CORE STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Avenue, St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117 TDD (612) 297-5353

February 8, 1994

To whom this may concern:

Enclosed is the second and final part of the Local Services Funding report, ***State Aid to Cities***, and a correction to Part I of the report. Part 2 of the report uses the concepts of "basic revenue-raising capacity" and "basic spending need" as a method of distributing state general purpose aid in an equitable manner to cities with populations over 2,500.

The inserts mailed with Part 2 are corrections for Part 1, ***Comparing City Expenditures***. Since the publication of the report, an error was discovered in the calculation of the eight year capital average for street spending. We have reproduced the tables that were affected by the calculation error with the correct numbers for street spending. The equation for the basic spending line for streets, which appears on page 21 of Part 1, is now $94,397 + $27.84(WORKLOAD).

The calculations have been checked for the other services, and no other mistakes were found. We apologize for any inconvenience this error may have caused you.

If you have any questions concerning this report, please call Peter Butler at (612) 297-4535.

Sincerely,

Peter Butler
Management Consultant

Basic spending — street services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Michael	1,582	91,015	138,439	-34%	A,C
Lauderdale	1,736	41,479	142,724	-71%	A
St. Joseph	2,330	313,600	159,274	97%	
Rockford	2,527	227,915	164,744	38%	A
Delano	3,628	N/A	195,394	N/A	B
Bayport	4,027	289,701	206,502	40%	C
Plainview	4,052	240,564	207,194	16%	
Dilworth	4,317	288,040	214,575	34%	
Jordan	4,416	313,583	217,330	44%	
Stewartville	4,556	340,724	221,224	54%	
Big Lake	4,581	423,501	221,922	91%	
Two Harbors	4,648	581,360	223,801	160%	
Circle Pines	4,681	247,264	224,696	10%	
Osseo	4,989	478,274	233,282	105%	
Kasson	5,013	90,002	233,950	-62%	C
Waconia	5,029	582,350	234,395	148%	
Goodview	5,239	151,428	240,233	-37%	
Oak Park Heights	5,294	105,814	241,774	-56%	
Proctor	5,347	290,789	243,250	20%	A
Long Prairie	5,582	304,533	249,790	22%	
Melrose	5,663	298,421	252,045	18%	A
Eveleth	6,069	775,443	263,343	194%	A
Pine City	6,094	468,172	264,046	77%	A

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Sleepy Eye	6,260	431,506	268,664	61%	
Sartell	6,289	669,396	269,472	148%	
St. Charles	6,336	284,831	270,783	5%	A
New Prague	6,599	511,545	278,101	84%	
Cannon Falls	6,693	723,764	280,712	158%	
Staples	6,877	638,433	285,834	123%	
Princeton	7,122	258,029	292,666	-12%	C
Caledonia	7,136	398,928	293,043	36%	
Newport	7,232	220,480	295,710	-25%	C
La Crescent	7,305	360,417	297,759	21%	
St. Paul Park	7,310	389,061	297,888	31%	
Breckenridge	7,381	348,392	299,868	16%	
St. Francis	7,384	117,537	299,954	-61%	A,C
Belle Plaine	7,471	231,470	302,376	-23%	
Sauk Centre	7,565	429,852	304,992	41%	A
Jackson	7,734	512,384	309,698	65%	C
Olivia	7,754	395,959	310,266	28%	
Le Sueur	7,969	495,199	316,239	57%	
Wayzata	8,000	711,817	317,102	124%	
Mora	8,021	238,641	317,687	-25%	A
Benson	8,044	783,049	318,334	146%	
Glenwood	8,074	454,866	319,162	43%	A
Granite Falls	8,304	512,369	325,555	57%	
Pipestone	8,675	573,661	335,895	71%	
Deephaven	8,680	305,853	336,032	-9%	C

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Blue Earth	8,683	1,105,230	336,129	229%	L
Lake City	8,742	497,254	337,748	47%	
Luverne	8,851	676,469	340,786	99%	
St. James	8,956	627,379	343,716	83%	
Glencoe	9,559	522,527	360,499	45%	
Park Rapids	9,796	518,806	367,096	41%	C
Mountain Iron	9,915	453,083	370,399	22%	C
Monticello	10,224	997,602	379,027	163%	
Windom	10,278	586,634	380,518	54%	
Wadena	10,640	308,244	390,587	-21%	C
Ely	11,474	585,018	413,807	41%	C
Redwood Falls	12,418	660,892	440,080	50%	
Baxter	13,053	250,350	457,782	-45%	
Dayton	14,274	322,334	491,759	-34%	
North Oaks	14,473	20,177	497,299	-96%	
Waite Park	14,896	438,097	509,077	-14%	A
Cambridge	15,872	229,365	536,231	-57%	C
Medina	15,890	566,519	536,746	6%	
Afton	16,316	201,549	548,607	-63%	A
Hugo	16,747	337,051	560,616	-40%	
Minnetrista	16,760	341,753	560,965	-39%	C
Forest Lake	16,994	342,072	567,493	-40%	C
Falcon Heights	17,025	343,533	568,342	-40%	
Independence	17,096	322,171	570,319	-44%	C
Shorewood	18,007	906,437	595,679	52%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Mahtomedi	20,497	891,744	664,996	34%	
Vadnais Heights	20,619	446,739	668,392	-33%	
Farmington	22,904	1,285,282	732,003	76%	
Buffalo	23,741	583,909	755,303	-23%	
Spring Lake Park	24,626	546,425	779,946	-30%	
Chisholm	25,385	947,855	801,082	18%	
Litchfield	25,394	1,331,937	801,320	66%	
Little Canada	25,593	1,187,702	806,860	47%	
Morris	26,277	823,951	825,891	0%	
Savage	27,268	2,287,559	853,488	168%	
International Falls	28,644	N/A	891,794	N/A	A
Lake Elmo	29,381	435,245	912,311	-52%	
Mounds View	29,701	977,390	921,208	6%	
Arden Hills	29,967	506,878	928,634	-45%	
Waseca	31,307	1,634,198	965,927	69%	
Lino Lakes	32,524	2,022,167	999,806	102%	A
St. Peter	32,607	1,502,822	1,002,117	50%	
Montevideo	35,222	796,704	1,074,913	-26%	
Champlin	35,619	1,429,847	1,085,973	32%	
St. Anthony	36,864	589,985	1,120,624	-47%	
Ham Lake	37,783	711,504	1,146,198	-38%	
Corcoran	38,130	540,887	1,155,867	-53%	
North St. Paul	38,563	1,067,776	1,167,921	-9%	
Orono	38,725	652,833	1,172,431	-44%	
Mound	38,993	891,445	1,179,891	-24%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Chanhassen	39,078	5,084,857	1,182,257	330%	
Rosemount	39,878	2,254,207	1,204,528	87%	L
Detroit Lakes	41,857	1,679,901	1,259,625	33%	
Sauk Rapids	42,259	1,074,843	1,270,814	-15%	
Prior Lake	42,456	1,224,538	1,276,295	-4%	
Crookston	42,578	1,108,224	1,279,684	-13%	
Hutchinson	42,688	2,347,274	1,282,753	83%	
Grand Rapids	44,588	1,711,326	1,335,641	28%	
Thief River Falls	45,594	1,505,977	1,363,659	10%	
Chaska	45,865	938,210	1,371,195	-32%	
Shoreview	45,869	2,420,984	1,371,309	77%	
North Mankato	47,432	3,336,971	1,414,818	136%	
Northfield	47,849	3,012,322	1,426,426	111%	
Anoka	48,480	1,106,781	1,443,995	-23%	C
East Grand Forks	49,635	2,124,540	1,476,134	44%	
Little Falls	49,781	999,380	1,480,196	-32%	
East Bethel	51,506	910,494	1,528,241	-40%	
Mendota Heights	52,421	633,037	1,553,702	-59%	
Shakopee	52,649	3,836,621	1,560,049	146%	
Marshall	53,021	2,317,889	1,570,405	48%	
Worthington	54,039	2,080,198	1,598,744	30%	
Ramsey	54,146	1,163,139	1,601,736	-27%	
Andover	54,751	1,657,843	1,618,567	2%	
Elk River	54,985	1,875,253	1,625,073	15%	
New Brighton	55,297	1,796,190	1,633,765	10%	A

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Brainerd	56,841	1,662,228	1,676,756	-1%	
Robbinsdale	57,470	1,120,832	1,694,256	-34%	
Hermantown	59,090	553,625	1,739,365	-68%	
Hastings	61,243	2,763,422	1,799,282	54%	
West St. Paul	61,516	2,645,409	1,806,890	46%	
Fergus Falls	63,041	1,916,652	1,849,344	4%	
New Ulm	64,693	2,774,657	1,895,332	46%	
Cloquet	66,295	2,230,006	1,939,929	15%	
Virginia	67,762	2,043,791	1,980,775	3%	A
Alexandria	69,512	1,311,394	2,029,485	-35%	
South St. Paul	71,623	3,916,703	2,088,251	88%	
Oakdale	73,615	2,922,000	2,143,705	36%	
Stillwater	74,759	2,435,737	2,175,551	12%	
Hopkins	76,086	1,682,219	2,212,493	-24%	L
Bemidji	80,187	1,560,965	2,326,660	-33%	
Inver Grove Heights	80,688	1,810,354	2,340,604	-23%	
White Bear Lake	82,997	1,989,142	2,404,882	-17%	
Owatonna	86,764	4,120,875	2,509,749	64%	
Columbia Heights	87,367	1,245,738	2,526,535	-51%	L
Maplewood	87,646	4,828,774	2,534,302	91%	
Crystal	88,348	1,717,838	2,553,840	-33%	
Fairmont	93,396	2,261,894	2,694,372	-16%	
Blaine	100,636	3,997,933	2,895,917	38%	
Fridley	100,984	5,368,387	2,905,604	85%	
New Hope	101,602	2,265,689	2,922,802	-22%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Albert Lea	102,955	2,349,296	2,960,477	-21%	
Red Wing	103,606	3,013,023	2,978,599	1%	
Roseville	104,507	8,160,466	3,003,682	172%	
Faribault	118,529	2,700,029	3,394,029	-20%	
Lakeville	118,844	4,243,394	3,402,798	25%	
Woodbury	127,282	3,491,724	3,637,696	-4%	
Winona	135,176	3,410,886	3,857,439	-12%	
Richfield	137,894	1,806,198	3,933,107	-54%	
Willmar	139,012	3,437,293	3,964,238	-13%	
Apple Valley	139,727	3,958,806	3,984,142	-1%	
Maple Grove	140,400	6,694,816	4,002,877	67%	
Austin	143,691	3,584,274	4,094,493	-12%	
Cottage Grove	145,381	2,048,122	4,141,539	-51%	
Brooklyn Center	152,195	3,357,614	4,331,241	-22%	
Golden Valley	157,241	5,178,383	4,471,700	16%	A
Moorhead	166,298	4,526,336	4,723,833	-4%	
Coon Rapids	167,549	5,196,301	4,758,666	9%	
Hibbing	176,639	2,857,056	5,011,697	-43%	A
St. Louis Park	180,621	4,113,727	5,122,565	-20%	
Eagan	191,276	7,394,900	5,419,173	36%	
Eden Prairie	203,789	5,710,311	5,767,519	-1%	
Brooklyn Park	207,372	7,790,033	5,867,247	33%	
Minnetonka	235,251	4,659,424	6,643,356	-30%	
Plymouth	254,740	7,914,704	7,185,895	10%	
Burnsville	275,166	9,353,024	7,754,517	21%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Edina	279,419	5,617,253	7,872,900	-29%	
St. Cloud	296,928	10,943,141	8,360,328	31%	
Mankato	330,362	10,744,816	9,291,073	16%	
Rochester	333,830	8,846,462	9,387,616	-6%	A
Bloomington	527,839	25,765,500	14,788,473	74%	
Duluth	730,636	19,757,231	20,433,964	-3%	
St. Paul	1,495,101	47,107,797	41,715,286	13%	
Minneapolis	1,559,190	51,596,859	43,499,407	19%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Total expenditures on basic services

The following table reverses the adjustments that were made to city expenditures for the comparisons. The table lists actual total spending for each city, in alphabetical order, and the overall basic spending level.

