

Hennepin County has been providing some level of funding to municipalities to offset costs for providing curbside recycling collection to residents since the mid-1980s. The money is allocated based on a city's share of total households served on curbside collection routes with a few performance based contingencies (compared to 2004 levels of tonnages & participation). In 2006 we received approximately \$91,000 in SCORE funding from the County. The SCORE funding actually comes from the garbage taxes collected by the State.

Yard waste volume is dependent upon the weather and length of the growing season, both of which change from year to year. One program option allows residents to choose a reduced service and receive a \$3 credit on their quarterly utility bill in exchange for not bagging grass clippings and setting them out for collection. Approximately two-thirds of residents have the reduced yard waste service.

For budgetary purposes, depreciation is not included as an expense. Instead, the amount projected to be expended for infrastructure improvements (capital outlay) is included as an expense to the operations.

Summary of Actual & Budgeted Revenue

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Intergovernmental | \$ 93,569 | \$ 119,165 | \$ 95,000 | \$ 95,000 | \$ 95,000 |
| Charges For Services | 1,928,357 | 1,857,810 | 2,122,667 | 2,113,103 | 2,235,283 |
| Miscellaneous | 33,832 | 55,721 | 30,000 | 80,000 | 80,000 |
| Total Revenues | <u>\$ 2,055,758</u> | <u>\$ 2,032,696</u> | <u>\$ 2,247,667</u> | <u>\$ 2,288,103</u> | <u>\$ 2,410,283</u> |

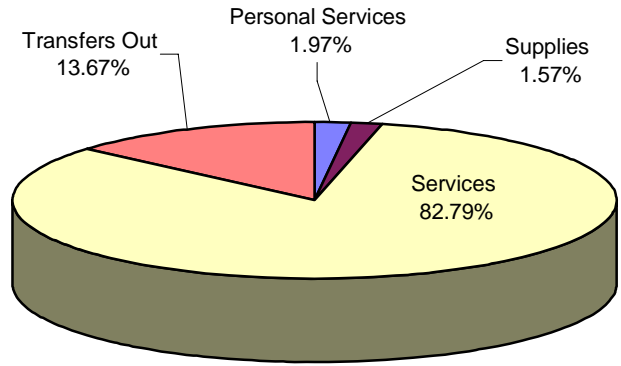
Summary of Actual & Budgeted Expenses

| Expense Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 31,354 | \$ 37,472 | \$ 45,337 | \$ 40,557 | \$ 50,398 |
| Supplies | 27,957 | 20,677 | 42,500 | 44,000 | 40,000 |
| Services & Other Charges | 1,937,278 | 1,961,054 | 2,073,079 | 2,064,820 | 2,113,100 |
| Depreciation | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Transfers Out | 313,071 | 345,492 | 335,617 | 335,617 | 348,866 |
| Other Expenses | 24 | - | - | - | - |
| Total Expenses | <u>\$ 2,309,684</u> | <u>\$ 2,364,695</u> | <u>\$ 2,496,533</u> | <u>\$ 2,484,994</u> | <u>\$ 2,552,364</u> |

City of St. Louis Park Public Works: Solid Waste Utility

2007 Budgeted Expenses

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



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City of St. Louis Park

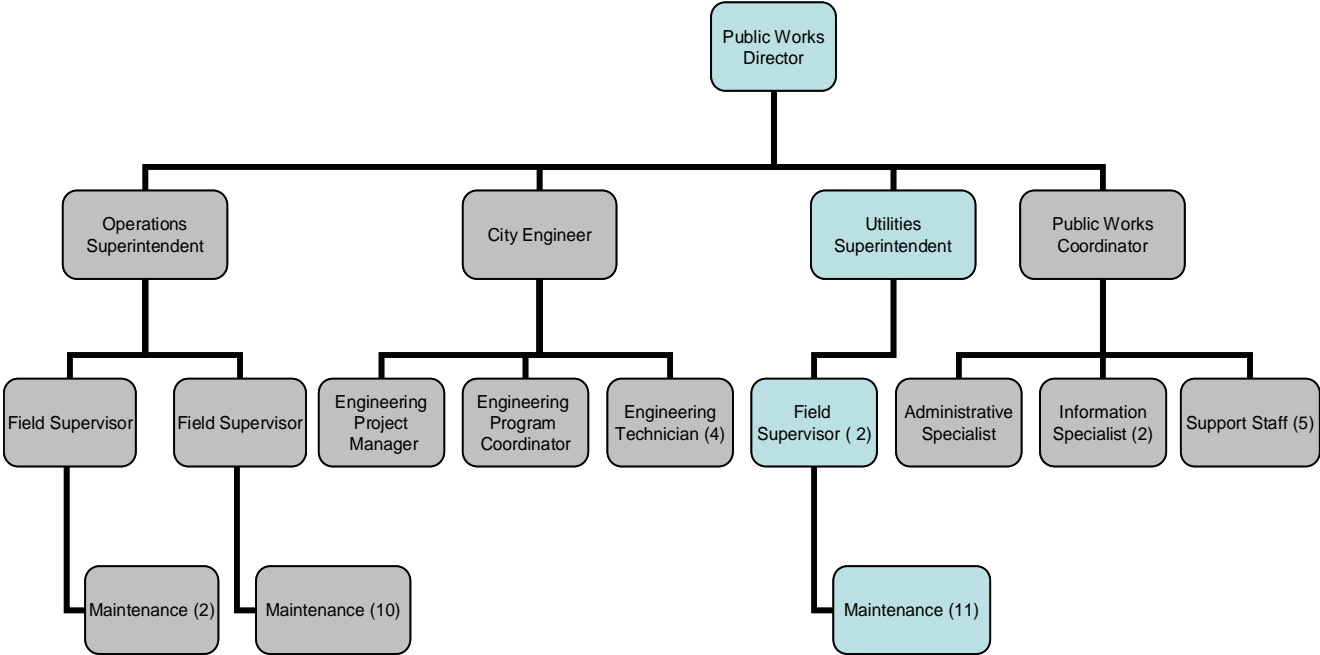
Public Works: Storm Water Utility

Service Overview

The Storm Water Utility has a mission to maintain, operate, and improve the collection system as effectively, economically and efficiently as possible. Towards that goal, the City has adopted a Storm Water Management Plan that addresses many of the future water quality challenges mandated by the Minnesota Pollution Control Agency (MPCA) and watershed districts. An Information Management System has been implemented for the collection of data that will provide information to assist in the maintenance, operation and improvement of the system. This system will also assist in long range planning and capital improvements necessary for continued optimum operation. A feasibility study of flood problem areas was completed and is being implemented in stages through the capital improvement program.

Staffing

The Utility Division works as a complete unit sharing all duties in the water, sanitary sewer, storm sewer, and reilly operations. The division has fourteen employees consisting of one superintendent, two supervisors, and eleven employees performing operations and maintenance.



City of St. Louis Park Public Works: Storm Water Utility

Budget Highlights

The Storm Water Utility was established in 2000 to create a revenue source for the capital improvement program and continued repair and maintenance on the storm water system. The rate consists of a basic charge for single/two family residential lots and an acreage charge for multiple residential and commercial use. The rate for 2007 is \$11.50.

The revenue funds the basic operation and maintenance and provides payment on the special bond for capital improvements. Federal Agencies have enacted regulations that will increase the basic operation cost of the utility.

For budgetary purposes, depreciation is not included as an expense. Instead, the amount projected to be expended for infrastructure improvements (capital outlay) is included as an expense to the operations.

Summary of Actual & Budgeted Revenue

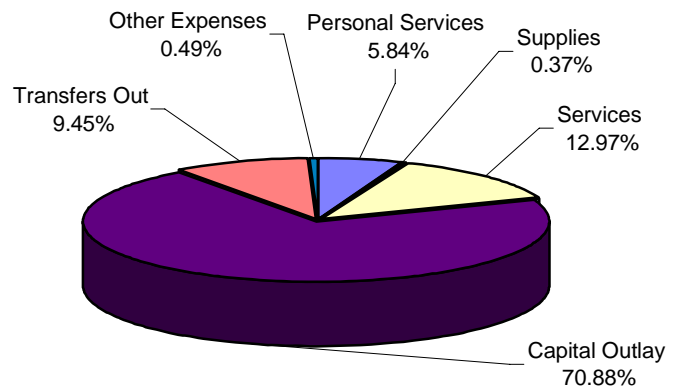
| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Intergovernmental | \$ (84,542) | \$ 932,069 | \$ 463,800 | \$ 361,000 | \$ 687,564 |
| Charges For Services | 890,221 | 914,053 | 955,843 | 955,843 | 1,453,844 |
| Special Assessments | - | - | - | - | - |
| Transfers In | 13,305 | 75,000 | - | - | - |
| Miscellaneous | 20,617 | 14,087 | 32,000 | 32,000 | 32,000 |
| Total Revenues | \$ 839,601 | \$ 1,935,209 | \$ 1,451,643 | \$ 1,348,843 | \$ 2,173,408 |

Summary of Actual & Budgeted Expenses

| Expense Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 115,275 | \$ 120,227 | \$ 154,881 | \$ 206,721 | \$ 196,287 |
| Supplies | 11,116 | 27,865 | 12,300 | 20,300 | 12,300 |
| Services & Other Charges | 329,844 | 253,733 | 363,355 | 360,455 | 435,996 |
| Depreciation | 365,710 | 371,574 | - | - | - |
| Capital Outlay | - | - | 553,800 | 573,620 | 2,382,241 |
| Transfers Out | 287,778 | 265,241 | 335,118 | 335,118 | 317,694 |
| Other Expenses | 20,654 | 20,577 | - | 18,492 | 16,317 |
| Total Expenses | \$ 1,130,377 | \$ 1,059,217 | \$ 1,419,454 | \$ 1,514,706 | \$ 3,360,835 |

2007 Budgeted Expenses

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



**City of St. Louis Park
Internal Service Funds**

Summary of Actual & Budgeted Revenues

| Revenue | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| | | | Adopted | Revised | Adopted |
| Municipal Service Center | \$ 1,152,516 | \$ 1,056,673 | \$ 1,128,918 | \$ 1,095,918 | \$ - |
| Technology Replacement | 241,441 | 1,048,412 | 168,118 | 158,618 | 112,228 |
| Equipment Replacement | 681,527 | 710,569 | 730,035 | 730,035 | 795,675 |
| Employee Flex Spending | 124,872 | 293,145 | 62,000 | 62,000 | 32,000 |
| Uninsured Loss | 69,103 | 120,051 | 16,000 | 20,000 | 20,000 |
| Total Revenues | \$ 2,269,459 | \$ 3,228,850 | \$ 2,105,071 | \$ 2,066,571 | \$ 959,903 |

Summary of Actual & Budgeted Expenditures

| Expenditure | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Adopted | Revised | Adopted |
| Municipal Service Center | \$ 1,102,164 | \$ 1,213,859 | \$ 1,278,075 | \$ 1,281,355 | \$ - |
| Technology Replacement | 485,015 | 284,104 | 679,780 | 680,303 | 610,000 |
| Equipment Replacement | 631,883 | 589,580 | 1,054,888 | 1,206,043 | 1,074,750 |
| Employee Flex Spending | 546,506 | 595,138 | 889,737 | 889,737 | 582,770 |
| Uninsured Loss | 342,322 | 213,468 | 12,257 | 10,934 | 12,653 |
| Total Expenditures | \$ 3,107,890 | \$ 2,896,149 | \$ 3,914,737 | \$ 4,068,373 | \$ 2,280,173 |

Note: The Municipal Service Center Budget has been renamed Vehicle Maintenance and is now part of the Parks & Recreation Department under Special Revenue Funds.