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Afton	541,254	1,437,267	(896,014)	-62%
Albert Lea	8,118,902	6,849,138	1,269,763	19%
Alexandria	3,343,800	3,789,375	(445,575)	-12%
Andover	5,391,087	6,323,312	(932,225)	-15%
Anoka	6,773,168	6,014,336	758,832	13%
Apple Valley	15,887,772	12,268,506	3,619,267	30%
Arden Hills	2,651,388	3,745,422	(1,094,034)	-29%
Austin	9,728,944	8,937,958	790,986	9%
Baxter	910,770	1,608,903	(698,133)	-43%
Bayport	1,184,226	1,299,599	(115,373)	-9%
Belle Plaine	885,923	1,245,697	(359,774)	-29%
Bemidji	4,428,320	5,188,693	(760,373)	-15%
Benson	1,445,384	982,624	462,760	47%
Big Lake	1,140,179	1,164,414	(24,236)	-2%
Blaine	10,887,578	12,059,336	(1,171,758)	-10%
Bloomington	53,661,565	42,080,342	11,581,223	28%
Blue Earth	1,631,356	1,337,035	294,321	22%
Brainerd	4,292,354	4,759,644	(467,290)	-10%
Breckenridge	1,724,955	1,209,912	515,043	43%
Brooklyn Center	11,248,116	12,905,870	(1,657,754)	-13%
Brooklyn Park	25,587,383	21,908,065	3,679,318	17%
Buffalo	2,544,332	2,573,570	(29,239)	-1%
Burnsville	22,839,521	22,693,984	145,537	1%
Caledonia	1,026,981	1,022,683	4,298	0%
Cambridge	2,521,756	1,986,130	535,626	27%
Cannon Falls	1,523,889	1,293,358	230,531	18%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Champlin	7,719,439	6,265,278	1,454,161	23%
Chanhassen	9,032,332	4,692,897	4,339,436	92%
Chaska	5,498,456	4,436,982	1,061,474	24%
Chisholm	3,271,235	2,288,436	982,799	43%
Circle Pines	1,432,155	1,540,481	(108,326)	-7%
Cloquet	5,017,619	4,945,615	72,004	1%
Columbia Heights	7,969,062	7,158,804	810,259	11%
Coon Rapids	16,413,064	17,047,922	(634,858)	-4%
Corcoran	1,286,271	2,796,841	(1,510,570)	-54%
Cottage Grove	8,172,610	9,817,313	(1,644,703)	-17%
Crookston	3,840,601	2,894,666	945,936	33%
Crystal	7,207,636	9,168,864	(1,961,228)	-21%
Dayton	1,022,787	1,945,489	(922,702)	-47%
Deephaven	1,204,510	1,592,964	(388,455)	-24%
Delano		901,077		
Detroit Lakes	3,109,860	2,880,590	229,271	8%
Dilworth	781,422	899,378	(117,956)	-13%
Duluth	52,357,800	43,764,968	8,592,832	20%
Eagan	18,424,601	18,192,314	232,287	1%
East Bethel	1,530,644	3,513,714	(1,983,070)	-56%
East Grand Forks	5,527,402	3,092,955	2,434,447	79%
Eden Prairie	17,338,229	17,884,993	(546,764)	-3%
Edina	16,568,465	21,292,432	(4,723,967)	-22%
Elk River	3,882,523	4,563,296	(680,773)	-15%
Ely	2,092,567	1,636,642	455,925	28%
Eveleth	2,286,571	1,431,361	855,209	60%
Fairmont	4,724,011	5,003,138	(279,127)	-6%
Falcon Heights	1,352,736	2,201,007	(848,270)	-39%
Faribault	7,271,887	7,622,048	(350,161)	-5%
Farmington	2,619,162	2,427,648	191,514	8%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Fergus Falls	5,636,111	4,527,104	1,109,007	24%
Forest Lake	2,234,820	2,415,176	(180,356)	-7%
Fridley	11,757,661	9,914,889	1,842,773	19%
Glencoe	1,485,707	1,675,187	(189,481)	-11%
Glenwood	1,077,490	881,763	195,727	22%
Golden Valley	13,705,610	10,930,109	2,775,500	25%
Goodview	1,007,003	1,102,862	(95,859)	-9%
Grand Rapids	4,618,593	3,784,567	834,025	22%
Granite Falls	1,143,836	1,009,347	134,489	13%
Ham Lake	1,600,952	3,360,297	(1,759,345)	-52%
Hastings	6,250,824	5,812,430	438,394	8%
Hermantown	1,859,612	3,380,863	(1,521,250)	-45%
Hibbing	9,216,317	9,370,470	(154,154)	-2%
Hopkins	8,856,434	7,223,478	1,632,956	23%
Hugo	953,500	1,864,540	(911,041)	-49%
Hutchinson	6,131,886	4,648,168	1,483,718	32%
Independence	990,200	1,604,958	(614,758)	-38%
International Falls		3,069,945		
Inver Grove Heights	8,765,122	8,338,963	426,159	5%
Jackson	2,187,146	1,056,022	1,131,124	107%
Jordan	1,063,295	1,118,181	(54,887)	-5%
Kasson	677,652	1,128,881	(451,229)	-40%
La Crescent	1,041,155	1,181,691	(140,536)	-12%
Lake City	1,633,859	1,452,831	181,028	12%
Lake Elmo	1,394,298	2,576,029	(1,181,731)	-46%
Lakeville	10,311,975	9,719,035	592,940	6%
Lauderdale	412,355	1,069,021	(656,666)	-61%
Le Sueur	1,614,683	1,229,034	385,649	31%
Lino Lakes	3,983,668	3,274,059	709,609	22%
Litchfield	2,786,749	2,168,397	618,352	29%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Little Canada	2,672,121	3,486,292	(814,171)	-23%
Little Falls	4,225,482	3,344,196	881,285	26%
Long Prairie	732,853	1,016,966	(284,113)	-28%
Luverne	1,954,147	1,277,533	676,614	53%
Mahtomedi	1,797,806	2,247,087	(449,281)	-20%
Mankato	18,323,764	16,741,708	1,582,056	9%
Maple Grove	14,351,540	16,101,934	(1,750,394)	-11%
Maplewood	12,288,881	11,065,739	1,223,142	11%
Marshall	5,326,432	4,322,048	1,004,383	23%
Medina	1,869,087	1,701,586	167,501	10%
Melrose	993,518	994,427	(909)	0%
Mendota Heights	4,163,213	4,303,023	(139,810)	-3%
Minneapolis	261,652,099	197,111,473	64,540,627	33%
Minnetonka	17,474,085	21,227,686	(3,753,601)	-18%
Minnetrista	1,309,041	1,761,434	(452,393)	-26%
Montevideo	2,282,806	2,336,168	(53,362)	-2%
Monticello	2,380,864	2,053,987	326,877	16%
Moorhead	13,042,060	10,703,454	2,338,606	22%
Mora	1,117,458	1,064,537	52,921	5%
Morris	1,872,765	2,226,425	(353,661)	-16%
Mound	3,201,691	4,086,232	(884,541)	-22%
Mounds View	3,622,624	4,201,530	(578,906)	-14%
Mountain Iron	1,445,225	1,348,975	96,250	7%
New Brighton	6,549,883	7,636,542	(1,086,659)	-14%
New Hope	8,489,226	9,225,265	(736,040)	-8%
New Prague	1,371,168	1,403,243	(32,074)	-2%
New Ulm	6,936,145	4,916,546	2,019,598	41%
Newport	1,152,699	1,500,623	(347,923)	-23%
North Mankato	5,107,466	3,644,408	1,463,059	40%
North Oaks	620,303	1,552,433	(932,130)	-60%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
North St. Paul	2,922,525	4,458,341	(1,535,816)	-34%
Northfield	5,838,309	5,588,316	249,993	4%
Oak Park Heights	1,389,055	1,477,795	(88,739)	-6%
Oakdale	7,640,065	7,611,838	28,227	0%
Olivia	873,945	1,036,227	(162,282)	-16%
Orono	2,462,770	3,376,521	(913,751)	-27%
Osseo	1,056,434	1,319,116	(262,683)	-20%
Owatonna	8,404,679	7,175,243	1,229,436	17%
Park Rapids	1,079,762	1,092,804	(13,042)	-1%
Pine City	909,553	905,856	3,697	0%
Pipestone	1,977,517	1,271,580	705,937	56%
Plainview	740,011	921,091	(181,080)	-20%
Plymouth	19,893,356	22,065,114	(2,171,758)	-10%
Princeton	933,567	1,104,617	(171,050)	-15%
Prior Lake	4,594,183	4,322,089	272,093	6%
Proctor	898,720	1,149,213	(250,493)	-22%
Ramsey	3,740,632	4,623,492	(882,860)	-19%
Red Wing	9,502,362	6,748,094	2,754,269	41%
Redwood Falls	1,916,621	1,502,230	414,391	28%
Richfield	12,782,753	14,094,176	(1,311,423)	-9%
Robbinsdale	5,480,353	5,882,625	(402,272)	-7%
Rochester	36,499,319	32,655,576	3,843,742	12%
Rockford	804,665	881,032	(76,367)	-9%
Rosemount	4,893,642	3,777,159	1,116,483	30%
Roseville	13,673,293	12,460,099	1,213,194	10%
Sartell	1,376,069	1,632,301	(256,232)	-16%
Sauk Centre	1,322,254	1,340,136	(17,883)	-1%
Sauk Rapids	2,449,601	3,021,777	(572,176)	-19%
Savage	4,861,811	3,441,637	1,420,174	41%
Shakopee	7,127,549	4,508,006	2,619,543	58%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Shoreview	7,721,993	7,565,041	156,952	2%
Shorewood	2,569,329	2,413,687	155,643	6%
Sleepy Eye	1,456,504	1,210,061	246,444	20%
South St. Paul	10,161,707	7,023,666	3,138,041	45%
Spring Lake Park	2,034,775	2,528,797	(494,021)	-20%
Staples	1,106,697	1,066,740	39,956	4%
Stewartville	998,290	1,645,835	(647,545)	-39%
Stillwater	5,381,480	6,285,017	(903,538)	-14%
St. Anthony	2,209,926	3,513,548	(1,303,622)	-37%
St. Charles	737,933	1,034,934	(297,001)	-29%
St. Cloud	24,345,324	21,083,786	3,261,538	15%
St. Francis	575,715	1,129,198	(553,482)	-49%
St. James	1,262,155	1,269,809	(7,654)	-1%
St. Joseph	853,482	1,109,325	(255,843)	-23%
St. Louis Park	16,869,365	17,864,185	(994,820)	-6%
St. Michael	530,534	804,700	(274,166)	-34%
St. Paul	171,322,742	151,634,750	19,687,992	13%
St. Paul Park	1,517,640	1,737,320	(219,680)	-13%
St. Peter	3,417,017	3,110,089	306,929	10%
Thief River Falls	3,839,347	3,165,557	673,791	21%
Two Harbors	1,800,030	1,009,986	790,044	78%
Vadnais Heights	1,977,238	3,674,886	(1,697,648)	-46%
Virginia	6,133,153	4,774,085	1,359,068	28%
Waconia	2,288,087	1,611,757	676,330	42%
Wadena	1,273,951	1,370,197	(96,246)	-7%
Waite Park	1,923,985	1,959,896	(35,911)	-2%
Waseca	3,250,393	3,139,382	111,011	4%
Wayzata	2,423,962	1,822,341	601,621	33%
West St. Paul	7,088,764	6,492,031	596,733	9%
White Bear Lake	6,216,681	8,764,345	(2,547,664)	-29%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Willmar	8,758,725	7,878,854	879,872	11%
Windom	1,266,426	1,596,996	(330,570)	-21%
Winona	11,830,739	9,542,506	2,288,233	24%
Woodbury	8,095,744	9,257,293	(1,161,548)	-13%
Worthington	4,220,273	3,591,369	628,904	18%

COMMISSION ON REFORM AND EFFICIENCY

CORE

LOCAL SERVICES FUNDING

PART I: COMPARING CITY EXPENDITURES

FINAL REPORT

NOVEMBER 1993

THE CORE VISION OF STATE GOVERNMENT

The Commission on Reform and Efficiency envisions a Minnesota state government that is mission driven, oriented toward quality outcomes, efficient, responsive to clients, and respectful of all stakeholders. These goals are defined below.

Mission driven

State government will have clearly defined purposes and internal organizational structures that support the achievement of those aims.

Oriented toward quality outcomes

State government will provide quality services. It will focus its human, technical, and financial resources on producing measurable results. Success will be measured by actual outcomes rather than processes performed or dollars spent.

Efficient

State government will be cost-conscious. It will be organized so that outcomes are achieved with the least amount of input. Structures will be flexible and responsive to changes in the social, economic, and technological environments. There will be minimal duplication of services and adequate communication between units. Competition will be fostered. Appropriate delivery mechanisms will be used.

Responsive to clients

State government services will be designed with the customer in mind. Services will be accessible, located conveniently, and provided in a timely manner, and customers will clearly understand legal requirements. Employees will be rewarded for being responsive and respectful. Bureaucratic approvals and forms will be minimized.

Respectful of stakeholders

State government will be sensitive to the needs of all stakeholders in providing services. It will recognize the importance of respecting and cultivating employees. It will foster cooperative relationships with local units of government, and nonprofit and business sectors. It will provide services in the spirit of assisting individual clients and serving the broader public interest.

— Feb. 27, 1992

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Ave.,St. Paul MN 55155
(612) 296-7041 FAX (612) 297-1117

November 16, 1993

The Honorable Arne Carlson
Governor
130 State Capitol
St. Paul, Minnesota 55155

The Honorable Ember Reichgott
Minnesota Senate
Legislative Commission on Planning and Fiscal Policy
306 State Capitol
St. Paul, Minnesota 55155

Dear Governor Carlson and Senator Reichgott:

Pursuant to Laws of Minnesota 1991, Chapter 345, Article 1, Section 17, Subdivision 9, the Commission on Reform and Efficiency was directed to recommend long-term actions for improving government efficiency and effectiveness.

This is Part I of the CORE Local Services Funding report, which is the last of the reports issued in response to our charge. The report provides information on city spending that can be used to compare cities and makes recommendations for changes in the collection of data from cities that will enable citizens to make meaningful comparisons in the future. The analysis and recommendations contained in this document represent the best thinking of our diverse and bipartisan group on the issue of local services funding. You will see that we have taken our charge seriously and have not shied away from controversy. We respectfully request your continued support for the much-needed government reform detailed in the commission's reports and recommendations.

Sincerely,

Arend J. Sandbulte
Commission Chair

Lee Luebbe
Chair
Working Committee

Debra Rae Anderson
Commissioner of
Administration

LOCAL SERVICES FUNDING

PART I: COMPARING CITY EXPENDITURES

FINAL REPORT

BY THE
MINNESOTA
COMMISSION ON
REFORM AND EFFICIENCY

NOVEMBER 1993

To obtain these materials in Braille, audiotape, large print or other forms, call

Caroline Wisniewski
(612) 296-7058 or TDD Relay (612) 297-5353

CONTENTS

FIGURES

EXECUTIVE SUMMARY

Accountability is an important theme in today's environment of growing costs and shrinking value. This Commission on Reform and Efficiency (CORE) report on local services funding makes an important contribution to the discussions on spending that are taking place between citizens and local officials.

Minnesota cities are caught in a bind. On the one hand, they each have unique combinations of economic, demographic and environmental characteristics that make them difficult to compare. On the other hand, city officials as well as citizens want to know if they are being "efficient." To evaluate efficiency, however, requires comparisons.

The CORE project described in this report has resulted in a methodology that makes city comparisons possible. While not perfect (the data does not exist to make perfect comparisons), these comparisons could go a long way toward opening the doors for meaningful discussions between citizens and city officials as well as among officials of different cities.

Comparison methodology

The heart of the CORE methodology for the comparison of city spending is the concept of "basic spending." CORE defines basic spending as *the amount a city needs to spend to provide a basic, minimum and adequate level of service for a given workload.* Services included in the definition of basic spending are streets, police, fire, parks and recreation, general administration, related expenditures, and interest expense. Services not included are airports, ambulance, economic development, garbage collection, health programs, housing redevelopment, libraries, and transit systems.

To calculate basic spending amounts for each of the included city services, CORE adopted the following methodology:

- Adjust city expenditure data.
- Identify workload factors.
- Determine workload formulas.
- Select cities for the basic spending "pools."
- Calculate basic spending levels.

Adjust city expenditure data

To adjust city expenditure data, CORE considered three factors: differences in labor costs, the cyclical nature of capital outlays, and the costs of providing services outside city boundaries.

To account for the cost of labor, CORE adjusted the prevailing wage rate for each city to the rate of the Minnesota city with the highest rate (St. Paul).

To compensate for the cyclical nature of capital outlays, CORE calculated an eight-year average of capital outlays for each service.

And, to prevent a city's expenditures from appearing inflated by the compensation received for providing services to other entities, CORE subtracted contract revenues from city expenditures.

Identify workload factors

CORE defined "workload" as *a measurement of the factors that affect the need for spending on a specific city service.*

The identification of workload factors was the most significant aspect of the project, requiring the greatest amount of time. Much of that time was spent in discussions with experts in each of the city service areas. For example, to obtain potential workload factors for street services, CORE met with a number of city engineers and experts at the state Department of Transportation. To obtain potential workload factors for police, CORE met with police chiefs and criminal justice experts. Each service workload went through a rigorous process that included outside comment, literature review, and internal scrutiny.

City spending can be influenced by many different factors. One city may spend more than another because of uncontrollable city characteristics that require more costly methods of service, because of different citizen service expectations, or simply because of service inefficiency. CORE's workload methodology focuses on city characteristics that are outside a city's control, for example, the number of visitors to the city's parks. With these factors identified, comparisons reveal differences in spending patterns that are more likely caused by factors within a city's control, such as a higher quality or level of services.

The workload factors identified for each service are:

streets	traffic volume; soil type
police	demographic characteristics; incoming workers; shoppers; and tourists
fire	type and age of structures; traffic volume
parks and recreation	population; poverty; population "draw"
general administration	population
related expenditures	population

Determine workload formulas

Once the workload factors were identified, CORE assigned a relative importance to each factor. With these "weights" assigned, the factors could then be put into a formula for calculating a city's total workload for each service.

Weights were determined through discussions with experts and using state and national statistics. For example, for police services, a city's different age groups were assigned different weights based on rates from national victimization data.

Select cities for the basic spending 'pools'

The determination of basic spending required an assumption that what Minnesota cities currently are spending reflects to some degree the "true cost" of providing a service. This assumption does not hold, however, in cases where a city does not provide a service directly, or where a city has had unusual expenditures in a particular year.

To ensure that the basic spending levels were reasonable for all cities, CORE calculated these levels using selected cities. Cities were included in the basic spending "pools" if they provided an adequate level of service (measured differently for each service), if their expenditures were not excessive, and if there were no apparent problems with their spending data that CORE could not correct.

Calculate basic spending levels

Using the workload formulas and adjusted city expenditures, a "simple regression" was applied to each city service. This statistical calculation resulted in a line representing a "basic spending level" for each service. The basic spending level is defined as *a model for the comparison of city expenditures that indicates the*

expenditure amount needed to provide a basic, minimum and adequate level of service for a given workload.

Minnesota city comparisons

With basic spending levels determined, CORE compared adjusted city expenditures with the basic spending level for each city service. Cities were then assigned to a category of spending for each service, depending on the degree to which their own spending was greater or less than the basic spending level. The categories of spending were: "below basic" (more than 10 percent below the basic spending level); "near basic" (within 10 percent above or below the basic spending level); "above basic" (between 10 and 50 percent above the basic spending level); and "well above basic" (more than 50 percent above the basic spending level. The report contains a table with each city's status on six city services.

Conclusion and recommendation

The comparisons that CORE has created are useful, but do not completely explain spending differences. The comparisons do not reveal if a city is efficient, or what causes its spending patterns. The comparisons can, however, identify those areas where citizens might want to initiate discussions about the current spending practices of their city. For example, if a city is "well above basic" spending in several categories, citizens might ask what they are receiving for their tax dollars. Or, if two cities of similar workload spend substantially different amounts, city officials in one might ask those in the other what keeps their spending down.

Because these comparisons are useful in these ways, CORE recommends the following:

> **To enable continuing comparisons, the State of Minnesota should institute an ongoing data-gathering process to collect the information necessary to measure city workloads, based on the concepts of the CORE methodology. Through this process, the state should maintain and publish information that is accessible to all Minnesotans and that they can use for comparing their city with others.**

This recommendation means that the current methods for collecting city financial data would have to be changed, and that the state would have to make a commitment to providing meaningful city comparison information to citizens in a readily understandable format.

INTRODUCTION

Minnesota taxpayers are demanding more accountability from local officials for how tax dollars are spent. For that accountability to be meaningful, citizens need to be able to question and evaluate city spending practices. For worthwhile evaluations, Minnesota taxpayers need accurate and understandable information about how their own city's spending compares with that of other cities.

Information about the amount of money that cities collect and spend is public, and all cities produce an annual financial statement. Cities also report revenues and expenditures to the state auditor. But this information by itself is too limited for comparative evaluations, because it is complex and each city may report this information in a slightly different way. The data as it is currently collected cannot help citizens determine which cities in Minnesota are similar to their own.

CORE's challenges

The charge to CORE was to develop recommendations to enhance the efficiency and effectiveness of Minnesota state government. In fulfilling this charge, the commission developed five key goals: Minnesota state government would be mission driven, oriented toward quality outcomes, efficient, responsive to clients, and respectful of stakeholders.

In CORE's examination of state government, the distribution of the state's general purpose aids to cities — local services funding — emerged as an area in need of reform. The state needs to demonstrate not only that the system is efficient and effective, but that it is equitable as well. The system should also encourage local government efficiency and accountability.

To set a direction for the local services funding project, CORE adopted the following goal:

> *The goal of state aid to cities is to provide basic, minimal support for necessary, adequate, and efficient services to cities whose needs are in excess of their revenue-raising capacity.*

The purpose, then, is to ensure that all Minnesota cities are able to provide at least a minimum package of basic services to their residents. The goal recognizes that cities vary in their ability to pay for these services, and that state aid should be allocated based on cities' needs relative to their ability to raise revenues. The goal also suggests that state aid should not be distributed to pay for non-basic services or for services above and beyond a basic level.

CORE created two major challenges for its work; they are addressed in separately published parts of this report. Part I addresses the challenge to identify a way that basic city needs could be measured. CORE designed a methodology to measure the factors that affect city spending, and through this process, CORE made comparisons of city spending patterns possible. These comparisons by themselves are an important contribution to the ongoing concern about local government spending and accountability. The comparisons give citizens a significant starting point for meaningful dialogue with city officials. For this reason, the comparisons are discussed apart from any consideration of state aid.

In Part II, which addresses the second challenge, CORE examines the ability of cities to raise revenues locally to meet basic needs. Each city's basic revenue-raising capacity, combined with basic spending needs from Part I, is used in Part II to determine the level of support the state needs to provide to cities through general purpose aid.