City of St. Louis Park

Technology and Support Services: Technology Replacement Fund

Service Overview

The Technology Replacement Fund (TRF) was established in 2000 to begin setting aside money to replace major computer hardware, software, and network components. Every 3 - 4 years, it is anticipated that enough funds will be available to replace these significant components of the information infrastructure. The most recent large-scale replacement (Windows operating system and PC's) occurred in late 2003 / early 2004. Other smaller upgrades occur on a more regular basis. Most other major components of the information infrastructure are maintained and replaced by LOGIS. The City provides its share of many LOGIS replacement costs through monthly service charges, although some major replacements require additional investments. Such is the case for the Utility Billing system to be activated in 2007. Investments are normally necessitated by increases in newer system costs and desired functionality. The TRF does not include funds to replace other technologies such as radios, telephones, Cable TV, and wireless communications systems. These have required separate funding sources.

Budget Highlights

The 2006 revised budget is virtually unchanged from the 2006 adopted budget. On-going software upgrades, virus protection, and web filtering efforts compliment significant additional emphasis on security and backup facilities. Annual Microsoft licensing fees for various software are also included. The 2007 proposed budget decreases from revised 2006. It includes continued Microsoft licensing and general upgrade and replacement of other (non-Microsoft) software applications. Additional field based computer systems are scheduled in 2006 and 2007. Server replacements with related network components are on-going and included in 2006 and 2007. Completion of a high-speed fiber optic network in 2004 to interconnect City buildings and connect to LOGIS, its member cities, the School District, and the Internet continue to reap benefits. This is a multi-jurisdictional effort, which should result in significant long-term cost savings and higher speed of communications. In addition to data, fiber is being used to transport voice, video, and radio streams, providing additional savings and technology improvements. While hardware, network, and standard software account for the largest portion of the replacement program, the cost to replace specialized software applications (e.g., computer-aided design and drafting, geographic information, Dispatch, Police, and Utility Billing systems) is also significant. On the revenue side, adequate funds were provided in 2006 from enterprise and special revenue funds. Funds continue to be available from similar sources to meet revenue needs in 2007. However, regular and reliable sources of funding for the TRF are needed. Funds for some post-2007 expenditures have been identified, and progress is being made on longer-term funding needs and sources to help address future TRF visions. (see 5-year Capital Improvement Program for long-term technology needs).

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| | | | Adopted | Revised | |
| Intergovernmental | \$ 8,623 | \$ 11,645 | \$ 11,954 | \$ 11,954 | \$ 6,089 |
| Charges For Services | - | - | - | - | - |
| Transfers In | 174,581 | 1,025,140 | 137,164 | 127,664 | 87,139 |
| Interest Income | 19,637 | 11,627 | 19,000 | 19,000 | 19,000 |
| Miscellaneous | 38,600 | - | - | - | - |
| Total Revenues | \$ 241,441 | \$ 1,048,412 | \$ 168,118 | \$ 158,618 | \$ 112,228 |

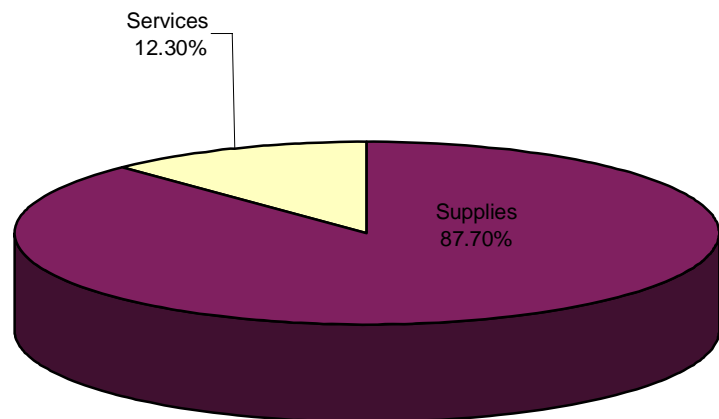
City of St. Louis Park Technology and Support Services: Technology Replacement Fund

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Adopted | Revised | |
| Supplies | \$ 448,578 | \$ 282,082 | \$ 642,780 | \$ 643,303 | \$ 535,000 |
| Services & Other Charges | 35,349 | 134 | 37,000 | 37,000 | 75,000 |
| Depreciation | 1,088 | 1,888 | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Total Expenditures | \$ 485,015 | \$ 284,104 | \$ 679,780 | \$ 680,303 | \$ 610,000 |

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park

Park & Recreation: Equipment Replacement Fund

Service Overview

The Equipment Replacement Fund (ERF) was established to ensure sufficient resources for the timely replacement of equipment. The Park & Recreation Department administers an equipment management program that calls for long-term equipment replacement planning. This replacement planning is based upon a set of age and usage parameters as well as direct examination of equipment as it approaches replacement. This replacement system allows equipment to be replaced early or kept additional years if the condition warrants it.

Major equipment, which is generally equipment over \$2,000, is purchased each year by the ERF and paid for through depreciation charges to the responsible departments. Additionally, a surcharge is calculated based upon the planned future replacements. This surcharge provides for increased equipment costs due to inflation. Charges to departments do not include this surcharge cost. Interest earnings in the ERF will cover the planned future surcharge costs.

This equipment replacement methodology (as opposed to replacing equipment with a fixed amount of money each year) results in significant year to year volatility in capital expenses. However, this fund buffers the General Fund by absorbing this volatility. Year to year purchases range from \$400,000 to over \$1,000,000. Average annual capital charges (depreciation and surcharge) are currently about \$700,000 and are expected to gradually increase from year to year in the future.