Standards for comparison

Evaluations are by nature comparative. For example, student grades are determined relative to a set standard or the performance of other students. City spending amounts also must be evaluated relative to some kind of standard.

The desire for city comparisons reflects the need to put spending amounts into perspective. But comparisons can be troubling for city officials. While some of the uneasiness over comparisons may be a reluctance to be held to a standard, more of it stems from uncertainty about the standard to be used. Many city officials would welcome the ability to make *valid* comparisons of their city with others.

Recent comparisons of Minnesota cities have used only one or two characteristics of cities as the means to determine a city's spending level. The most frequently used factor is population. In a recent state auditor's report,[1] cities were ranked on the basis of their per capita expenditures. The Minnesota Taxpayers Association has also compared city per capita spending.[2] Although both studies attempted to group cities according to other characteristics, or to mention that cities differ in ways other than population, the numbers published were strictly per capita comparisons.

---

[1]Office of the State Auditor, *1990 Per Capita Spending of Minnesota's Medium-Sized and Large Cities*, June 1992.

[2]Minnesota Taxpayers Association, *Understanding Your Property Taxes*, 1992.

Problems with per capita analyses

Per capita comparisons are problematic for several reasons:

- Population is only one dimension of a city. Cities are complex conglomerations not just of people, but of industrial, geographic, and socio-economic conditions.

- Population is not always a relevant measure of the need for city services. For example, population is not appropriate as a measure of a city's need for fire suppression and prevention services. A better measure is the number and characteristics of a city's structures. Comparing fire service expenditures based on population may lead to wrong conclusions.

- Many of a city's services are used by non-residents, such as workers and shoppers coming from surrounding communities. City population alone doesn't reflect this additional demand for services.

To adjust for the problems with per capita analyses, some studies combine per capita amounts with city classifications. This combination, however, does not solve comparison problems. In a classification system, cities of similar size, density, growth and so on are assumed to have roughly the same need for services. The difficulty with this assumption is that city classification characteristics create a *very rough* approximation of an individual city's actual need. In addition, because classifications necessarily generalize, differences in per capita spending among the cities within a category tend to be nearly as great as, if not greater than, the differences between the categories. This variation makes it difficult to draw conclusions from the findings, especially when comparisons between categories are being made.

CORE methodology

Some public officials say their cities are too different to be compared. This objection stems primarily from the fact that valid comparisons have not been available before. By taking into account relevant differences among cities, the CORE methodology makes comparisons of Minnesota's diverse cities possible.

The CORE methodology is based on a concept of "basic spending." *Basic spending* is CORE's determination of the amount a city needs to spend to provide a basic, minimum and adequate level of basic city services. Basic city services are defined by CORE as street construction and maintenance, fire protection, police protection, parks and recreation, and general administration. In addition, a city's need for related expenditures including interest expense also is determined.

To arrive at basic spending levels, CORE established "workloads" for each service. *Workloads* are a measurement of the factors that affect the need for spending on a specific city service. Potential workload factors were identified through literature review and discussions with experts. From those factors, CORE identified measurable city characteristics that could be used to quantify a city's workload for the service. These factors also had to be outside the city's control; that is, they could not be dependent upon decisions made by the city. For example, soil type, which affects street construction and maintenance costs, is a factor in the street service workload.

The CORE comparisons do not rank cities on a per-workload spending basis. Instead, by establishing a level of spending that can be considered "basic," CORE has provided a model for the comparison for city expenditures that indicates the expenditure amount needed to provide a basic, minimum and adequate level of service. City spending practices are compared both with "basic" levels of spending on a service-by-service basis, and also with the spending practices of other Minnesota cities. Indicating whether a city's spending is above, at or below basic spending on specific services is a more accurate representation of individual cities' spending practices than a rank for each service. The CORE approach allows evaluation of overall spending patterns while acknowledging each city's uniqueness.

Basic spending uses

CORE has determined city basic spending levels for two purposes:

- As a means for taxpayers and city officials to compare and evaluate their city's spending practices.

- As the means for calculating state general purpose aid amounts. In Part II of this report, basic spending is compared with basic revenue-raising capacity, and the gap between the two is used to determine state aid amounts.

The use of basic spending to determine general purpose aid amounts is not in any way intended to mandate the level of services that cities ***should*** or ***should not*** provide. If a city's basic spending need for fire services is $1 million, nothing suggests that the city must spend $1 million. City officials may choose to spend less, or may choose to spend more. Even though general purpose aid comes from the state, cities should continue to make their own choices about where to use those funds. The state, however, should not be paying for the choice of above-adequate services. Again, this issue is discussed in Part II of this report.

Information gathering

The primary information sources for the CORE local services funding project were surveys of service providers, discussions with experts, and data from the Office of the State Auditor on city expenditures and revenue. The state auditor data base is the only comprehensive source of information on city spending practices.

Discussions with experts ranged from focus groups with fire chiefs to individual interviews with analysts from public policy organizations. In all, more than 300 people participated in the study. For the workload analyses in the section titled "Service Workloads and Basis Spending Levels," additional data was gathered from federal agencies including the Census Bureau and the Bureau of Justice Statistics, and state agencies including the Land Management Information Center, the State Demographer's Office, and the departments of Revenue, Transportation and Finance.

Part II of this report is expected to be available for distribution in January 1994. To receive it, or any of the CORE reports, contact the Department of Administration, Management Analysis Division, 203 Administration Building, 50 Sherburne Ave., St. Paul 55155, telephone (612) 296-7041. TDD relay is (612) 297-5353.

BASIC SPENDING

The CORE definition of "basic spending" is simply *the amount a city needs to spend to provide a basic, minimum and adequate level of service for a given workload.*

A great deal of variation exists in city spending practices. One city may spend more than another for several reasons:

- fundamental and relatively uncontrollable city characteristics that imply the need for more costly methods and technologies or that imply that the city must serve greater needs;
- inefficient resource use;
- demand by citizens for higher quality services or greater amounts of service; and/or
- differences in input prices, such as labor costs.

Cities provide a variety of services. Rather than develop a single measure of city basic spending, CORE designed a methodology that establishes a basic spending level for each of five city services: streets, police, fire, parks and recreation, and general administration. Basic spending is also determined for interest expense and for related expenditures that do not fit properly into any of the defined categories.

The effect of establishing a basic spending level for each of the five major services is to account for characteristics outside a city's control. This makes it possible for cities to be compared. Differences in spending can then be attributed to factors that *are* within a city's control.

The CORE analysis of basic spending included only those Minnesota cities with a population of 2,500 or greater. This is because only cities of 2,500 or more population are required by the state auditor to use generally accepted accounting principles. Because of this, the accounting practices of cities smaller than 2,500 can vary greatly, making it impossible to compare their financial data.

Services cities provide

All cities of more than 2,500 population provide ***street, police, fire,*** and ***parks and recreation*** services, either directly or by contract. Cities also incur costs for administration (for example, the mayor, city council, and the city manager) and for

interest on long-term debt. These are the spending categories that were included in the analysis of basic spending.

The following city services were *not* included in the determination of basic spending levels: airports, ambulances, economic development, garbage collection, health programs, housing redevelopment, libraries, and transit systems. Not all cities offer these services, and some cities operate them as enterprises (meaning they are self-supporting and do not use general fund revenues). Sometimes these services are supported primarily with federal or state categorical funds, or they may be provided by the county. More detail on the excluded services is offered in Appendix D.

Measuring city expenditures

The first step toward determining basic spending levels was to construct an accurate measure of city spending for each of the five services. The annual city expenditures reported to the state auditor are placed in a number of categories; not all cities, however, report spending in the same categories or in the same way. Building inspector costs, for example, might be recorded under "other public safety," "general government - other," or "other" expenditures.

1990 data

When the CORE analysis began, 1990 was the most current year of data available from the state auditor. Although 1991 data became available during the course of the project, CORE had already collected additional 1990 information to adjust the state auditor's data. In addition, 1990 was the most current year for many of the factors used in the workloads.

Types of city funds

Under generally accepted accounting principles, city expenditures are organized into two major types of funds: the *governmental fund* and *enterprise funds*.

- The *governmental fund* is primarily used to account for spending on general purpose activities such as streets, parks, police, fire, and general administration. Revenues into this fund come from local taxes, state aid, fees, charges, and grants.

- *Enterprise funds* are set up for specific services. These services are intended to be self-supporting, operating entirely by fee-generated revenues.

Only *governmental* fund expenditures are included in the analysis of basic spending, because enterprise operations are expected to be self-supporting. Expenditures and revenues from enterprise funds are not added to governmental fund expenditures and revenues. Although profits from enterprise funds may in some cases offset governmental fund expenditures, these profits are revenues rather than expenditure reductions. The situation in which a city's enterprise funds produce a regular loss is one that should concern taxpayers, but these losses should be treated in a different forum, perhaps by "truth-in-taxation" reports.

Contracts for service

Some cities provide services to or purchase services from other entities. If cities were reimbursed for providing any of the five services to another entity, CORE subtracted the contract revenues from the expenditures of the city providing the service. The purpose of the subtraction was to exclude expenditures that are not real costs to the city, because they are reimbursed. If contract costs were included, the city's expenditures would appear inflated.

Capital consumption

In addition to current expenditures, the CORE methodology accounts for the value of capital such as buildings and equipment that is consumed during the year. The addition of capital outlay to city expenditures is difficult, however, because city governments neither account for capital consumption using a depreciation account nor produce consistent balance sheets showing asset values by service. Furthermore, state auditor reports do not show what portion of yearly capital purchases are financed by debt and what portion are purchased by cash. Nor do the state auditor's reports show principal and interest payments by service (though they do show capital purchases by service).

As an estimate of annual capital consumption, an eight-year average of capital outlay[3] is added to the expenditure measure for each service. In addition, a separate basic spending level is developed for total interest payments.

Yearly capital outlays are not a good approximation of capital consumption because capital outlay can vary significantly from year to year, especially for smaller cities. Average capital outlays will approximate capital consumption well if the time span chosen is close to the average life span of capital and if the city's characteristics do not change substantially. Although an eight-year average of capital consumption is a

[3]Capital outlays are converted to 1990 dollar equivalents before being averaged over the years 1984-1991, using the implicit price deflator for Gross Domestic Product, State and Local Government Purchases. To calculate the figures in 1990 dollars, current year figures are divided by their price deflator. See Appendix B.

reasonable solution in the absence of depreciation accounts and balance sheets, some very large purchases such as buildings occur less frequently than once in eight years. Capital costs could therefore be over- or under-estimated by using the eight-year average, depending on whether the individual city made any large, once-in-15-years capital purchases in the last eight years. CORE ideally would have used a 15-year average of capital outlay, but only eight years of data is available from the State Auditor's Office.

Labor cost adjustments

One reason for variation in city spending is the wage rates paid to city employees. In some areas, average wages are higher in all industries because of prevailing economic conditions. Cities in these areas need to pay higher wages to retain good staff. Accordingly, the analysis adjusts city costs to correct for wage rate conditions that are outside the control of city managers.

The labor cost adjustment affects some services more than others, because some city services are more heavily dependent upon labor. Appendix B provides more detail.

Workloads

Once city expenditures are measured, they can be compared with the factors that affect spending in each of the five major service categories. The pattern of the relationship between city expenditures and the factors that contribute to spending indicates a general level of spending necessary to provide each service at a basic, minimum, adequate level.

The process of determining workloads began with a literature review and discussions with experts to identify the factors that contribute to spending for each major city service. CORE then determined which of the factors were measurable as well as outside a city's control (that is, not influenced by city decisions). The factors, when combined, constitute a city's workload for the service.

Workload, then, is a measurement of the factors that can affect the need for spending on a specific city service. For example, according to fire experts, a city's need for fire services is affected primarily by the amount and types of property within its boundaries, the age of its buildings, and its traffic volume (which affects the frequency of vehicle fires). To measure property types, CORE used major property classifications, weighted by the relative frequency of fires and the difficulty of putting out fires for each property type. To measure the age of structures, the analysis used the median year that residences were constructed in the city. And to measure the traffic level, the analysis used Department of Transportation traffic volume counts.

Factors like these were identified and measured for each of the service categories.

Adequacy

The limitations of time and data prevented CORE from establishing "true" costs for each service. Instead, CORE based the determination of basic spending on actual city spending patterns. Not all cities with a population of 2,500 or more, however, were included in this determination. If all had been included, the results likely would not reflect "basic" spending, but instead would be too high or too low.

For example, some cities have unusually high expenditures compared with their workloads. Although there may be specific reasons for this, their spending is not "basic." Including these cities would have raised basic spending levels. Likewise, some cities provide less-than-basic services, or do not pay the full cost of the services provided to their citizens by other entities. For example, in some cities the county covers for the police department during the night, without charge. These cities spend less than most other cities, and including them would have lowered basic spending levels.

To ensure that each basic spending level was not being biased by these kinds of cases, each service workload includes an approximation of service ***adequacy***. The concept of adequacy was used to exclude from the determination of basic spending those cities that appear to not provide a basic level of service as well as cities that appear to provide well-above-basic services.

For each major city service, the determination of adequate service levels took a different form. For fire, clear measures of adequacy were available (*see the next section*). Neither streets nor police had true adequacy measures available, but cities were excluded from the determination of basic spending if they did not provide the same level of service as most cities (for example, police departments that provided less than 24-hour coverage). An "input" measure was used for parks and recreation as an indicator of adequacy (the number of acres maintained for active use). No measure of adequacy was available for general administration or for related expenditures.

For all included services, cities with expenditures more than 50 percent above the overall average city spending level were excluded from the determination of basic spending. In addition, Minneapolis and St. Paul were excluded from the determination of basic spending because of their size. Expenditures of the cities that remained were used to determine a basic spending level for each major city service.

Interest expense

In addition to current service expenses, cities have capital outlay expenses for which they have borrowed funds. To supply basic services cities often need to make significant purchases in one year that will provide benefits for future years. The high cost

of some capital outlays and the long time over which their benefits are realized make debt financing both necessary and prudent. For example, a city may need to build a new facility or purchase a fire truck. These purchases will provide benefits over a number of years. Debt financing matches the costs to the benefits. Debt financing also stabilizes the revenue needs of a city by supplementing traditional revenue sources in years of significant capital outlays. A factor for interest expense was added to the sum of the basic spending calculations.

Basic spending summary

The city expenditures used to determine basic spending levels are:

- Current expenditures less contract revenues
- Eight-year average of capital outlay
- Labor cost adjustment

The total basic spending level is the sum of:

street basic spending level +
police basic spending level +
fire basic spending level +
parks and recreation basic spending level +
general administration basic spending level +
related expenditures basic spending level +
interest expense.

The workload and the basic spending level for each service are explained in the following section.

SERVICE WORKLOADS and BASIC SPENDING LEVELS

This section describes how basic spending levels were established for five major city services — streets, police, fire, parks and recreation, and general administration — as well as for a category of related service expenditures. A method also is described for determining a city's basic interest expense.

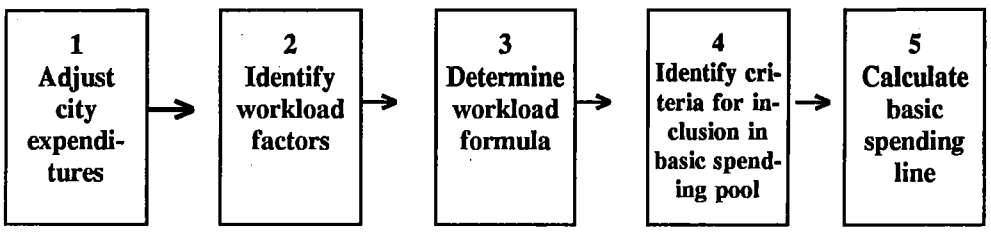
The determination of basic spending for each category follows a set pattern:

- measurement of adjusted city expenditures for a service;
- identification of the factors that contribute to spending for the service;
- estimates of the relative importance of each factor for spending;
- identification of criteria for including cities in the "pool" for determining a basic spending level; and
- calculation of the basic spending level, using regression techniques.

The final step utilizes a graph of the basic spending level. For each service, the basic spending formula is created with two parts; both are calculated through regression analysis. The first part is a number that stands alone, called the "intercept." It is the point at which the graph's basic spending line crosses the vertical axis. The intercept may be considered to roughly represent "fixed," or "overhead" costs. For example, in the street service analysis, $155,618 represents the spending a city would incur simply to have street service available, even if the city has no workload.

The formula's second part is a number, called the "slope," that is multiplied by the city's workload. It represents the spending need per unit of workload. That is, for street service, as a city's workload increases by one unit, the city's spending need increases by $21.82.

Figure 1. Basic spending methodology



Street services

Minnesota cities spend more on streets than on any other expenditure category. In 1990, the 181 cities of more than 2,500 population spent nearly $359 million on streets, or 26.5 percent of their total spending.

According to 1993 figures, there are 133,094 miles of two-way roadways in the state. Included in this total are 14,156 miles of municipal streets and 2,082 miles of municipal state aid roadways that are owned by the cities and partially subsidized by the state through categorical aid distributed by the state Department of Transportation (MnDOT).

Cities are responsible for construction and maintenance of municipal streets and municipal state aid roadways. Cities clean streets, remove snow, and provide lighting. Often a city's street services are housed in a public works department. City engineers are usually responsible for designing and planning new city streets or repairing existing streets.

Occasionally cities are responsible for maintaining county or state trunk highways within their borders. Cities have different types of agreements with these other governments. Some cities receive regular funds from the county or state for maintenance, snow removal, and cleaning of non-city streets. Capital projects on county or state highways can be negotiated on a project-by-project basis, so reimbursement varies from year to year. Where data was available, contract revenues for services on non-city streets were subtracted from a city's street expenditures.