Summary of Actual & Budgeted Revenue

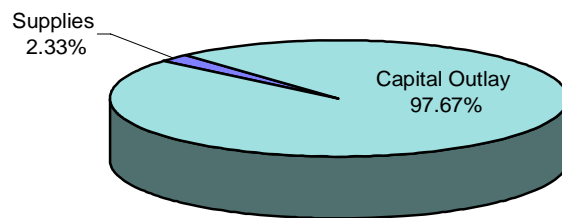
| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Charges For Services | \$ 538,973 | \$ 590,921 | \$ 585,035 | \$ 585,035 | \$ 625,175 |
| Rent Revenue | 3,470 | 3,258 | - | - | - |
| Interest Income | 35,490 | 53,461 | 35,000 | 35,000 | 52,500 |
| Miscellaneous | 103,594 | 62,929 | 110,000 | 110,000 | 118,000 |
| Total Revenues | \$ 681,527 | \$ 710,569 | \$ 730,035 | \$ 730,035 | \$ 795,675 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Supplies | \$ 63,520 | \$ 32,876 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Services & Other Charges | 4,211 | - | 14,000 | - | - |
| Depreciation | 564,152 | 556,704 | - | - | - |
| Capital Outlay | - | - | 1,015,888 | 1,181,043 | 1,049,750 |
| Total Expenditures | \$ 631,883 | \$ 589,580 | \$ 1,054,888 | \$ 1,206,043 | \$ 1,074,750 |

2007 Budgeted Expenses

- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Depreciation: Depreciation expense on fixed assets
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park Employee Flexible Spending Fund

Service Overview

The Employee Flexible Spending Fund covers expenses related to workers compensation, retirement insurance services, unemployment charges, tuition reimbursement, and anticipated severance payments. The largest expenditure is the funds used to cover our workers compensation program.

This fund serves all departments of the City except for Enterprise and Internal Service Funds and is administered by Administrative Services and Finance.

Staffing

No direct staffing charges are expended to this fund.

Summary of Actual & Budgeted Revenues

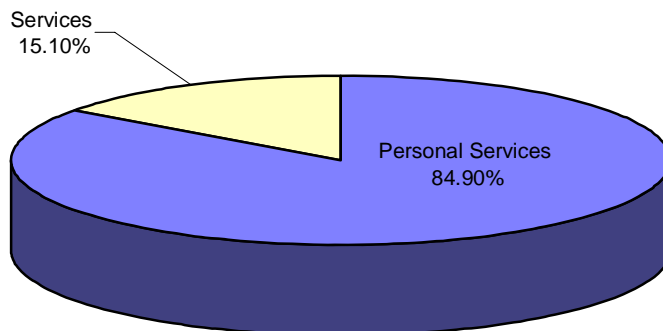
| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|------------------|------------------|------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Interest Income | \$ 11,423 | \$ 6,505 | \$ 12,000 | \$ 12,000 | \$ 12,000 |
| Miscellaneous | 113,449 | 86,640 | 50,000 | 50,000 | 20,000 |
| Total Revenues | \$ 124,872 | \$ 293,145 | \$ 62,000 | \$ 62,000 | \$ 32,000 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 486,375 | \$ 515,012 | \$ 818,737 | \$ 818,737 | \$ 494,770 |
| Supplies | - | - | - | - | - |
| Services & Other Charges | 60,131 | 72,731 | 71,000 | 71,000 | 88,000 |
| Transfers Out | - | 7,395 | - | - | - |
| Total Expenditures | \$ 546,506 | \$ 595,138 | \$ 889,737 | \$ 889,737 | \$ 582,770 |

2007 Budgeted Expenses

- Personal Services: All salary and benefit expenditures
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Other Expenses: Interest and bank charges



City of St. Louis Park Uninsured Loss Fund

Service Overview

This fund was established to provide for major losses, which exceed current insurance policy limits, and to pay for insurance deductibles. As part of changing to a fully insured Workers Compensation program, a substantial portion of the unreserved balance in this fund have been reserved. This reserve will be used to pay for open claims that occurred before the change to a fully insured plan.

Staffing

Personnel costs associated with this fund are for finance administration and claims processing.

Summary of Actual & Budgeted Revenue

| Revenue Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|------------------------|------------------|-------------------|------------------|------------------|------------------|
| | | | Adopted | Revised | |
| Interest Income | \$ 15,717 | \$ 22,143 | \$ 16,000 | \$ 20,000 | \$ 20,000 |
| Miscellaneous | 53,386 | 97,908 | - | - | - |
| Total Revenues | \$ 69,103 | \$ 120,051 | \$ 16,000 | \$ 20,000 | \$ 20,000 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 Adopted |
|----------------------------|-------------------|-------------------|------------------|------------------|------------------|
| | | | Adopted | Revised | |
| Personal Services | \$ 309,404 | \$ 163,238 | \$ 12,257 | \$ 10,934 | \$ 12,653 |
| Supplies | - | 6,285 | - | - | - |
| Services & Other Charges | 32,918 | 43,945 | - | - | - |
| Transfers Out | - | - | - | - | - |
| Total Expenditures | \$ 342,322 | \$ 213,468 | \$ 12,257 | \$ 10,934 | \$ 12,653 |

City of St. Louis Park
Economic Development Authority

Summary of Actual & Budgeted Revenues

| Revenue | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Adopted | Revised | Adopted |
| Development Fund | \$ 1,970,215 | \$ 3,457,870 | \$ 1,516,010 | \$ 1,498,011 | \$ 1,826,451 |
| Excelsior Boulevard | 1,801,933 | 2,232,635 | 2,489,071 | 2,138,612 | 2,138,612 |
| Zarthan Ave./16th Street (CSM) | 346,681 | 354,437 | 343,004 | 362,541 | 362,541 |
| HSTI | 89,840 | 105,348 | 117,278 | 108,608 | 109,108 |
| Oak Park Village | 394,765 | 415,445 | 429,002 | 447,615 | 447,615 |
| Mill City | 259,362 | 237,569 | 260,754 | 218,642 | 219,392 |
| Park Center Blvd Housing | 138,540 | 135,227 | 139,116 | 122,385 | 124,885 |
| Park Commons East | 238,032 | 586,288 | 588,734 | 731,774 | 1,109,739 |
| Victoria Ponds | 322,131 | 436,157 | 337,026 | 397,954 | 398,804 |
| Trunk Highway 7 | 831,357 | 807,573 | 871,669 | 836,628 | 836,628 |
| Edgewood | - | 12,272 | - | 49,891 | 60,690 |
| Elmwood | - | - | - | - | 109,679 |
| Aquila Commons | - | - | - | 47,788 | 66,954 |
| Wolfe Lake Commercial | - | - | - | 166,471 | 166,471 |
| Hwy 7 Corporate Center | - | 253,551 | - | - | - |
| Total Revenues | \$ 6,392,856 | \$ 9,034,372 | \$ 7,091,664 | \$ 7,126,920 | \$ 7,977,569 |