The expenditures used for determining the street service spending level include 1990 spending for street maintenance, snow removal, street engineering, street lighting, street cleaning, and an eight-year average of street construction and other capital outlays.

Workload

According to transportation experts, the relative costs for street service are determined primarily by three factors:

- the size of the street system;
- the use of the system, that is, the demand for street construction and maintenance; and
- construction and maintenance costs.

To capture these costs, the workload for streets is made up of two components: traffic volume, which is a measure both of size and use, and soil type, which affects construction costs.

Equation for street services workload formula:

$$(\textit{traffic volume})(1 + \textit{soil weight})$$

Traffic volume. Traffic volume is a measure of both demand and the relative size of the street system. Transportation experts think of streets as consumable goods. Each trip on the surface contributes to the gradual destruction of the roadway.

The best information available on traffic volume is a measurement called "total vehicle miles." Total vehicle miles is essentially a count of the number of cars that travel on a city's streets per year. This workload analysis uses average vehicle miles per day for city-owned streets only. Traffic on county or state trunk highways within a city is not included because other levels of government have the primary responsibility for these roads and should be reimbursing cities for any services they provide on these roads. Heavy commercial vehicles place additional demands on roadways, but they are not given special consideration because they represent only 2 percent of all traffic on city-owned streets.

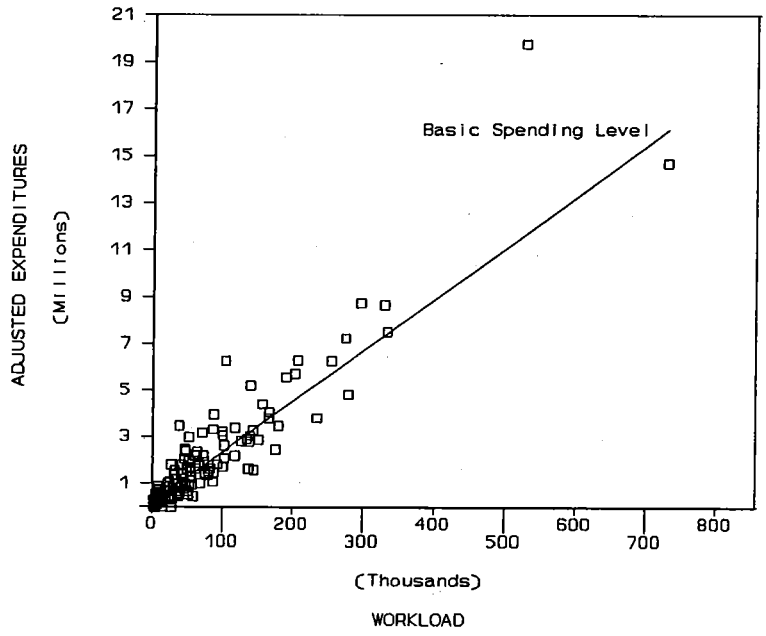
Traffic volume is an appropriate measure of the cost for street service because it is a factor outside the control of city officials. The way that traffic volume is measured ensures that the data reflects current needs rather than past decisions. A street that is not used will not contribute to the city's workload. Because it measures the actual use of city streets, volume captures the demand for streets of city residents as well as visitors to the city.

Soil Type. Different types of soil present different challenges, and costs, for road construction. MnDOT has identified four basic soil types in Minnesota, designated as soil types 50, 75, 100, and 130. Soil type 50 is less expensive to pave than soil type 130. The soil portion of the streets workload gives additional spending need to cities with a poorer quality of soil. Appendix B includes a more detailed description of how the soil index was calculated.

Adequacy

As explained in the previous section, adequacy data was used to exclude from the determination of basic spending those cities that appear to not provide a basic level of service as well as cities that appear to provide well-above-basic services. Adequacy data for city-owned streets is not uniformly available. Adequacy measurements such as pavement condition ratings or congestion that were used in the state auditor's

Figure 2. Basic spending level for street services



1993 report on streets and highways[4] are available only for arterial and collector roads, not for local roads. Ninety percent of city-maintained streets are local roads. New federal legislation (the Intermodal Surface Transportation Efficiency Act) requires cities to have a pavement management system that entails keeping road condition ratings. Once these systems are in place, uniform performance data for city streets will be available.

As a substitute for adequacy, the proportion of a city's street expenditures that was spent on construction was analyzed. Cities whose eight-year average of capital outlays for construction was less than 10 percent of their total street expenditures were removed from the basic spending pool. This assumes that cities should spend an average of at least 10 percent of their street expenditures on construction and that cities with less than this level of construction likely are not doing enough to maintain their roads.

Basic spending

The street basic spending level was determined with data from 121 cities. Excluded from the pool were 20 cities due to accounting problems, 17 cities because capital outlays for construction were less than 10 percent, and 21 cities because of high

[4]Office of the State Auditor, *What Is Minnesota Getting for Its Tax Dollars? Streets and Highways*, July 1, 1993.

expenditures. In addition, Minneapolis and St. Paul were excluded because their size resulted in an inordinate influence on the regression analysis. Explanations of the problems related to data and high expenditures, as well as the size of the two largest cities, are found in Appendix E.

The basic spending formula for street services is:

BASIC SPENDING LEVEL FOR STREETS = $155,618 + $21.82 (WORKLOAD)

All cities are credited with $155,618 in fixed spending need as well as $21.82 for each additional unit of workload (traffic volume and soil type). In Figure 2, each small box represents a city's 1990 adjusted street expenditures, and the line represents the basic spending level.

Police services

Police expenditures are 20.3 percent of all major service expenditures for Minnesota cities of more than 2,500 population, or $275 million in 1990. The responsibilities of city police fall into two broad categories: crime control and non-crime services. Although crime control is generally assumed to be the primary function of city police, the majority of police work is in non-crime areas.

Crime control activities include making arrests, conducting searches, and investigation. Non-crime activities include writing traffic tickets, calling for an ambulance or fire truck, directing traffic, and responding to requests for information.

Policing is a very labor-intensive activity. Roughly two-thirds of a police budget is spent on wages and salaries.

Workload

According to police and criminal justice experts, a city's need for police is determined primarily by the characteristics of its population. Population as a measure of workload has two components:

- the city's population, with different segments given more importance according to demographic characteristics (age, gender, household type); and
- additional population that comes into the city (workers, shoppers, tourists).

Equation for police services workload formula:

$$\left[\begin{array}{l} (0.34)(\textit{children aged } 0\text{-}11) \\ + (2.58)(\textit{males aged } 12\text{-}24) \\ + (1.95)(\textit{females aged } 12\text{-}24) \\ + (1.00)(\textit{males over age } 24) \\ + (0.83)(\textit{females over age } 24) \\ + (0.60)(\textit{persons in female-headed households}) \\ + (0.22)(\textit{workers}) \end{array}\right] (1 + \textit{retail} + \textit{lodging})$$

City population. The primary determinant of the size of a police department's workload is the size of the city's population. The more people in a city, the greater the need for police.

Rather than using simple population, however, each city's total 1990 population was adjusted to reflect the relevant characteristics of the population. National victimization data clearly indicates that there is variation in the rate of victimization among different population groups. For example, young people are victims more often than older people, and males are victims more often than females. An increased likelihood of victimization means an increased need for police services.[5] Members of female-headed households also are more often victims than members of other households, thus requiring more police services. The higher victimization of female-headed households is at least in part due to factors such as poverty that are associated with an increased need for police services. Large cities with an older central core (Minneapolis, St. Paul and Duluth) also have higher victimization rates. The characteristics used to adjust a city's population were age (0-11, 12-24, and over 24), males/females, and female-headed households. Appendix B includes an explanation of how weights were calculated.

Population draw. Police departments provide services to all people within their jurisdiction, whether or not those people are city residents. The more non-residents that come into a city, the greater the number of people that could require city police services. In addition, population draw results in increased traffic congestion and traffic accidents, also resulting in greater demand for police services.

Actual population draw data for each city is not currently available. To estimate the number of people entering a city temporarily, CORE used three indicators:

[5]The reasons for using victimization rates rather than crime data for determining police workload are: 1, police serve victims, not criminals; and 2, victimization data is less subject to manipulation or reporting variations than crime statistics, yet reflects similar patterns.

- *Workers:* Cities surrounded by "bedroom" communities often experience an influx of non-resident workers. The number of non-resident workers coming into each city was calculated using data from the census, and added to a city's population.

- *Retail sales:* Some cities attract many non-residents because they have a larger retail base than surrounding communities. The additional workload caused by shoppers is measured by examining how much greater each city's retail sales are than would be expected for a city of its size.

- *Lodging sales:* Many cities in Minnesota attract tourists, but tourism as a factor is only in part captured by the measure for retail sales. No actual count of tourists is available for cities. As a proxy for tourism, therefore, additional workload is given to each city with lodging receipts greater than would be expected for a city of its size.

Adequacy

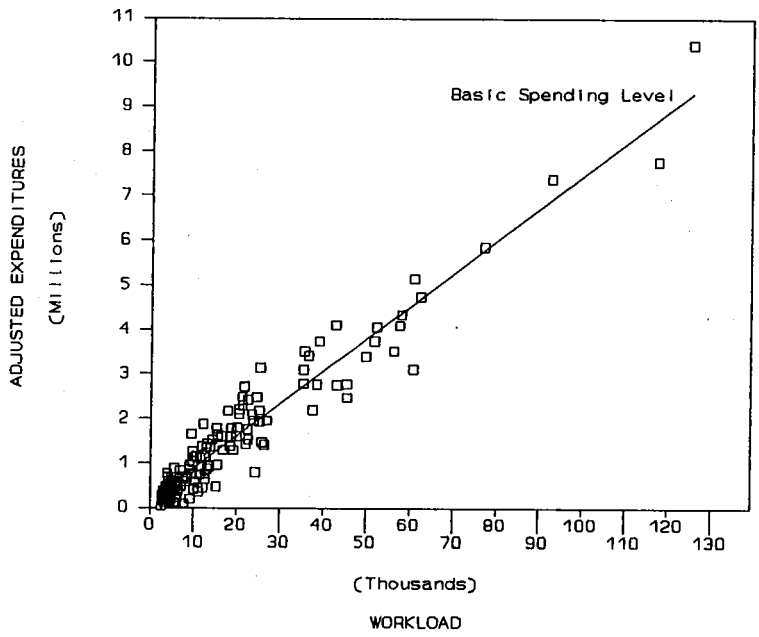
Little agreement exists among police experts on a reliable way to assess the performance of police services. Measures often used by individual city police departments to gauge their own success include clearance rates and response time.

Clearance rate refers to the number of cases that were either solved through an arrest or closed through some exceptional situation. The clearance rate, like crime rate data, is subject to a great deal of variability as a result of different agency practices and reporting procedures, and thus cannot be used for comparisons across city police departments.

Response time refers to the length of time between reporting of a crime and arrival of the police. Serious concern has been raised about the value of a rapid response. Some researchers have found that police response time has little impact on crime outcomes. In addition, many police departments do not collect response time data.

The only indicator of adequacy available for police services was coverage. Not all Minnesota cities provide 24-hour police coverage. In some cities, the county provides police services to the city under contract. In other situations, the county covers for the police department for a specific time, usually during the night. Police experts indicated that cities do not bear the full cost of the county sheriffs' services. These cities' spending thus does not reflect the true cost of providing police services to their residents and they were excluded from the determination of basic spending. More research should be conducted in the future so that adequacy for police services can focus more on outcomes than inputs.

Figure 3. Basic spending level for police services



Basic spending

Basic spending for police was determined using 121 cities. Excluded from the pool were 22 cities due to accounting problems, 18 cities because they contracted with the county sheriff, 11 cities because they do not have 24-hour police services (making comparisons with 24-hour departments inequitable), and six cities because of high expenditures. In addition, Minneapolis and St. Paul were excluded because of their size.

BASIC SPENDING LEVEL FOR POLICE = $171,623 + $72.83 (WORKLOAD)

All cities were allotted $171,623 in fixed spending need for police services. In addition, cities receive $72.83 for each additional unit of workload (weighted city population plus influx). Figure 3 shows the basic spending level for city police services.

Fire services

Fire prevention and suppression expenditures account for 10 percent of all major service expenditures for Minnesota cities of more than 2,500 population, or $132 million in 1990. City fire departments provide a number of fire-related services,

including fire suppression, code enforcement, hazardous materials leaks and spills response, and prevention and education activities.

Spending varies between cities as a result of differing service needs and priorities. One significant reason for the variation in costs is the use of paid rather than volunteer firefighters. In Minnesota, 11 fire departments have all paid staff, and another 36 have one or more paid staff. The remaining departments are all-volunteer. The expenditures of cities with paid departments are consistently higher than the expenditures of cities with volunteer departments.

Workload

According to fire experts, a city's need for fire protection is determined primarily by three factors:

- the amount and type of property within its boundaries;
- the age of the city's buildings; and
- traffic volume.

Equation for fire services workload formula:

$$\left[\begin{array}{l} (1.0)(1.2065)(\textit{residential units}) \\ + (2.0)(1.1068)(\textit{commercial units}) \\ + (2.0)(0.8262)(\textit{hazardous materials})(\textit{industrial units}) \\ + (1.5)(0.4721)(\textit{institutional units}) \\ + (1.0)(0.3119)(\textit{other buildings}) \end{array}\right] (1 + \textit{age} + \textit{traffic volume})$$

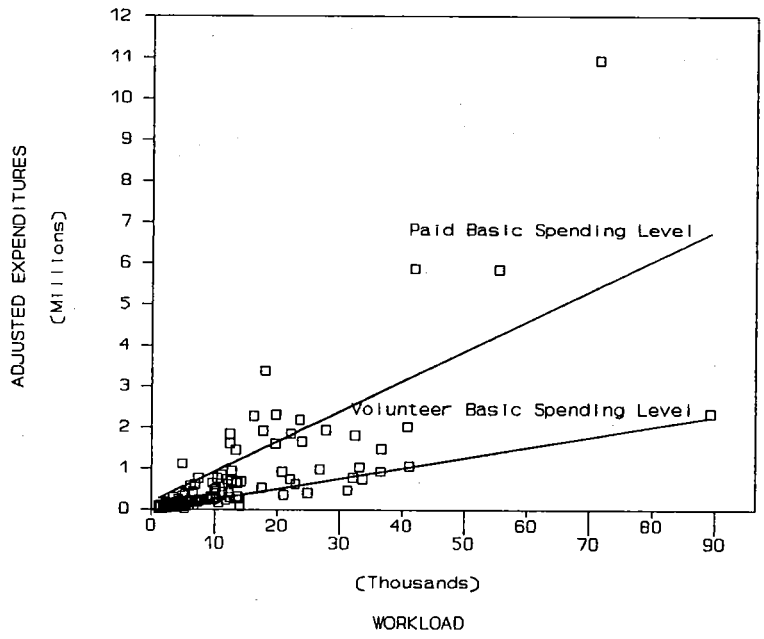
Property type. The cost of fire protection services is directly related to the number and types of structures protected by the fire department. Five categories of property were defined using major property classifications: residential, commercial, industrial, institutional (such as schools), and other.

Age of structures. Older buildings are a greater fire risk than newer buildings. Older buildings are constructed of more flammable materials and are less likely to have sprinkler systems.

Traffic volume. More than 20 percent of all fires in Minnesota occur in vehicles. Cities that have more traffic are more likely to have fires.

Paid vs. volunteer fire departments. In Minnesota, 11 cities have a full-time paid fire department, 30 have a combination of paid and volunteer firefighters, six have a paid

Figure 4. Basic spending level for fire services



fire chief leading an all-volunteer fire department, and 132 have all volunteers.

Cities with a paid fire department almost invariably have substantially higher spending than cities of similar workload that have a volunteer fire department. Based on discussions with fire experts and comparisons of cities with similar workloads, CORE determined that all cities — with the exception of Minneapolis, St. Paul, Duluth, and Rochester — *could* provide adequate fire services with a volunteer or near-volunteer fire department. For example, Bloomington is the state's third largest city and has a near-volunteer fire department.

The basic spending level for fire services, therefore, was calculated twice: once for all cities but the four named above, using spending data only on volunteer and near-volunteer fire departments; and once for the four cities, using only spending data on paid fire departments.

Adequacy

Two criteria were used to assess the performance of fire services. The first is a rating by the Insurance Service Office (ISO), a nationwide nonprofit organization serving the property and casualty insurance industry. The ISO rating is based on an evaluation of each city's fire department, fire alarm system, and water supply. The ISO rates fire departments on a scale of 1 to 10, where the best rating is a 1. Cities that received

an ISO rating of 6 to 10 were excluded when basic spending was determined.[6]

The second criterion, fire loss, measures the extent of property damage caused by a fire. The dollar value of fire loss is an appropriate measure of performance because it is a central mission of fire departments to minimize economic losses due to fire. Cities with an adjusted fire loss greater than $100 per workload were excluded when basic spending was determined.

Fire experts assert that fire loss data is of varying quality. Individual departments are given a great deal of discretion in determining how to report losses and firefighters are not usually trained to estimate losses. In addition, a single fire with extensive losses could seriously skew the data. Therefore, city fire losses were averaged over four years and adjusted to account for a city's median house value.

These two adequacy criteria provide a rough assessment of a city's fire suppression capabilities. In the future, additional measures should be developed that will better evaluate a city's fire prevention activities and fire suppression performance.

Basic spending

Basic spending for volunteer fire departments was determined using 35 cities. Of all Minnesota cities with a population of more than 2,500 and with volunteer fire departments, 144 were excluded: 37 because they had some paid staff, 15 due to accounting problems, 6 because they do not separate ambulance and fire expenditures, 28 because they had high fire losses or did not report their fire losses, 52 because of high ISO ratings, and 6 because of high expenditures.

Basic spending for paid fire departments was determined using 18 cities. Of all Minnesota cities of more than 2,500 with paid fire departments, 18 were excluded: four because of accounting problems, six because they do not separate ambulance and fire expenditures (including St. Paul), two because they had high fire losses or did not report their fire losses, three because of high ISO ratings, and three because of high expenditures.

BASIC SPENDING LEVELS FOR:

VOLUNTEER FIRE DEPARTMENTS = $3,856 + $25.06 (WORKLOAD)

PAID FIRE DEPARTMENTS = $194,907 + $73.24 (WORKLOAD)

Figure 4 shows basic spending levels for both cities with paid and with volunteer fire departments. Most cities were allotted $25.06 for each additional unit of workload

[6]More than half of all cities of more than 2,500 population have an ISO rating of 5 or less.

(type of structures, age, and traffic volume). In addition, those cities were allotted $3,856 in fixed spending need for fire protection services. The four cities who need paid departments (Minneapolis, St. Paul, Duluth and Rochester) were allotted $194,907 in fixed spending need plus $73.24 for each additional workload.

Parks and recreation services

Parks and recreation services account for 14 percent of all major service expenditures for Minnesota cities of more than 2,500 population, or $189.5 million in 1990. Parks and recreation services include expenditures for the development and maintenance of park land and the provision of recreational activities.

Parks and recreation expenditures vary greatly among cities. One reason for this variation is the amount of recreational programming offered. Large cities often provide more programs to meet the demands of a diverse population. In addition, some cities pay less for recreational programs because the cost is subsidized or provided by community education programs or private associations. Variation also occurs because some cities use enterprise funds to pay for park services. Enterprise funds are not included in the determination of a city's expenditures.

Workload

Parks and recreation experts indicated that a city's need for parks and recreation is determined primarily by three characteristics:

- the number of city residents (population);
- the income level of city residents (impoverished persons); and
- the number of non-residents attracted to the city's parks (population draw).

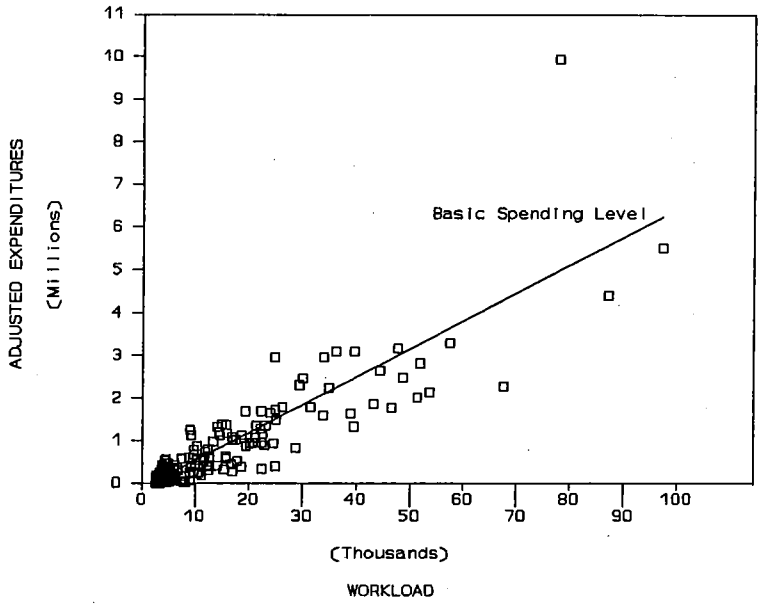
Equation for parks and recreation services workload formula:

$$(population) + (0.25)(impoverished persons) + (population\ draw)$$

Population. Parks serve people. Underlying the provision of recreational facilities and programs is a social value that all people deserve free access to a little bit of the outdoors. The primary factor influencing a city's demand for parks and recreation services, therefore, is its population. The more people in a city, the greater the need for parks and recreation services.

Impoverished persons. Park providers repeatedly stated that the highest priority of public parks is to serve the poor. Impoverished people have less access to privately

Figure 5. Basic spending level for parks and recreation services



provided recreation, and thus have greater demand for public parks. In addition, some cities are expanding recreational programs for youth with the intent of decreasing crime.

Population draw. Both city residents and people living outside the city boundaries use a city's park. The more that non-residents come into a city, the greater the cost of providing parks and recreation services. When not in their home cities, people are more likely to use parks and recreational services close to where they shop or conduct business. CORE gave additional workload to cities with a large variety of retail and wholesale businesses serving a regional population.[7]

Adequacy

An assessment of city parks and recreation services should evaluate the quantity of park facilities, the quality of maintenance, and the quantity and quality of programming. But consistent data is available for only one aspect of performance: the number of park acres maintained by a city.

Cities were considered adequate and included in the determination of basic spending if they maintained at least as much acreage as recommended by the National Parks

[7]These cities were identified using Thomas Anding's classification of cities. More information on this taxonomy is included in Appendix B.

and Recreation Association. The association has developed and published standards on facility quantity and maintenance quality.

Basic spending

Basic spending for parks and recreation services was determined using 73 cities. Excluded were 27 cities due to accounting problems, 19 cities because they do not account for all park maintenance in their parks and recreation expenditures, 41 cities because they maintain less acreage than recommended in the national standards, and 19 cities because of high expenditures. In addition, Minneapolis and St. Paul were excluded because of their size.

BASIC SPENDING LEVEL FOR PARKS = $27,317 + $51.23 (WORKLOAD)

All cities were allotted $27,317 in fixed spending need for park services. In addition, cities are allotted $51.23 for each additional unit of workload (population, poverty, population draw). Figure 5 on the previous page shows the basic spending level for city parks and recreation services.

General administration services

General administration accounts for 16.3 percent of all city spending. Total expenditures in 1990 for cities of more than 2,500 population were $221 million.

General administration is made up of three expenditure categories plus capital outlay:

- **Mayor and city council.** This includes the city council, its committees, and the mayor, and represents 9 percent of general administration expenditures.

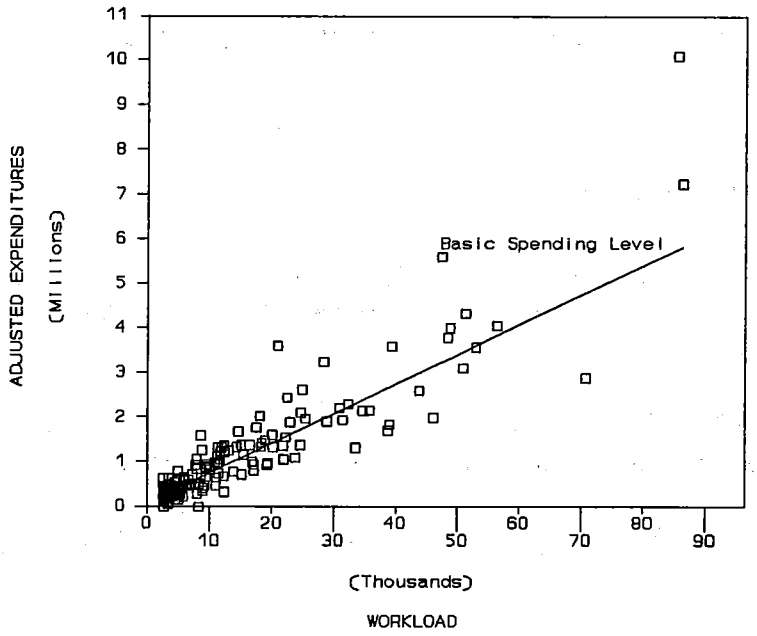
- **Administration and finance.** This includes staff agencies performing financial management and administrative functions for the city government, and represents about 34 percent of general administration expenditures.

- **General government - other.** This includes miscellaneous items such as city hall, elections, assessing, audit, and legal services, and represents more than half of general administration expenditures.

Workload

CORE used total population as the measure of workload for the general administration category. Population affects spending on general administration by adding complexity. In general, the larger the city, the more complex it will be to administer, creating a need for greater specialization (that is, more separate departments). In addition, larger

Figure 6. Basic spending level for general administration services



cities are more likely to provide their own services, as well as services to surrounding communities. Smaller cities may contract with larger cities or outside entities to provide some administrative services, lessening their own administrative functions.

Equation for general administration workload formula:

$$\textit{Workload} = \textit{Population}$$

Adequacy

Beyond spending criteria, no adequacy measures are available for a city's general administration. In the future, performance measures should be developed to assess city management effectiveness.

Basic spending

Basic spending for general administration was determined using 146 cities. Excluded were 20 cities due to accounting problems, 14 cities due to high expenditures, and Minneapolis and St. Paul because of their size.

BASIC SPENDING LEVEL FOR GENERAL ADMINISTRATION = $99,851 + $66.38 (WORKLOAD)

All cities were allotted $99,851 in fixed spending need for general administration services. In addition, cities were allotted $66.38 for each additional unit of workload (population). Figure 6 on the previous page shows the basic spending level for general administration.

Related expenditures

The related expenditures category accounts for 13 percent of city expenditures, or $177 million in 1990. The category combines the following line items from the state auditor's report:

- **Other public safety.** This includes expenditures for activities such as animal control, acquisition and maintenance of public scales, and flood control.
- **Other sanitation.** This includes weed and pest control and recycling expenditures.
- **Other expenditures.** This category is also called "all other current expenditures" or "miscellaneous" and includes anything that does not clearly fit into any other category.

Although the title "related expenditures" may suggest that this category encompasses all city spending except streets, police, fire, parks and recreation, and general administration, this is not the case. The category does *not* include enterprise funds or the excluded spending categories described in the "Basic Spending" section.

Workload

Because of the miscellaneous nature of this category, CORE used total population as the measure of city workload for related expenditures. Spending for each of the areas included in the related expenditures category increases as cities grow: A larger city provides services to a relatively larger geographical region and to more people.

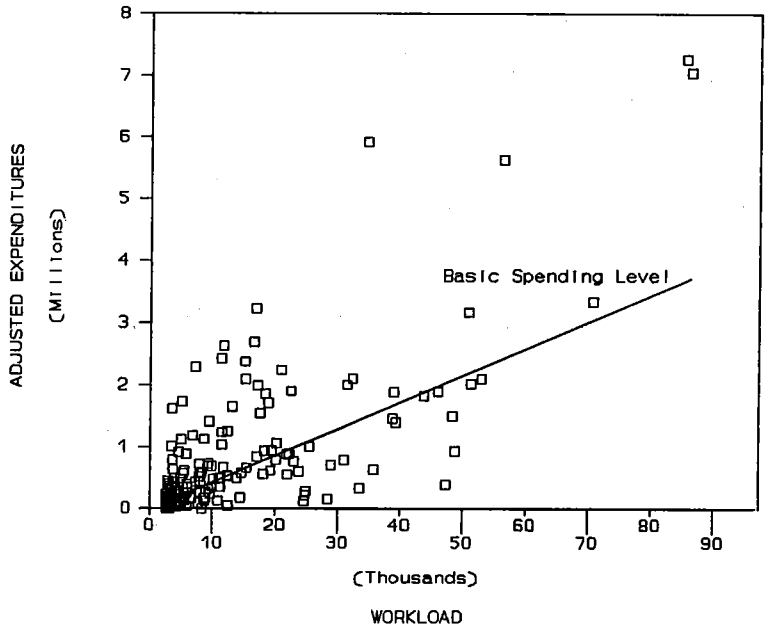
Equation for related expenditures workload formula:

$$Workload = Population$$

Adequacy

Beyond spending criteria, no adequacy measures are available to evaluate a category as diverse as related expenditures.

Figure 7. Basic spending level for related expenditures



Basic spending

The basic spending level for related expenditures was determined using 117 cities. Excluded were 22 cities because of accounting problems, 8 cities because they reported negative expenditures on one or more of the three categories on Page 30, and 34 cities because of high expenditures.

BASIC SPENDING LEVEL FOR RELATED EXPENDITURES = $0.00 + $42.89 (WORKLOAD)

All cities were allotted $42.89 for each unit of workload (population). Figure 7 shows the basic spending level for related expenditures.

Interest expenditures

Cities often incur debt to finance major capital purchases. The interest that cities pay on their outstanding long-term debt is a significant expense. Cities borrow money to buy equipment and to construct streets and buildings for two reasons:

- Borrowing to finance capital outlays stabilizes the revenue requirements of a city. When a large capital outlay must be made, a city can borrow the necessary funds instead of greatly increasing taxes for one year.

- The repayment of borrowed funds matches the cost of a project with the benefits the project produces. Unlike current expenditures, the useful life of a capital outlay lasts beyond one year. The costs of the capital outlay, in the form of debt repayment, are also extended over a number of years.

Minnesota cities of more than 2,500 population had $4.3 billion in outstanding debt that funded their governmental and enterprise activities at the end of 1990. Of that total, $4.1 billion (94 percent) was in long-term bonds.

The determination of basic spending for each service includes 1990 current expenditures plus an eight-year average of capital outlays. This means that the determination of the basic spending level for each service includes the *principal costs* of capital outlays, but not the *interest costs* from capital outlays that were financed through debt.

Because cities do incur debt to provide services, they have an additional expense that must be accounted for on the expenditure side of the general purpose aid formula. For this reason, CORE added an equation to include the expense incurred by a city to pay interest on general purpose debt.[8]

Basic interest expense

Interest expense for a city was estimated in two steps. The first step was to divide each city's total 1990 interest payments on general purpose debt by its total 1990 spending. Total spending equals total current expenditures plus an eight-year average capital outlay,[9] not including interest expense. This comparison yields the ratio of interest expense to total spending on services for each city.

City ratio of interest expense to total expenditures:[10]

$$\frac{\textit{total 1990 interest payments on general purpose debt}}{\textit{total 1990 current expenditures + 8-year average capital outlay}}$$

To arrive at basic interest expense, CORE selected the ratio of interest expense to

[8]General purpose debt is defined in this analysis as the debt that is repaid solely by the general property tax levy or special assessments. General purpose debt does not include debt that is either partially or fully repaid by tax increment receipts or revenues from city-operated enterprises.

[9]1990 total current expenditures and the eight-year average exclude expenditures associated with economic development, housing redevelopment authorities, and capital outlays for enterprise funds.

[10]Appendix B includes a description of the adjustments that were made to actual interest payments before calculating the ratio.

total expenditures in such a way that half of all cities had a proportion greater than this amount, and half had lower.[11] This median amount for 1990 is 5.5 percent. In other words, the basic interest expense of a typical city is 5.5 percent of its total expenditures.

The second step was to multiply the median percent of expenditures due to interest by the total basic spending level of a city. (The total basic spending level of a city is the sum of all the individual service basic spending levels, as determined by the work-load formulas described earlier in this section.) The resulting number is the current interest expense of the city.

The formula for interest expense is:

$$INTEREST\ EXPENSE = i \left[\begin{array}{l} streets\ basic\ spending\ level \\ + police\ basic\ spending\ level \\ + fire\ basic\ spending\ level \\ + parks\ basic\ spending\ level \\ + general\ administration\ basic\ spending\ level \\ + related\ expenditures\ basic\ spending\ level \end{array} \right]$$

where i is the median percent of interest expense on general purpose debt out of total current and capital outlays, as described above. The value of i for 1990 is 5.5 percent.

Adequacy

Adequacy was not a criteria in the determination of interest expense. Ten cities were excluded from the interest expense calculation, however, because of accounting problems. These cities were also excluded from the determination of basic spending levels. Minneapolis and St. Paul were excluded from both determinations because of their size.

Basic spending

CORE calculated the total 1990 basic interest expense for cities of 2,500 or more population as $96.9 million.

[11]CORE chose to use the median rather than an average because six cities had interest costs for general purpose debt that were extraordinarily high. These cities were having an unduly large influence on the calculation of average interest proportion.

Minneapolis and St. Paul

As the workload factors were chosen, CORE paid special attention to the circumstances of Minneapolis and St. Paul. Interviews were held with University of Minnesota researchers, Metropolitan Council staff, and Minneapolis and St. Paul budget analysts. Literature on central cities was reviewed. As a result of the input from these various sources, CORE is confident that the basic spending formulas do identify the *basic* expenditure needs of all cities with more than 2,500 population, including Minneapolis and St. Paul.

Basic spending workloads for Minneapolis and St. Paul

Streets. The primary component of the street service workload is traffic volume. Because this is an actual measure of the use of city streets, volume captures the additional workload of Minneapolis and St. Paul that is due to people coming into the city from suburbs or surrounding areas.

Both Minneapolis and St. Paul are responsible not only for city streets, but for the maintenance and the occasional repair of county and state trunk highways that are within their borders. St. Paul has agreements with both Ramsey County and the state to take care of their trunk highways. Agreements in Minneapolis are made on a project-by-project basis between separate public works departments and the corresponding departments in the state or county for both maintenance and construction.

Contract revenues for street services were subtracted from the street service expenditures. It is not possible to determine from the available data, however, whether Minneapolis and St. Paul are being adequately reimbursed for their services.

Police. The police service formula gave cities additional workload for having a younger population and for having more female-headed households. The number of female-headed households as a factor captured additional police needs associated with several population characteristics, including renters and poverty. The populations of Minneapolis and St. Paul are relatively young and have a high percentage of female-headed households, so giving extra weight to such factors benefited these cities. In addition, non-resident workers, shoppers, and tourists who come into the city were included as factors and increased a city's police workload. Minneapolis, St. Paul, and Duluth also were credited with an additional 14 percent police workload based on national victimization study findings that indicate higher victimization rates in central cities.