Summary of Actual & Budgeted Expenditures

| Expenditure | 2004 Actual | 2005 Actual | 2006 Budget | | 2007 |
|--------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | | | Adopted | Revised | Adopted |
| Development Fund | \$ 998,962 | \$ 2,475,440 | \$ 1,381,806 | \$ 1,305,563 | \$ 1,352,143 |
| Excelsior Boulevard | 4,237,086 | 5,669,948 | 1,807,275 | 1,738,655 | 2,354,795 |
| Zarthan Ave./16th Street (CSM) | 296,176 | 344,732 | 344,626 | 343,178 | 343,178 |
| HSTI | 105,409 | 92,718 | 116,278 | 107,608 | 107,608 |
| Oak Park Village | 427,055 | 425,092 | 429,002 | 447,615 | 447,615 |
| Mill City | 245,617 | 245,848 | 259,254 | 217,142 | 217,142 |
| Park Center Blvd Housing | 13,612 | 12,862 | 13,661 | 11,989 | 11,989 |
| Park Commons East | 245,100 | 550,398 | 588,728 | 731,774 | 1,109,739 |
| Victoria Ponds | 192,450 | 194,539 | 185,130 | 191,223 | 191,223 |
| Trunk Highway 7 | 868,428 | 802,054 | 871,669 | 836,627 | 836,627 |
| Edgewood | - | 608 | - | 49,892 | 60,691 |
| Elmwood | - | 73,350 | - | 75,000 | 109,679 |
| Aquila Commons | - | - | - | 47,787 | 66,954 |
| Wolfe Lake Commercial | - | - | - | 166,471 | 166,471 |
| Hwy 7 Corporate Center | - | 260,478 | - | - | - |
| Total Expenditures | \$ 7,629,895 | \$ 11,148,067 | \$ 5,997,429 | \$ 6,270,524 | \$ 7,375,854 |

**City of St. Louis Park
Economic Development Authority
Development Fund**

Service Overview

The Development Fund was created in 1996 as a source of financing to be used to foster and promote a wide range of public and private development and redevelopment activities in St. Louis Park. The source of funds used to create and maintain this fund consists of proceeds from the repayment of loans and other revenues such as: the sale of real and personal property, federal and state grants, and other funds designated from time to time by the City Council and Economic Development Authority (EDA).

Budget Highlights

Some of the major redevelopment projects with which the EDA is currently involved include: Duke Realty site, Hoigaard Village, Village in the Park, and the former National Lead/Golden Auto site. The EDA will continue its involvements with the remaining phases of the Excelsior & Grand project as well as the expansion of the Methodist/Park Nicollet medical campuses. Expenditures budgeted within the 2007 Development Fund include costs related to four housing rehabilitation programs, several planning studies to aid future redevelopment initiatives, EDA operations, and the salaries of personnel associated with the EDA. The line item property tax revenue of \$743,084 is the expected amount of the Housing and Redevelopment Authority (HRA) levy in 2007. This revenue is to be used for current or future infrastructure improvements related to redevelopment projects. At this time, a portion of HRA levy dollars is being used to fund an infrastructure analysis in the Park Nicollet area.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 506,375 | \$ 560,328 | \$ 641,106 | \$ 641,106 | \$ 743,084 |
| Intergovernmental | 199,107 | 288,834 | - | - | - |
| Charges For Services | 90,766 | 4,000 | - | - | - |
| Special Assessments | 136,805 | (136,735) | - | - | - |
| Transfers In | 348,035 | 1,729,591 | 389,336 | 371,337 | 435,299 |
| Rent Revenue | 160,568 | 159,482 | 160,568 | 160,568 | 160,568 |
| Interest Income | 324,012 | 534,185 | 325,000 | 325,000 | 487,500 |
| Miscellaneous | 204,547 | 318,185 | - | - | - |
| Total Revenues | \$ 1,970,215 | \$ 3,457,870 | \$ 1,516,010 | \$ 1,498,011 | \$ 1,826,451 |

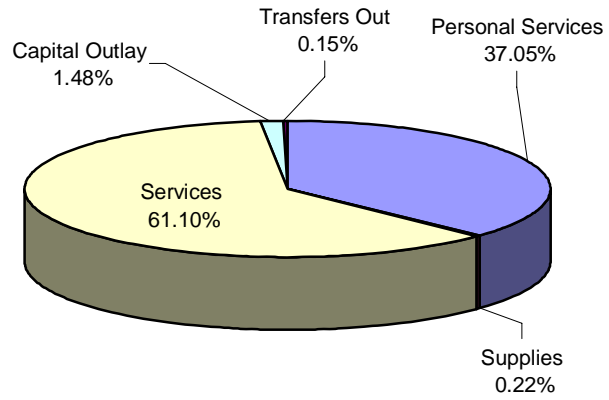
Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Personal Services | \$ 319,936 | \$ 394,500 | \$ 446,398 | \$ 444,224 | \$ 500,983 |
| Supplies | 1,472 | 680 | 3,000 | 3,700 | 3,000 |
| Services & Other Charges | 304,428 | 654,289 | 930,415 | 795,646 | 826,167 |
| Capital Outlay | 287,659 | 1,411,002 | - | 60,000 | 20,000 |
| Transfers Out | 85,441 | 14,969 | 1,993 | 1,993 | 1,993 |
| Other Expenses | 26 | - | - | - | - |
| Total Expenditures | \$ 998,962 | \$ 2,475,440 | \$ 1,381,806 | \$ 1,305,563 | \$ 1,352,143 |