Both Minneapolis and St. Paul provide police services to surrounding communities. St. Paul has recently increased efforts to charge appropriately for these services.

Fire. Based on discussions with fire experts, CORE concluded that four cities (Minneapolis, St. Paul, Duluth, and Rochester) require paid fire fighting forces because of their older and denser core areas. As a result, a separate determination of the basic spending level for fire protection services was calculated for these cities. All Minnesota cities also received additional need in the determination of workload relative to the number of buildings, the age of their buildings, and traffic volumes. These factors tended to add workload for older cities and regional centers.

In St. Paul, emergency medical and ambulance services are provided through the fire department. As a result, expenditures for fire services alone are very difficult to separate. This data problem is one reason why St. Paul's fire expenditures exceed the basic spending level.

Parks and recreation. The workload for parks and recreation was based first on population, with extra weight given for the number of people living in poverty. This gave additional workload to cities, like Minneapolis and St. Paul, that provide social programs through their parks department targeted to populations with special needs. The population-draw component of the parks and recreation workload captured the additional cost to regional centers of providing park services to non-residents. The entire metropolitan area was included in determining the population draw for Minneapolis and St. Paul.

Minneapolis' park expenditures for 1990 also include park security and forestry expenses.

General administration. The workload for general administration was based on population. Minneapolis and St. Paul may have higher spending than other cities due to administrative complexity, but there is no way to measure this. Some economic development activities such as job training and housing are being reported in Minneapolis' general administration expenditures.

Related expenditures. The workload for related expenditures was based on population. The miscellaneous nature of this expenditure category made it difficult to determine what exactly was included or why spending might have been high. For example, budget staff in Minneapolis indicated that the original capital expenditures for several parking ramps that later became enterprise operations were accounted for in the related expenditures category. Also included in this category in 1990 were high capital outlays for new recycling bins and special garbage cans for all residents.

CITY COMPARISONS

Once basic spending levels were established, CORE compared the actual 1990 city expenditures of all cities of at least 2,500 population with the basic spending level of each service. Even though a city may have been excluded from the pool for determining the basic spending level, its expenditures still may be compared with the basic level. The table on the following pages was produced to enable citizens and city officials to make their own comparisons and evaluate how their city's spending compared with that of other cities throughout the state that year. The table lists the cities in alphabetical order and identifies how their spending for each service compared with the basic spending level. Each city is placed into one of four spending categories:

Below. A city's spending is considered to be "below" basic spending if it is more than 10 percent lower than the basic spending level as determined by the workload formula. A city *could* spend below basic levels because:

- The city is very efficient.
- The city provides fewer services than most.
- There is an accounting discrepancy in the data reported to the state auditor.
- The city is not paying the true cost of services they receive from another entity.

Near Basic. A city's spending is considered to be "near basic" if it is within 10 percent above or below the basic spending level as determined by the workload formula. A "near basic" spending city is likely to be providing a basic level of services.

Above. A city's spending is considered to be "above" basic spending if it is between 10 and 50 percent above the basic spending level.

Well Above. A city's spending is considered to be "well above" basic spending if it is 50 percent or more above the basic spending level as determined by the workload formula. A city *could* spend above or well above basic levels because:

- The city is inefficient.
- The city provides a higher than basic level of service.
- The city has had unusual expenditures during the year.
- There is an accounting discrepancy in the data reported to the state auditor.

The following table can be used to identify cities that are spending less to provide basic services. However, it is important to note that spending on basic services may be affected by a number of factors in addition to efficiency:

- Spending in one city may be higher because the citizens have demanded more or better quality services.

- Conversely, spending may be lower because the citizens have preferred fewer services, or the city has provided adequate but lower quality services.

- Spending patterns also may be affected by the city's reporting practices. Although adjustments were made for known reporting differences, not all differences were identifiable. To determine if spending is lower due to efficiencies or simply due to service or reporting differences, cities should be contacted directly.

The "total" column in this table compares a city's total spending on basic services to the sum of all the basic spending levels (for that city's workload). A city could be well above the basic level on one service and below basic levels on all other services; but depending on the extent it is above or below, that city's total could still be above the basic spending level.

The results in this table are not meant to advocate any particular level of city services or city spending, but merely to provide a means of comparing city spending. The taxpayers in each community must decide for themselves the level of service they are willing to support.

In comparing spending, it may also be useful to know the workload of the cities with which any given city is being compared. For this purpose, a table showing cities in order of increasing workload is included in Appendix G. A table showing the number of cities in each city comparison category is included in Appendix I.

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Afton	Below	Below	Below	Below	Well Above	Below	Below
Albert Lea	Above	Near Basic	Well Above	Below	Well Above	Above	Above
Alexandria	Below	Well Above	Above	Below	Near Basic	Well Above	Near Basic
Andover	Below	Below	Below	Near Basic	Well Above	Well Above	Near Basic
Anoka	Above	Below	Above	Below	Below	Well Above	Above
Apple Valley	Above	Below	Above	Near Basic	Above	Well Above	Above
Arden Hills	Below	Below	Below	Below	Above	Well Above	Below
Austin	Above	Below	Well Above	Near Basic	Well Above	Below	Above
Baxter	Below	Above	Below	Below	Below	Near Basic	Below
Bayport	Below	Below	Below	Near Basic	Above	Above	Below
Belle Plaine	Below	Near Basic	Below	Below	Well Above	Below	Below
Bemidji	Below	Above	Above	Below	Above	Below	Near Basic
Benson	Above	Above	Above	Well Above	Near Basic	Near Basic	Above
Big Lake	Below	Below	Near Basic	Above	Above	Above	Near Basic
Blaine	Below	Below	Below	Above	Near Basic	Above	Near Basic
Bloomington	Near Basic	Above	Below	Well Above	Near Basic	Well Above	Above
Blue Earth	Above	Near Basic	Near Basic	Well Above	Below	Below	Above
Brainerd	Below	Below	Near Basic	Near Basic	Well Above	Near Basic	Near Basic

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Breckenridge	Well Above	Above	Well Above	Near Basic	Near Basic	Well Above	Well Above
Brooklyn Center	Well Above	Near Basic	Near Basic	Below	Below	Below	Near Basic
Brooklyn Park	Above	Near Basic	Near Basic	Above	Below	Well Above	Above
Buffalo	Below	Below	Near Basic	Below	Below	Well Above	Near Basic
Burnsville	Near Basic	Above	Above	Above	Well Above	Near Basic	Above
Caledonia	Below	Near Basic	Below	Above	Below	Well Above	Near Basic
Cambridge	Below	Below	Below	Below	Below	Well Above	Above
Cannon Falls	Below	Near Basic	Near Basic	Well Above	Below	Well Above	Above
Champlin	Above	Below	Below	Above	Near Basic	Well Above	Above
Chanhassen	Near Basic	Above	Below	Well Above	Above	Well Above	Well Above
Chaska	Below	Well Above	Below	Below	Near Basic	Well Above	Above
Chisholm	Below	Near Basic	Well Above	Above	Well Above	Well Above	Above
Circle Pines	Below	Below	Below	Below	Well Above	Above	Near Basic
Cloquet	Below	Above	Near Basic	Above	Well Above	Below	Near Basic
Columbia Heights	Well Above	Above	Above	Below	Well Above	Well Above	Above
Coon Rapids	Below	Near Basic	Near Basic	Near Basic	Well Above	Near Basic	Near Basic
Corcoran	Below	Below	Below	Below	Above	Below	Below
Cottage Grove	Above	Above	Above	Below	Well Above	Below	Near Basic

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Crookston	Well Above	Above	Above	Near Basic	Well Above	Above	Above
Crystal	Above	Below	Near Basic	Below	Near Basic	Below	Below
Dayton	Below	Below	Below	Below	Well Above	Below	Below
Deephaven	Below	Below	Below	Below	Near Basic	Near Basic	Below
Detroit Lakes	Near Basic	Above	Above	Above	Above	Above	Above
Dilworth	Near Basic	Near Basic	Below	Near Basic	Well Above	Below	Below
Duluth	Near Basic	Well Above	Above	Near Basic	Well Above	Well Above	Above
Eagan	Above	Well Above	Near Basic	Above	Below	Below	Above
East Bethel	Below	Below	Below	Below	Above	Below	Below
East Grand Forks	Well Above	Near Basic	Well Above	Above	Well Above	Well Above	Well Above
Eden Prairie	Well Above	Above	Below	Above	Above	Below	Above
Edina	Below	Below	Below	Below	Well Above	Near Basic	Below
Elk River	Below	Below	Near Basic	Above	Above	Below	Below
Ely	Below	Above	Near Basic	Above	Well Above	Well Above	Above
Eveleth	Well Above	Below	Below	Well Above	Well Above	Well Above	Above
Fairmont	Above	Above	Above	Below	Near Basic	Near Basic	Near Basic
Falcon Heights	Below	Below	Below	Below	Above	Above	Below
Faribault	Below	Below	Above	Below	Well Above	Above	Near Basic

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Farmington	Near Basic	Above	Below	Well Above	Below	Below	Above
Fergus Falls	Well Above	Above	Above	Near Basic	Below	Well Above	Above
Forest Lake	Below	Below	Near Basic	Below	Below	Well Above	Near Basic
Fridley	Below	Well Above	Above	Above	Above	Below	Near Basic
Glencoe	Below	Near Basic	Below	Above	Near Basic	Below	Below
Glenwood	Above	Above	Near Basic	Near Basic	Well Above	Below	Above
Golden Valley	Near Basic	Well Above	Below	Above	Below	Well Above	Above
Goodview	Below	Above	Below	Below	Below	Well Above	Near Basic
Grand Rapids	Above	Well Above	Near Basic	Above	Below	Well Above	Above
Granite Falls	Above	Above	Below	Above	Near Basic	Below	Near Basic
Ham Lake	Below	Below	Below	Below	Well Above	Below	Below
Hastings	Below	Near Basic	Near Basic	Above	Well Above	Near Basic	Above
Hermantown	Below	Below	Below	Below	Well Above	Below	Below
Hibbing	Below	Well Above	Above	Below	Well Above	Below	Above
Hopkins	Above	Above	Above	Below	Near Basic	Well Above	Above
Hugo	Below	Below	Below	Below	Near Basic	Below	Below
Hutchinson	Well Above	Below	Above	Well Above	Above	Well Above	Above
Independence	Below	Below	Below	Below	Near Basic	Well Above	Below

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Inver Grove Heights	Below	Well Above	Near Basic	Below	Well Above	Well Above	Above
Jackson	Below	Well Above	Near Basic	Well Above	Near Basic	Well Above	Well Above
Jordan	Below	Below	Below	Near Basic	Well Above	Well Above	Below
Kasson	Below	Below	Below	Below	Above	Below	Below
La Crescent	Below	Below	Near Basic	Near Basic	Above	Well Above	Near Basic
Lake City	Above	Above	Above	Above	Near Basic	Above	Above
Lake Elmo	Below	Near Basic	Below	Below	Well Above	Near Basic	Below
Lakeville	Above	Well Above	Above	Above	Well Above	Below	Above
Lauderdale	Below	Below	Below	Below	Below	Below	Below
Le Sueur	Well Above	Near Basic	Below	Above	Above	Well Above	Above
Lino Lakes	Below	Well Above	Below	Well Above	Well Above	Below	Above
Litchfield	Above	Above	Above	Well Above	Below	Above	Above
Little Canada	Below	Below	Below	Above	Well Above	Below	Below
Little Falls	Below	Below	Near Basic	Below	Above	Well Above	Above
Long Prairie	Below	Near Basic	Below	Near Basic	Below	Below	Below
Luverne	Well Above	Above	Above	Well Above	Above	Well Above	Above
Mahtomedi	Below	Near Basic	Below	Near Basic	Near Basic	Below	Below
Mankato	Below	Below	Below	Above	Well Above	Above	Above

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Maple Grove	Below	Below	Below	Well Above	Well Above	Below	Near Basic
Maplewood	Above	Near Basic	Near Basic	Well Above	Above	Below	Above
Marshall	Well Above	Above	Above	Above	Above	Below	Above
Medina	Below	Above	Below	Near Basic	Well Above	Well Above	Above
Melrose	Below	Well Above	Below	Below	Below	Below	Near Basic
Mendota Heights	Above	Near Basic	Above	Below	Above	Well Above	Above
Minneapolis	Well Above	Well Above	Above	Above	Near Basic	Well Above	Above
Minnetonka	Near Basic	Above	Near Basic	Below	Near Basic	Below	Near Basic
Minnetrista	Below	Above	Below	Below	Near Basic	Below	Below
Montevideo	Above	Below	Near Basic	Below	Near Basic	Well Above	Near Basic
Monticello	Near Basic	Well Above	Below	Well Above	Above	Well Above	Above
Moorhead	Well Above	Near Basic	Above	Near Basic	Well Above	Well Above	Above
Mora	Below	Near Basic	Near Basic	Below	Below	Well Above	Near Basic
Morris	Below	Near Basic	Below	Near Basic	Near Basic	Below	Below
Mound	Below	Above	Below	Below	Above	Below	Below
Mounds View	Below	Above	Below	Near Basic	Near Basic	Below	Below
Mountain Iron	Near Basic	Well Above	Below	Above	Above	Below	Near Basic
New Brighton	Near Basic	Near Basic	Below	Above	Near Basic	Near Basic	Near Basic

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
New Hope	Above	Below	Near Basic	Below	Well Above	Near Basic	Near Basic
New Prague	Below	Above	Below	Above	Above	Below	Near Basic
New Ulm	Above	Above	Above	Well Above	Above	Well Above	Above
Newport	Below	Below	Above	Below	Above	Below	Below
North Mankato	Well Above	Near Basic	Below	Well Above	Below	Near Basic	Above
North Oaks	Below	Below	Below	Below	Well Above	Well Above	Below
North St. Paul	Near Basic	Below	Below	Below	Near Basic	Below	Below
Northfield	Below	Well Above	Below	Well Above	Near Basic	Near Basic	Near Basic
Oak Park Heights	Below	Above	Near Basic	Below	Below	Well Above	Near Basic
Oakdale	Below	Near Basic	Below	Above	Above	Well Above	Above
Olivia	Near Basic	Above	Below	Near Basic	Below	Below	Below
Orono	Below	Above	Below	Below	Above	Above	Below
Osseo	Below	Below	Below	Above	Well Above	Below	Below
Owatonna	Above	Below	Below	Well Above	Well Above	Above	Above
Park Rapids	Below	Above	Near Basic	Above	Below	Above	Near Basic
Pine City	Below	Well Above	Below	Above	Near Basic	Below	Near Basic
Pipestone	Well Above	Near Basic	Near Basic	Above	Below	Well Above	Well Above
Plainview	Below	Near Basic	Below	Below	Below	Below	Below

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Plymouth	Below	Below	Below	Near Basic	Near Basic	Above	Near Basic
Princeton	Below	Near Basic	Near Basic	Below	Above	Below	Below
Prior Lake	Near Basic	Above	Above	Near Basic	Near Basic	Well Above	Above
Proctor	Below	Near Basic	Below	Below	Below	Below	Below
Ramsey	Below	Above	Below	Below	Well Above	Near Basic	Below
Red Wing	Above	Above	Above	Near Basic	Well Above	Well Above	Well Above
Redwood Falls	Well Above	Well Above	Above	Above	Above	Below	Above
Richfield	Well Above	Below	Above	Below	Well Above	Below	Near Basic
Robbinsdale	Above	Above	Above	Below	Near Basic	Below	Near Basic
Rochester	Well Above	Below	Near Basic	Near Basic	Above	Near Basic	Above
Rockford	Below	Well Above	Below	Near Basic	Well Above	Below	Near Basic
Rosemount	Above	Well Above	Near Basic	Well Above	Above	Below	Above
Roseville	Near Basic	Below	Below	Well Above	Near Basic	Below	Near Basic
Sartell	Below	Below	Below	Well Above	Above	Below	Below
Sauk Centre	Below	Below	Near Basic	Above	Near Basic	Well Above	Near Basic
Sauk Rapids	Below	Below	Below	Below	Above	Well Above	Below
Savage	Below	Above	Above	Well Above	Well Above	Well Above	Above
Shakopee	Above	Above	Above	Well Above	Above	Above	Well Above

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
Shoreview	Well Above	Below	Below	Well Above	Well Above	Below	Near Basic
Shorewood	Below	Above	Below	Above	Near Basic	Well Above	Near Basic
Sleepy Eye	Above	Below	Below	Above	Near Basic	Well Above	Above
South St. Paul	Below	Near Basic	Well Above	Well Above	Well Above	Above	Well Above
Spring Lake Park	Near Basic	Near Basic	Near Basic	Below	Near Basic	Below	Below
Staples	Below	Near Basic	Near Basic	Well Above	Above	Below	Near Basic
Stewartville	Below	Below	Below	Near Basic	Well Above	Below	Below
Stillwater	Below	Below	Near Basic	Near Basic	Well Above	Below	Near Basic
St. Anthony	Below	Below	Below	Below	Well Above	Below	Below
St. Charles	Below	Below	Below	Below	Above	Below	Below
St. Cloud	Below	Above	Near Basic	Above	Well Above	Below	Above
St. Francis	Below	Below	Below	Below	Above	Near Basic	Below
St. James	Above	Below	Near Basic	Well Above	Below	Below	Near Basic
St. Joseph	Below	Below	Below	Above	Above	Below	Below
St. Louis Park	Above	Below	Near Basic	Below	Well Above	Near Basic	Near Basic
St. Michael	Below	Near Basic	Below	Below	Below	Well Above	Below
St. Paul	Above	Near Basic	Above	Above	Well Above	Well Above	Above
St. Paul Park	Below	Near Basic	Below	Near Basic	Well Above	Below	Below

MINNESOTA CITY COMPARISONS

This table compares 1990 spending patterns for basic city services.
The table is explained on Pages 39 and 40.

CITY	PARKS & REC.	GENRL. ADMIN.	POLICE	STREETS	FIRE	RE-LATED	TOTAL
St. Peter	Above	Above	Below	Well Above	Above	Below	Above
Thief River Falls	Well Above	Above	Above	Near Basic	Well Above	Well Above	Above
Two Harbors	Well Above	Below	Above	Well Above	Above	Well Above	Well Above
Vadnais Heights	Below	Below	Below	Below	Above	Near Basic	Below
Virginia	Above	Above	Above	Near Basic	Well Above	Well Above	Above
Waconia	Below	Above	Below	Well Above	Well Above	Well Above	Above
Wadena	Above	Below	Near Basic	Below	Near Basic	Well Above	Near Basic
Waite Park	Below	Below	Below	Below	Below	Well Above	Near Basic
Waseca	Below	Below	Below	Well Above	Above	Well Above	Near Basic
Wayzata	Near Basic	Above	Near Basic	Well Above	Below	Well Above	Above
West St. Paul	Below	Below	Near Basic	Above	Well Above	Below	Above
White Bear Lake	Below	Above	Near Basic	Below	Below	Below	Below
Willmar	Above	Above	Above	Below	Well Above	Well Above	Above
Windom	Near Basic	Below	Above	Above	Below	Below	Near Basic
Winona	Well Above	Above	Above	Near Basic	Well Above	Near Basic	Above
Woodbury	Below	Above	Near Basic	Near Basic	Above	Near Basic	Near Basic
Worthington	Below	Above	Well Above	Above	Above	Below	Above

RECOMMENDATION

CORE has developed a methodology for determining basic spending levels for Minnesota cities with at least 2,500 population. Through this methodology, the state can provide Minnesota residents with information about their city's spending practices compared against CORE's determination of basic spending levels.

CORE recommends:

> **To enable continuing comparisons, the State of Minnesota should institute an ongoing data-gathering process to collect the information necessary to measure city workloads, based on the concepts of the CORE methodology. Through this process, the state should maintain and publish information that is accessible to all Minnesotans and that they can use for comparing their city with others.**

Implementation

The primary source of revenue and spending information on all Minnesota cities is the Office of the State Auditor. However, the office's limited data-collection authority precludes availability of information sufficient for meaningful comparisons of city spending. Implementation of the CORE recommendation would require either fundamental changes in the state auditor's information or additional data-gathering by another state agency.

Background

The mission of the state auditor is to be a "watchdog" over Minnesota's local governments by examining their finances and activities to ensure financial integrity. In addition to their annual audit, cities with populations of at least 2,500 are required to submit a five-page form to the state auditor each year that summarizes their spending and revenues for both governmental and enterprise fund activities. National governmental accounting, auditing, and financial reporting principles are the guide for how the form should be completed. The state auditor's authority to require city financial reporting is limited to compliance with the national standards.

National accounting standards and the state auditor's reporting form were designed to assist the state in identifying fraud or mismanagement in cities, not to compare cities. The goal of financial integrity permits a great deal of flexibility in individual city accounting practices. Even though some items may be recorded in several different categories, the goal is achieved as long as all city finances are accounted for.

The goals of financial integrity and meaningful city comparisons are compatible but not exactly alike. Compliance with the national standards for city accounting does not necessarily result in consistent reporting practices and therefore cannot be used for accurate city comparisons.

Issues

There are several reasons why the state auditor's data as it is currently collected is not suitable for making spending comparisons among cities:

- **Cities do not record similar expenditures in the same categories.**

Because the national accounting standards allow it, cities report some expenditures in different categories. For example, national standards allow cities to report street cleaning expenditures in either the sanitation or street maintenance category. While either method is correct, it makes comparisons of city spending for these two categories less accurate.

In addition, the national standards provide little direction to city officials on where to record certain types of expenditures, such as maintenance of city buildings or transit services. These types of expenditures can appear in a number of different expenditure categories, again making comparisons less accurate.

Because the national guidelines allow some flexibility, the state auditor could express a preference for how cities record expenditures on the state reporting form. The instructions for the state form, written in 1981, could be revised to give more specific guidelines.

- **Cities' spending and revenues associated with providing services to other government entities are not detailed.**

National standards do not require cities to distinguish between expenditures for providing services to city residents using city revenues, and the expenditures and revenues associated with providing services to other cities, the county or the state. This lack of information makes it difficult to determine the true cost of services provided within the boundaries of a city and financed by the city's own revenues.

- **Cities do not record the depreciation of their capital assets or give details of their balance sheets.**

Cities record their capital outlays only for a given year, with the cost of the entire outlay recorded on the state auditor's forms. This method for recording capital purchases makes it difficult to estimate the true cost of government services because

the capital outlays are consumed over a number of future years, but the costs are all recorded in the year of purchase.

These problems with the state auditor's data are widely recognized. According to a study completed in February 1992 by Andersen Consulting for the Legislative Commission on Policy and Fiscal Planning, the data currently collected by the state on local government spending is "incomplete, dated, and difficult to compare."[12] These concerns were echoed in CORE meetings with local services funding experts and city officials. One local official expressed frustration over the difficulty of obtaining comparable data between his city and similar ones in Minnesota.

Correcting inconsistencies in the data after it has been collected is not the best method for obtaining this information. A considerable amount of CORE staff time was devoted to adjusting the data base to compare city spending. A list of the surveys CORE conducted is included in Appendix C.

Making future comparisons

Because the state auditor already collects city financial data, it makes sense to assign that office the responsibility for collecting the information that would permit valid comparisons. If state auditor's data is to be used to make comparisons of city spending, financial reporting requirements must be changed. The state auditor currently can only request, not require, financial reporting in excess of national standards. Changes to the statute authorizing the state auditor to collect data from cities (M.S. 477A.017, Subd. 2) would be necessary to require additional or different city reporting.

The goal of revisions to reporting requirements would be to ensure that cities accurately report the true cost of each service provided within their boundaries, costs that are financed by their own revenues. This goal requires that clear and precise instructions be devised for categorizing revenues and expenditures, thus permitting meaningful city comparisons. Because meaningful comparisons give citizens the ability to hold local government officials accountable for taxing and spending decisions, this goal is compatible with the state's goal of financial integrity in local governments.

The Minnesota Legislature would have to authorize the state auditor to develop a new city reporting form that collects all of the information needed for accurate comparison of city spending. Clear, precise instructions should accompany the new form so that cities account for all expenditures consistently and accurately.

---

[12]Andersen Consulting, *Improving Local Government Financial Reporting in Minnesota*, February 1992.

To reproduce, and improve, the CORE comparisons the reporting must contain the following:

- **Clearly defined expenditure categories for each of the basic services.**

  Well-defined categories for different types of spending would improve the accuracy of measuring the true costs of each of the basic services.

- **Individual listings for all contract revenues from other government entities for each of the basic services.**

  The subtraction of contract revenues from their respective spending categories would help determine the cost of city services that are provided to the residents and businesses within the city's boundaries. Clearly identifying the costs associated with contract revenues would also encourage appropriate pricing for the contracted service.

- **Individual listings of all grants.**

  Citizens should be aware of how their basic services are financed, including contributions to city revenues from other units of government. (Some of this information could be provided by the government agencies that provide grants.)

In addition to financial information, the CORE study used measures of service adequacy to determine basic spending levels. Adequacy data could be included on the state auditor's form, or could be collected by another state agency. More should be done to develop measures of service adequacy as well. For example, citizens can judge for themselves the adequacy of their fire services if they know the annual fire losses in their city or what their fire insurance rating is. High-quality performance measures should be developed for all basic city services.

APPENDICES

A. GLOSSARY

adjusted city expenditures	City spending, adjusted for capital outlays, labor costs, and contracts.
basic services	Street construction and maintenance; police protection; fire suppression and prevention; parks and recreation; general administration; related expenditures; interest expense.
basic spending	The amount a city needs to spend to provide a basic, minimum and adequate level of service for a given workload.
basic spending pool	Cities included in the determination of a basic spending level.
basic spending level	A model for the comparison of city expenditures that indicates the expenditure amount needed to provide a basic, minimum and adequate level of service for a given workload. It is represented by a regression line fitted to the basic spending pool, using workloads and adjusted expenditures.
basic spending need	A particular city's basic spending level.
basic revenue-raising capacity	The ability of a city to raise local revenues for basic services (does not include revenues for excluded services).
city comparisons	Cities are compared at least two ways: ■ a city's actual spending level is compared with the basic spending level for each service; ■ the adjusted expenditures of a city are compared with the adjusted expenditures of cities with similar workloads.
city comparison categories	"Below" = expenditures more than 10 percent below the basic spending level. "Near basic" = expenditures within 10 percent above or below the basic spending level.

	"Above" = expenditures 10 to 50 percent above the basic spending level.
	"Well above" = expenditures more than 50 percent above the basic spending level.
high expenditures	Cities with spending more than 50 percent above typical spending for all cities providing adequate services.
less-than-adequate services	Service levels that did not meet the adequacy criteria for that service. Cities with less-than-adequate services were not included in the basic spending pool.
related expenditures workload	A measurement of the factors that affect the need for spending on a specific city service.
workload factors	Measurable city characteristics that are outside the city's control.

B. METHODOLOGY DETAIL

Expenditure adjustments

Before adjustments, city expenditure for a service is:

Governmental Fund Current Expense
\- *Contract Revenues*
\+ *Capital Outlay (8-year Average)*

= *City Expenditure*

Before city expenditures are compared, however, two adjustments are made: capital outlays are indexed and the total is adjusted to reflect different prevailing wage rate conditions.

Capital outlay indexing

Capital outlays are converted to 1990 dollar equivalents before being averaged over the years 1984-1991 using the implicit price deflator for "gross domestic product, state and local government purchases." To calculate the figures in 1990 dollars, current year figures are divided by their price deflator. Table 1 provides index values.

Table 1. Implicit price deflators for Gross Domestic Product, state and local government purchases[1]

Year	Index, Base 1987	Index, Base 1990
1984	0.894	0.792
1985	0.994	0.880
1986	0.964	0.854
1987	1.000	0.886
1988	1.043	0.924
1989	1.086	0.962
1990	1.129	1.000
1991	1.164	1.031

[1]Council of Economic Advisors, *Economic Indicators*, January 1992.

Labor cost adjustment

Each city's expenditures are adjusted for each service to control for the cost of labor. This allows the analysis to address the question, *If all cities faced the same prevailing wage situation, to what extent would spending still vary?* The adjustment alters city expenditure values to make them comparable between cities. The adjusted figure is the expenditure the city would have *were it faced with the highest prevailing wage rate in Minnesota.* Because St. Paul has the highest prevailing wage rate in Minnesota, all cities except St. Paul have their expenditures adjusted upward to St. Paul's rate. City expenditures were adjusted using a labor cost index.

The labor cost index was constructed using county-level prevailing wage rates. Each county's prevailing wage rate was determined by dividing total 1990 wages by average 1990 employment in that county, excluding employment and wages in the agriculture, forestry, and fishing industries, and excluding all local government employment and wages.[2] Each city was assigned the prevailing wage rate of its county.

The only exceptions to this were Minneapolis, St. Paul, Duluth and their respective counties. Discussions with the state Department of Jobs and Training (which supplied the wage and employment data) suggested that these three cities were sufficiently different from all other areas of their counties that they should be treated differently. Accordingly, the prevailing wage rate for cities in Hennepin, Ramsey and St. Louis counties were calculated exclusive of the data for Minneapolis, St. Paul and Duluth, and the prevailing wage rate for these three cities was calculated using wage and employment data for each city alone.

To create the labor cost index from prevailing wage rates, each city's prevailing wage rate was compared with the highest prevailing wage rate in Minnesota (St. Paul's) and adjusted accordingly. Thus, the labor cost index of any city is its own prevailing wage rate divided by $27,534. This index was then used to adjust the portion of current expenses attributable to labor costs. The portion of current expense attributable to labor is different for each service, as shown in Table 2.[3]

---

[2]Minnesota Department of Jobs and Training, *Minnesota Average Covered Employment and Wages by Economic Region and County, Calendar Year 1990,* 1990.

[3]Robert Rafuse, *Representative Expenditures: Addressing the Neglected Dimension of Fiscal Capacity,* 1990. With the exception of fire services, these values are taken from Rafuse, who estimates the percentage of annual payroll in state and local direct general expenditures by function, for the whole United States, 1986-87, using census data (Rafuse, Table C-4, Column 6, Page 101). As recommended, the numbers in this table were multiplied by 1.28 to get the proportion of total employee compensation in total costs (Pages 100-101).

Table 2. Percent of expenditures due to labor costs

Service	Percent of expenditures due to labor costs
Street services	28.7
Police services	89.5
Fire services:[4]	89.5
Volunteer	55.0
Less than 5 fulltime fire fighters	70.0
More than 5 fulltime fire fighters	80.0
All fire fighters full paid	95.0
Parks and recreation services	43.7
General administration	64.4
Related expenditures	Varies by city[5]

Adjusted expenditures are then calculated as:

$$(unadjusted\ expenditure)\cdot(labor\ cost\ percentage)\cdot(labor\ cost\ index) + (unadjusted\ expenditure)\cdot(1 - labor\ cost\ index)$$

Basic spending calculations

For each service, the basic spending level was determined by selecting a set of cities: 1) whose data was reasonably good; 2) that provided the service at a reasonable quality level; and 3) whose spending was not excessive.

Minneapolis and St. Paul were excluded from the cities selected for the basic

[4]For fire services, values were calculated from data in the *Municipal Yearbook 1992*. Cities voluntarily report spending information to this yearbook, in varying degrees of detail. Twenty-four Minnesota cities were identified that indicated their fire personnel expenditures as well as total fire expenditures. These cities were classified as either volunteer, paid chief, less than five paid, more than five paid, or fully paid, and the percentage of personnel expenditures in total expenditures was calculated. The values reported above were chosen on the basis of this information.

[5]Because "related expenditures" is a category capturing different types of spending in different cities, it was impossible to select a single number as "the percent of expenditures due to labor." Instead, for each city, the proportion of capital outlay in total "related" expenditures (c) was calculated and its compliment (1-c) was used as the percent of expenditures due to labor.

spending pools because their workloads put them in a class by themselves. Using the data from the selected cities, basic spending levels were determined using simple one-variable regression. Graphically, this is equivalent to generating a plot of the selected cities with spending on the vertical axis and workload on the horizontal axis, and then fitting a straight line to the points.

Two things about this approach are different from previous approaches to determining city spending need using empirical data. First, simple regression is used rather than multiple regression. Second, the set of cities is narrowed before regression techniques are applied.

In *simple regression*, only one variable is used to "explain" variation in another variable. In multiple regression, many variables are used. In this study, for each of the services, city workload was used to "explain" city spending. Each service's workload, however, is a sum of a number of weighted factors, as described in the "Service Workloads and Basic Spending Levels" section.

Given the goal of determining the amount necessary to provide basic adequate services, CORE determined that it was appropriate to narrow the pool of cities before using regression analysis. Because simple regression is a "sophisticated averaging" technique (that is, simple regression lines always run through the mean of the two variables being considered, and then the slope and intercept are simultaneously determined by minimizing squared deviations from the line they generate), the "average" that results will represent basic adequate spending only if the cities used are believed to be basic adequate providers.

To identify cities providing a service at a less than adequate level, adequacy criteria were identified and applied, as described in the report. Identifying "high cost" cities was more problematic. Ideally, cities that used resources inefficiently and/or provided an unusually high level of services should be identified and eliminated in much the same way that less-than-adequate cities were identified. Because this was not possible, a simple statistical technique was used. Cities that were more than 50 percent above a regression line created using all above-adequate cities were identified as high cost and eliminated. While this solution falls short of identifying cities providing too much or inefficiently, it succeeded in identifying cities that have spending that is way out of line.

Minneapolis and St. Paul

Minneapolis and St. Paul were eliminated from the pool of cities used to determine the basic spending levels because they were "outliers." The technique of minimizing squared deviations, which is at the heart of regression analysis, is only one way of fitting a line. The drawback of this method is that outliers have inordinate influence

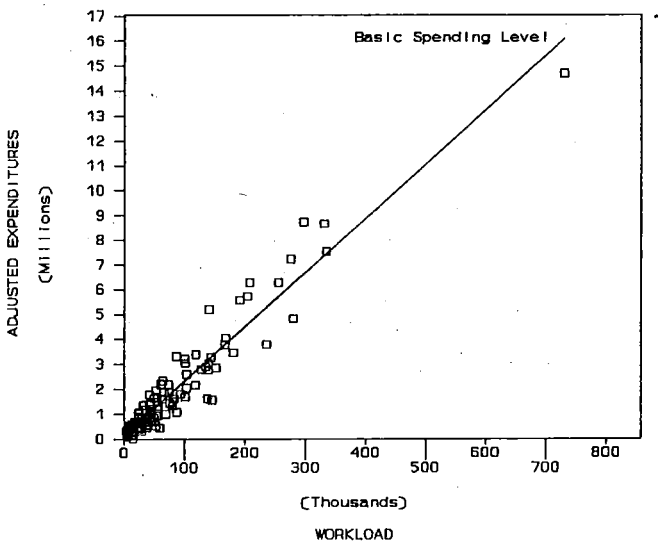
on the results. There is no accepted procedure for identifying and eliminating outliers.