**City of St. Louis Park
Economic Development Authority
Development Fund**

2007 Budgeted Expenditures

- Personal Services: All salary and benefit expenses
- Supplies: Office, operational, general, and non-capital
- Services: Contractual services, insurance, utilities, repairs
- Capital Outlay: Equipment & improvements
- Transfers Out: Operating transfers to other funds
- Other Expenses: Interest and bank charges



City of St. Louis Park
Economic Development Authority
Excelsior Boulevard
Maximum term of district: 2009

Service Overview

The Excelsior Boulevard Tax Increment District was created in 1977 and modified in 1990 to include additional activities and a larger geographical area. In 1993, a Hazardous Substance Subdistrict was established to facilitate environmental cleanup on the Park Nicollet Clinic Campus at Hwy 100 and Excelsior Blvd. In 1996, a modification allowed expenditures for the Excelsior Boulevard streetscape, Rec Center improvements, Park Commons site assembly, and additional administration. In 1997, a modification allowed for expenditures for Reilly Tar clean-up activities and Wolfe Park redevelopment, as well as Park Commons site assembly, public improvements, and site improvements.

Budget Highlights

Debt service and public improvements associated with Excelsior & Grand were the largest expenditures for this district. The redevelopment contract with TOLD obligated the EDA to build the Excelsior Boulevard streetscape improvements and other public improvements related to Park Commons. The only budgeted expenditure in 2007 is a transfer to debt service funds for payment of existing debt and transfer of administrative fees based on tax increment revenue.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 1,945,420 | \$ 2,172,782 | \$ 2,489,071 | \$ 2,138,612 | \$ 2,138,612 |
| Intergovernmental | 41,333 | 43,523 | - | - | - |
| Charges For Services | 1 | - | - | - | - |
| Transfers In | - | 16,330 | - | - | - |
| Interest Income | (184,821) | - | - | - | - |
| Total Revenues | \$ 1,801,933 | \$ 2,232,635 | \$ 2,489,071 | \$ 2,138,612 | \$ 2,138,612 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 82,814 | \$ 59,156 | \$ - | \$ - | \$ - |
| Capital Outlay | 1,687,499 | 1,804,595 | - | - | - |
| Transfers Out | 2,466,773 | 3,806,197 | 1,807,275 | 1,738,655 | 2,354,795 |
| Total Expenditures | \$ 4,237,086 | \$ 5,669,948 | \$ 1,807,275 | \$ 1,738,655 | \$ 2,354,795 |

City of St. Louis Park
Economic Development Authority
Zarthan Ave./16th Street (CSM) TIF District
Maximum term of district: 2026

Service Overview

The Zarthan Ave./16th Street TIF district was established in 1999 to facilitate the redevelopment of the old Sexton warehouse and NSP properties. CSM Hospitality Inc. constructed two hotels and Rottlund Homes constructed 84 townhomes on the site.

Budget Highlights

The funds are dedicated to the EDA's obligations under the 2000 redevelopment agreements with CSM Hospitality and Rottlund Homes.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 335,690 | \$ 343,539 | \$ 342,504 | \$ 362,541 | \$ 362,541 |
| Intergovernmental | 10,508 | 9,630 | - | - | - |
| Interest Income | 483 | 1,268 | 500 | - | - |
| Total Revenues | \$ 346,681 | \$ 354,437 | \$ 343,004 | \$ 362,541 | \$ 362,541 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 261,768 | \$ 309,519 | \$ 309,519 | \$ 306,924 | \$ 306,924 |
| Transfers Out | 34,408 | 35,213 | 35,107 | 36,254 | 36,254 |
| Total Expenditures | \$ 296,176 | \$ 344,732 | \$ 344,626 | \$ 343,178 | \$ 343,178 |

City of St. Louis Park
Economic Development Authority
HSTI

Maximum term of district: 2014

Service Overview

The HSTI district was established in 1993 to help remediate contamination located on the Park Nicollet medical campus.

Budget Highlights

All of the funds from this district (minus a 5% administration allowance) are dedicated to the Park Nicollet project based on the March 30, 1993 Contract for Private Redevelopment. HSTI funds can only be used for approved environmental expenditures within the district.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 88,964 | \$ 103,680 | \$ 116,278 | \$ 107,608 | \$ 107,608 |
| Interest Income | 876 | 1,668 | 1,000 | 1,000 | 1,500 |
| Total Revenues | \$ 89,840 | \$ 105,348 | \$ 117,278 | \$ 108,608 | \$ 109,108 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 100,961 | \$ 87,534 | \$ 110,464 | \$ 102,228 | \$ 102,228 |
| Transfers Out | 4,448 | 5,184 | 5,814 | 5,380 | 5,380 |
| Total Expenditures | \$ 105,409 | \$ 92,718 | \$ 116,278 | \$ 107,608 | \$ 107,608 |

City of St. Louis Park
Economic Development Authority
Oak Park Village
Maximum Term of District: 2009

Service Overview

This Tax Increment District was created in 1972 as a redevelopment district. It was modified in 1990 to include additional activities and a larger geographical area, and again in 1996 to allow expenditures for the Excelsior Boulevard streetscape, Rec Center improvements, Park Commons site assembly, and additional administration. Another modification in 1997 allowed for expenditures for Reilly Tar clean-up activities and Wolfe Park redevelopment, as well as Park Commons site assembly, public improvements, and site improvements.

Budget Highlights

There are no major projects planned for this district. The only budgeted expenditure in 2007 is a transfer to debt service funds for payment of existing debt and transfer of administrative fees based on tax increment revenue.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 360,110 | \$ 383,234 | \$ 429,002 | \$ 447,615 | \$ 447,615 |
| Intergovernmental | 32,255 | 31,221 | - | - | - |
| Rent Revenue | 2,400 | - | - | - | - |
| Interest Income | - | 990 | - | - | - |
| Total Revenues | \$ 394,765 | \$ 415,445 | \$ 429,002 | \$ 447,615 | \$ 447,615 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 3,780 | \$ - | \$ - | \$ - | \$ - |
| Transfers Out | 423,275 | 425,092 | 429,002 | 447,615 | 447,615 |
| Total Expenditures | \$ 427,055 | \$ 425,092 | \$ 429,002 | \$ 447,615 | \$ 447,615 |

City of St. Louis Park
Economic Development Authority
Mill City
Maximum term of district: 2026

Service Overview

The Mill City Tax Increment District was established in 2000 as a redevelopment district. It was created to facilitate the construction of a 200 unit apartment complex on a contaminated site at the northwest corner of Highway 7 and Louisiana Avenue.

Budget Highlights

All of the funds (minus a 5.25% administration allowance) are dedicated to fulfilling the City/EDA obligations based on the April 3, 2000 Contract for Private Redevelopment.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 257,055 | \$ 235,759 | \$ 259,254 | \$ 217,142 | \$ 217,142 |
| Interest Income | 2,307 | 1,810 | 1,500 | 1,500 | 2,250 |
| Total Revenues | \$ 259,362 | \$ 237,569 | \$ 260,754 | \$ 218,642 | \$ 219,392 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 232,122 | \$ 233,471 | \$ 245,644 | \$ 205,742 | \$ 205,742 |
| Transfers Out | 13,495 | 12,377 | 13,610 | 11,400 | 11,400 |
| Total Expenditures | \$ 245,617 | \$ 245,848 | \$ 259,254 | \$ 217,142 | \$ 217,142 |

City of St. Louis Park
Economic Development Authority
Park Center Blvd. Housing
Maximum Term of District: 2023

Service Overview

This Tax Increment District was established in 1996 as a Housing TIF District to facilitate the construction of the first phase of the Parkwood Shores Assisted Living complex. The district was modified in 1999 to assist in the development of the second phase of Parkwood Shores Assisted Living complex.

Budget Highlights

The funds that are available in this District do not have any obligations attached to them and therefore can be spent on any eligible housing project. In 2006, Council approved a \$400,000 deferred loan to The Louisiana Court Limited Partnership to assist in funding qualified capital improvements at the Louisiana Court Housing Development. Of this amount, \$131,000 was to be derived from the Park Center Blvd. Housing TIF District.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 136,124 | \$ 128,616 | \$ 136,616 | \$ 119,885 | \$ 119,885 |
| Interest Income | 2,416 | 6,611 | 2,500 | 2,500 | 5,000 |
| Total Revenues | \$ 138,540 | \$ 135,227 | \$ 139,116 | \$ 122,385 | \$ 124,885 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Transfers Out | \$ 13,612 | \$ 12,862 | \$ 13,661 | \$ 11,989 | \$ 11,989 |
| Total Expenditures | \$ 13,612 | \$ 12,862 | \$ 13,661 | \$ 11,989 | \$ 11,989 |

City of St. Louis Park
Economic Development Authority
Park Commons East (Excelsior & Grand)

Maximum term of district: 2027

Service Overview

The Park Commons TIF District (#1308) is a redevelopment district approved in January, 2001 from parcels removed from the Excelsior Boulevard TIF District. The first increment was received in 2002 and will continue to generate increments until 2027. The district is located on the north side of Excelsior Blvd. between Quentin Ave. and Monterey Drive. A \$160+ million mixed-use project is being developed within this area by TOLD Development Company. It is being marketed under the name "Excelsior & Grand". Phase One, completed in 2003, includes four mixed-use buildings that feature 63,000 square feet of retail shops, neighborhood services, and restaurants on the ground level and 338 apartments on the upper three floors. Underground and structured parking is also built into the project. Phase NE, which includes 120 condo units & 4,500 s.f. of commercial space, was completed in 2005. Phase E, completed in 2006, includes 86 condo units and over 14,000 s.f. of retail space. Phase IV, the last phase, is currently under construction. When the entire project is completed, the 15 acre site will include approximately 338 apartments, 306 condominiums, and 87,000 square feet of commercial space. The project also includes a central town green that connects Excelsior Boulevard to Wolfe Park. The Park Commons area was envisioned as a vibrant, pedestrian-friendly "downtown" where people can live, work, shop, dine, and enjoy concerts and small festivals. The entire project is expected to be completed by 2007.

Budget Highlights

Based upon the July 23, 2001 redevelopment agreement, the EDA has pledged tax increment revenues from this District to facilitate the Excelsior & Grande project.

There are four pay-as-you-go notes corresponding to each of the four phases of the project. Together they total \$15.5 million. Principal and interest are paid every August 1 and February 1.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 238,038 | \$ 585,770 | \$ 588,734 | \$ 731,774 | \$ 1,109,739 |
| Interest Income | (6) | 518 | - | - | - |
| Total Revenues | \$ 238,032 | \$ 586,288 | \$ 588,734 | \$ 731,774 | \$ 1,109,739 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 245,100 | \$ 300,815 | \$ 339,062 | \$ 565,550 | \$ 925,567 |
| Transfers Out | - | 249,583 | 249,666 | 166,224 | 184,172 |
| Total Expenditures | \$ 245,100 | \$ 550,398 | \$ 588,728 | \$ 731,774 | \$ 1,109,739 |

City of St. Louis Park
Economic Development Authority
Victoria Ponds
Maximum Term of District: 2023

Service Overview

The Victoria Ponds Tax Increment District was created in 1996 as a redevelopment TIF district. It was created to facilitate the construction of the Victoria Ponds townhouse project and certain public improvements.

Budget Highlights

The funds are dedicated to fulfilling the EDA's obligations under the September 1996 development agreement with SVK Development, Inc. and the objectives and activities identified in the Victoria Ponds Tax Increment Plan and related budget.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 313,518 | \$ 429,409 | \$ 335,326 | \$ 396,254 | \$ 396,254 |
| Intergovernmental | 6,989 | 4,968 | - | - | - |
| Interest Income | 1,624 | 1,780 | 1,700 | 1,700 | 2,550 |
| Total Revenues | \$ 322,131 | \$ 436,157 | \$ 337,026 | \$ 397,954 | \$ 398,804 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ 151,598 | \$ 151,598 | \$ 151,598 | \$ 151,598 | \$ 151,598 |
| Transfers Out | 31,352 | 42,941 | 33,532 | 39,625 | 39,625 |
| Other Expenses | 9,500 | - | - | - | - |
| Total Expenditures | \$ 192,450 | \$ 194,539 | \$ 185,130 | \$ 191,223 | \$ 191,223 |

City of St. Louis Park
Economic Development Authority
Trunk Highway 7
Maximum term of district: 2011

Service Overview

This Tax Increment District was created in 1985 and has historically been modified to more precisely define budgeted cost revisions, to increase the project budget, and to allow expenditures for the Excelsior Boulevard streetscape, Rec Center Improvements, Park Commons site assembly, and additional administration. The last modification in 1997 allowed for expenditures for Reilly Tar clean-up activities and Wolfe Park redevelopment, as well as Park Commons site assembly, public improvements, and site improvements.

Budget Highlights

The tax increment revenues from this district are being used to pay debt service on existing bonds.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ 831,159 | \$ 807,379 | \$ 871,669 | \$ 836,628 | \$ 836,628 |
| Intergovernmental | 198 | 194 | - | - | - |
| Interest Income | - | - | - | - | - |
| Total Revenues | \$ 831,357 | \$ 807,573 | \$ 871,669 | \$ 836,628 | \$ 836,628 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ - | \$ 119 | \$ - | \$ - | \$ - |
| Transfers Out | 868,428 | 801,935 | 871,669 | 836,627 | 836,627 |
| Total Expenditures | \$ 868,428 | \$ 802,054 | \$ 871,669 | \$ 836,627 | \$ 836,627 |

City of St. Louis Park
Economic Development Authority
Edgewood
Maximum Term of District: 2025

Service Overview

The Edgewood TIF District was created in 2003. It is a soil condition district and expenditures are to be used to mitigate hazardous substances found on the site in order to facilitate construction of a 79,000 square foot office/warehouse facility.

Budget Highlights

The first increment was received in 2005. The EDA has pledged 95% of tax increment revenue from this district for a pay-as-you-go note agreement with Edgewood Investors, LLC. A soil district cannot pool funds and will need to be decertified as soon as the original obligation is paid.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------|------------------|-------------|------------------|------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ - | \$ 12,158 | \$ - | \$ 49,891 | \$ 60,690 |
| Interest Income | - | 114 | - | - | - |
| Total Revenues | \$ - | \$ 12,272 | \$ - | \$ 49,891 | \$ 60,690 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------|---------------|-------------|------------------|------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ - | \$ - | \$ - | \$ 47,397 | \$ 57,656 |
| Transfers Out | - | 608 | - | 2,495 | 3,035 |
| Total Expenditures | \$ - | \$ 608 | \$ - | \$ 49,892 | \$ 60,691 |

City of St. Louis Park
Economic Development Authority
Elmwood
Maximum Term of District: 2022

Service Overview

The Elmwood Village TIF District was created in 2004 and is a renewal and renovation district. The District was initially established to assist Rottlund Homes with additional land acquisition and site improvements associated with a condominium/town home project on the former Quadian manufacturing site. A portion of this district is derived from parcels decertified from the TH7 TIF District.

Budget Highlights

The Rottlund note is expected to require three years of pay-as-you-go tax increment payments, beginning in 2007.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------|-------------|-------------|-------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ 109,679 |
| Interest Income | - | - | - | - | - |
| Total Revenues | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 109,679</u> |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------|------------------|-------------|------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ - | \$ - | \$ - | \$ - | \$ 104,195 |
| Capital Outlay | - | - | - | 75,000 | - |
| Transfers Out | - | 73,350 | - | - | 5,484 |
| Total Expenditures | <u>\$ -</u> | <u>\$ 73,350</u> | <u>\$ -</u> | <u>\$ 75,000</u> | <u>\$ 109,679</u> |

City of St. Louis Park
Economic Development Authority
Aquila Commons
Maximum Term of District: 2031

Service Overview

The Aquila Commons TIF District was created in 2004 as a housing district to redevelop the former Talmud Torah School building site along 33rd Street.

Budget Highlights

The first increment is expected to be received in 2006. A \$1,050,000 pay as you go note is expected to require nine years of TIF payments.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------|-------------|-------------|------------------|------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ - | \$ - | \$ - | \$ 47,788 | \$ 66,954 |
| Interest Income | - | - | - | - | - |
| Total Revenues | \$ - | \$ - | \$ - | \$ 47,788 | \$ 66,954 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------|-------------|-------------|------------------|------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ - | \$ - | \$ - | \$ 45,398 | \$ 63,606 |
| Transfers Out | - | - | - | 2,389 | 3,348 |
| Total Expenditures | \$ - | \$ - | \$ - | \$ 47,787 | \$ 66,954 |

City of St. Louis Park
Economic Development Authority
Wolfe Lake Commercial
Maximum Term of District: 2031

Service Overview

The Wolfe Lake Commercial TIF District was created in 2003 as a redevelopment district to facilitate rehabilitation of an area adjacent to West 36th Street and Belt Line Boulevard into office and other commercial uses.

Budget Highlights

The first increment is expected to be received in 2006. The EDA has pledged 95% of the tax increment revenue from this District for a pay-as-you-go note agreement with Belt Line Industrial Park, Inc.

Summary of Actual & Budgeted Revenues

| Revenue Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|------------------------|-------------|-------------|-------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| General Property Taxes | \$ - | \$ - | \$ - | \$ 166,471 | \$ 166,471 |
| Total Revenues | \$ - | \$ - | \$ - | \$ 166,471 | \$ 166,471 |

Summary of Actual & Budgeted Expenditures

| Expenditure Classification | 2004 | 2005 | 2006 Budget | | 2007 |
|----------------------------|-------------|-------------|-------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Revised | Adopted |
| Services & Other Charges | \$ - | \$ - | \$ - | \$ 158,147 | \$ 158,147 |
| Transfers Out | - | - | - | 8,324 | 8,324 |
| Total Expenditures | \$ - | \$ - | \$ - | \$ 166,471 | \$ 166,471 |