For each service, there was a large difference between the workloads of Minneapolis and St. Paul and the city with the next largest workload. Regressions run with and without these two largest cities were significantly different. With too few data points around the workloads of these cities, regression results using their data were heavily influenced by them. Because there were no Minnesota cities to compare them with, CORE could not deduct if they were providing either above-basic services or inefficient services. It was not appropriate to include their data in the pool of cities on the basis of which basic spending need was determined, especially because their data strongly influenced the regression results.

The following charts show the basic spending level for each service, and list the cities that were included in the basic spending pool for the determination of the basic spending line.

Street services

Figure 1. Street services basic spending pool

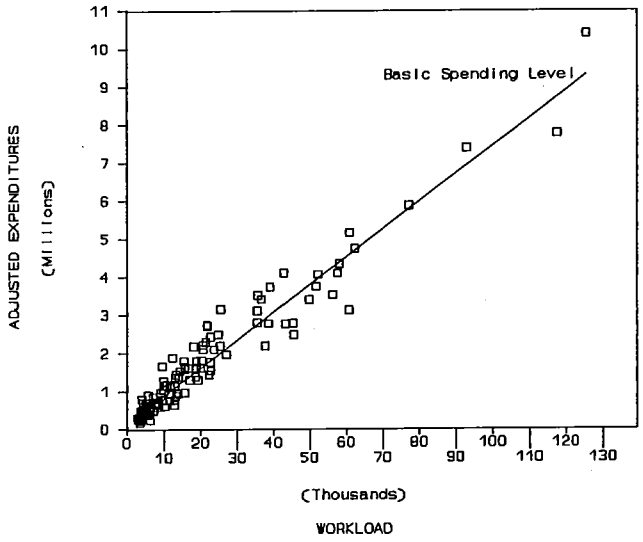


Cities in the street services basic spending pool

Albert Lea
Alexandria
Andover
Apple Valley
Arden Hills
Austin
Baxter
Belle Plaine
Bemidji
Big Lake
Blaine
Brainerd
Breckenridge
Brooklyn Center
Brooklyn Park
Buffalo
Burnsville
Caledonia
Champlin
Chaska
Chisholm
Circle Pines
Cloquet
Columbia Heights
Coon Rapids
Corcoran
Cottage Grove
Crookston
Dayton
Detroit Lakes
Dilworth
Duluth
Eagan
East Bethel
East Grand Forks
Eden Prairie
Edina
Elk River
Fairmont
Falcon Heights
Faribault
Farmington
Fergus Falls
Fridley
Glencoe
Grand Rapids
Granite Falls
Ham Lake
Hastings
Hermantown
Hopkins
Hugo
Hutchinson
Inver Grove Heights
Jordan
La Crescent
Lake Elmo
Lakeville
Le Seuer
Litchfield
Little Canada
Little Falls
Long Prairie
Luverne
Mahtomedi
Mankato
Maple Grove
Marshall
Mendota Heights
Minnetonka
Montevideo
Moorhead
Morris
Mound
Mounds View
New Hope
New Prague
New Ulm
North Oaks
North St. Paul
Oak Park Heights
Oakdale
Olivia
Orono
Osseo
Owatonna
Pipestone
Plainview
Plymouth
Prior Lake
Ramsey
Red Wing
Redwood Falls
Richfield
Robbinsdale
Rochester
Sauk Rapids
Shorewood
Sleepy Eye
Spring Lake Park
Stewartville
Stillwater
St. Anthony
St. Cloud
St. James
St. Joseph
St. Louis Park
St. Paul Park
St. Peter
Thief River Falls
Vadnais Heights
Waseca
West St. Paul
White Bear Lake
Willmar
Windom
Winona
Woodbury
Worthington

Police services

Figure 2. Police services basic spending pool

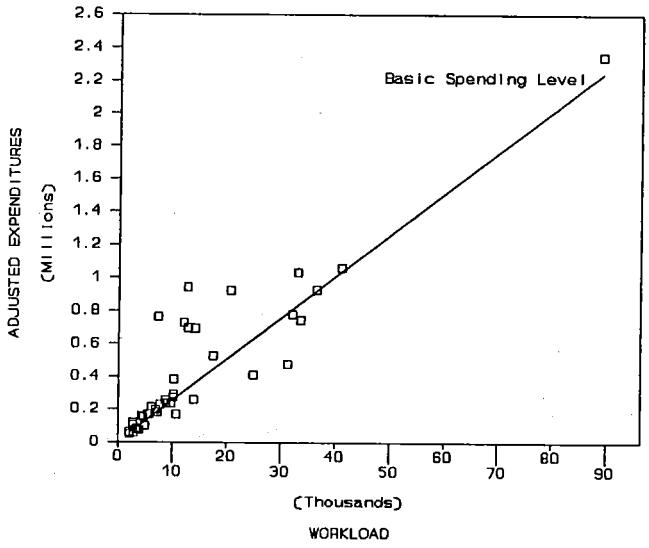


Cities in the police services basic spending pool

Alexandria
Anoka
Apple Valley
Baxter
Bayport
Belle Plaine
Bemidji
Benson
Blaine
Bloomington
Blue Earth
Brainerd
Brooklyn Center
Brooklyn Park
Buffalo
Burnsville
Cambridge
Cannon Falls
Champlin
Chaska
Chisholm
Circle Pines
Cloquet
Columbia Heights
Coon Rapids
Cottage Grove
Crookston
Deephaven
Detroit Lakes
Duluth
Eagan
Eden Prairie
Edina
Elk River
Ely
Fairmont
Falcon Heights
Faribault
Fergus Falls
Fridley
Glencoe
Goodview
Grand Rapids
Granite Falls
Hastings
Hermantown
Hopkins
Hutchinson
Independence
Jackson
Kasson
La Crescent
Lake City
Lakeville
Le Seuer
Lino Lakes
Litchfield
Little Falls
Long Prairie
Mankato
Maple Grove
Marshall
Mendota Heights
Minnetonka
Minnetrista
Montevideo
Moorhead
Morris
Mound
Mounds View
New Hope
New Prague
New Ulm
Newport
North Mankato
North St. Paul
Northfield
Oak Park Heights
Oakdale
Olivia
Orono
Osseo
Owatonna
Park Rapids
Plymouth
Prior Lake
Ramsey
Red Wing
Redwood Falls
Richfield
Robbinsdale
Rochester
Rosemount
Roseville
Sartell
Sauk Rapids
Savage
Shakopee
Sleepy Eye
Spring Lake Park
Staples
Stillwater
St. Anthony
St. Cloud
St. James
St. Louis Park
St. Paul Park
St. Peter
Thief River Falls
Two Harbors
Wadena
Waseca
Wayzata
West St. Paul
White Bear Lake
Willmar
Windom
Winona
Woodbury

Fire services (volunteer)

Figure 3. Fire services (volunter) basic spending pool

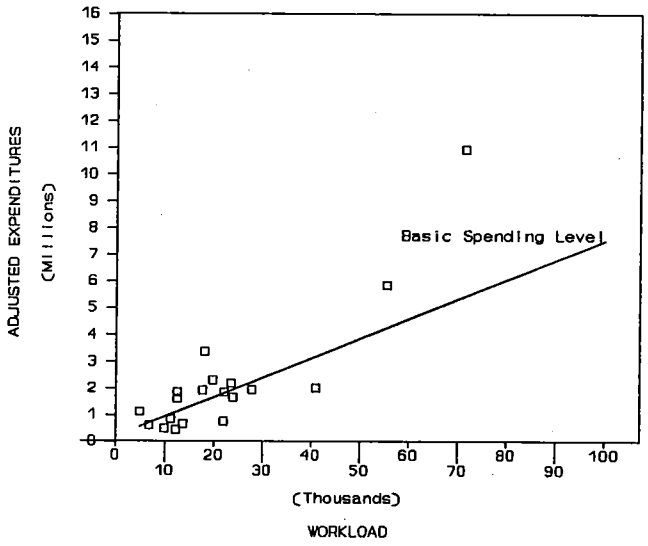


Cities in the fire services (volunteer) basic spending pool

Alexandria
Apple Valley
Bloomington
Blue Earth
Brooklyn Center
Brooklyn Park
Caledonia
Chisholm
Eagan
Eden Prairie
Fairmont
Farmington
Fergus Falls
Glencoe
Grand Rapids
Hugo
Hutchinson
Inver Grove Heights
Lake City
Lakeville
Maple Grove
Marshall
Minnetonka
Mound
New Hope
New Ulm
Northfield
Pipestone
Plymouth
Redwood Falls
Robbinsdale
Rosemount
Roseville
Sartell
Sauk Rapids
Shakopee
St. Paul Park
Vadnais Heights
Waseca
Willmar
Worthington

Fire services (paid)

Figure 4. Fire services (paid) basic spending pool

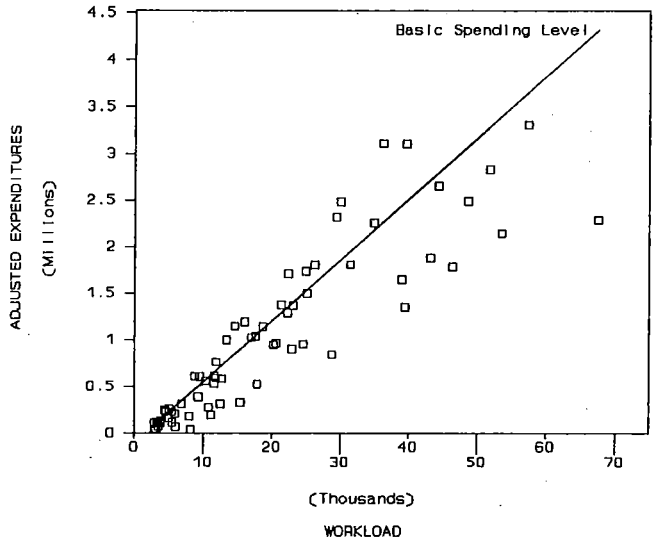


Cities in fire services (paid) basic spending pool

Albert Lea	East Grand Forks	Moorhead	Stillwater
Bemidji	Faribault	Owatonna	St. Louis Park
Coon Rapids	Fridley	Red Wing	Winona
Cottage Grove	Mankato	Richfield	
Crookston	Minneapolis	Rochester	
Duluth		South St. Paul	

Park and recreation services

Figure 5. Park and recreation services basic spending pool

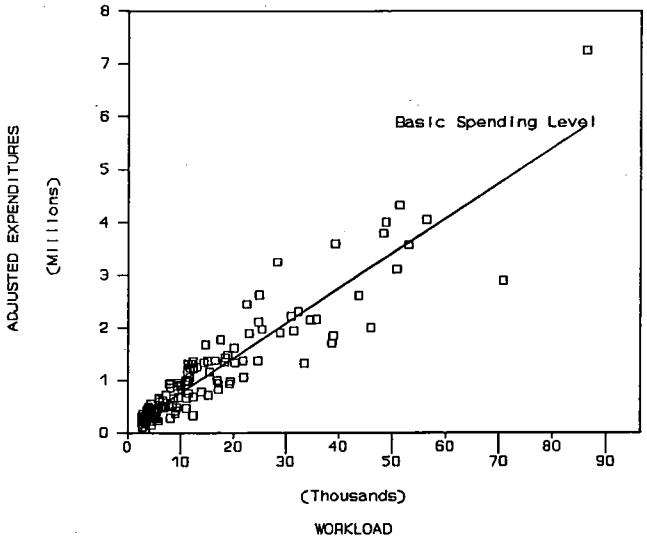


Cities in the parks and recreation services basic spending pool

Albert Lea	Detroit Lakes	Maplewood	Sartell
Andover	East Bethel	Medina	Sauk Rapids
Anoka	Eden Prairie	Mendota Heights	Shakopee
Apple Valley	Edina	Minnetonka	Shorewood
Arden Hills	Fairmont	Monticello	South St. Paul
Austin	Faribault	Mounds View	Stewartville
Bayport	Fridley	New Hope	St. Cloud
Blaine	Hermantown	New Ulm	St. Joseph
Brainerd	Inver Grove	Newport	St. Louis Park
Brooklyn Center	Heights	Owatonna	St. Paul Park
Brooklyn Park	Jordan	Princeton	Vadnais Heights
Burnsville	Lake Elmo	Prior Lake	Waconia
Champlin	Lakeville	Ramsey	Willmar
Chanhassen	Little Falls	Red Wing	Windom
Chisholm	Long Prairie	Richfield	Winona
Coon Rapids	Mankato	Robbinsdale	Woodbury
Cottage Grove	Maple Grove	Rosemount	Worthington

General administration services

Figure 6. General administration services basic spending pool

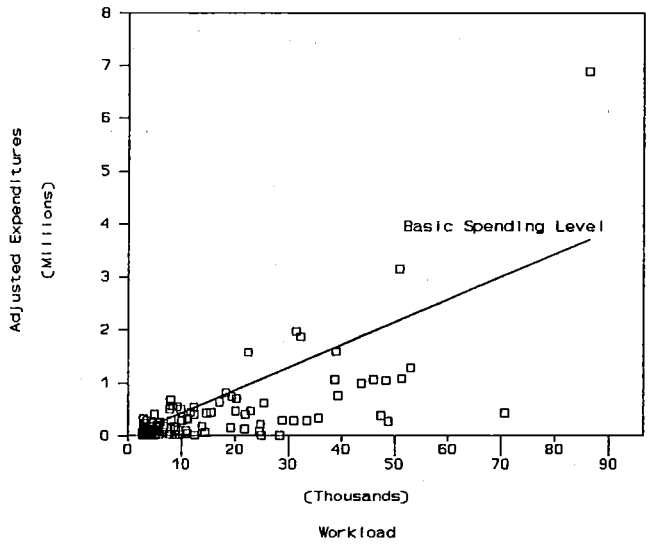


Cities in the general administration services basic spending pool

Afton
Albert Lea
Alexandria
Andover
Anoka
Apple Valley
Baxter
Bayport
Belle Plaine
Bemidji
Big Lake
Blaine
Bloomington
Blue Earth
Brainerd
Breckenridge
Brooklyn Center
Brooklyn Pk.
Buffalo
Burnsville
Caledonia
Cambridge
Cannon Falls
Champlin
Chanhassen
Chaska
Chisholm
Circle Pines
Cloquet
Columbia Heights
Coon Rapids
Corcoran
Cottage Grove
Crookston
Dayton
Deephaven
Detroit Lakes
Dilworth
East Bethel
East Grand Forks
Eden Prairie
Edina
Elk River
Ely
Fairmont
Falcon Hts.
Faribault
Farmington
Fergus Falls
Forest Lake
Fridley
Glencoe
Goodview
Ham Lake
Hastings
Hermantown
Hopkins
Hugo
Hutchinson
Independence
Inver Grove Heights
Jordan
Kasson
La Crescent
Lake City
Lake Elmo
Lakeville
Le Seuer
Litchfield
Little Canada
Little Falls
Long Prairie
Luverne
Mankato
Maple Grove
Marshall
Mendota Hts.
Minnetonka
Montevideo
Moorhead
Morris
Mound
Mounds View
New Hope
New Prague
New Ulm
Newport
N. Mankato
North Oaks
N. St. Paul
Northfield
Oak Park Heights
Oakdale
Olivia
Orono
Osseo
Owatonna
Pipestone
Plymouth
Princeton
Prior Lake
Ramsey
Red Wing
Richfield
Robbinsdale
Rochester
Roseville
Sartell
Sauk Rapids
Savage
Shakopee
Shorewood
Sleepy Eye
South St. Paul
Spring Lake Park
Staples
Stewartville
Stillwater
St. Anthony
St. Cloud
St. James
St. Joseph
St. Louis Park
St. Paul Park
St. Peter
Thief River Falls
Two Harbors
Vadnais Hts.
Wadena
Waseca
Wayzata
West St. Paul
White Bear Lake
Willmar
Windom
Winona
Woodbury
Worthington

Related expenditures

Figure 7. Related expenditures basic spending pool



Cities in related expenditures basic spending pool

Afton
Albert Lea
Alexandria
Arden Hills
Bayport
Belle Plaine
Bemidji
Benson
Big Lake
Blaine
Bloomington
Blue Earth
Brainerd
Brooklyn Center
Burnsville
Caledonia
Cannon Falls
Circle Pines
Cloquet
Coon Rapids
Corcoran
Cottage Grove
Crookston
Dayton
Deephaven
Detroit Lakes
Dilworth
Eagan
East Bethel
Eden Prairie
Edina
Elk River
Fairmont
Falcon Heights
Faribault
Farmington
Fridley
Glencoe
Grand Rapids
Granite Falls
Ham Lake
Hastings
Hermantown
Hugo
Independence
Inver Grove Heights
Kasson
Lake City
Lake Elmo
Lakeville
Lino Lakes
Litchfield
Little Canada
Long Prairie
Luverne
Mahtomedi
Mankato
Maple Grove
Maplewood
Minnetonka
Minnetrista
Monticello
Moorhead
Morris
Mound
Mounds View
Mountain Iron
New Hope
New Prague
Newport
North Mankato
North Oaks
Northfield
Oak Park Heights
Olivia
Orono
Owatonna
Park Rapids
Plainview
Plymouth
Princeton
Prior Lake
Ramsey
Red Wing
Redwood Falls
Richfield
Robbinsdale
Rochester
Rosemount
Roseville
Sartell
Sauk Rapids
Savage
Shakopee
Shoreview
Shorewood
South St. Paul
Spring Lake Park
Staples
Stewartville
Stillwater
St. Anthony
St. Cloud
St. James
St. Joseph
St. Louis Park
St. Paul Park
St. Peter
Thief River Falls
Vadnais Heights
Wadena
Waseca
West St. Paul
White Bear Lake
Windom
Winona
Woodbury
Worthington

Workload weights

Street services weights

Traffic volume. Traffic volume data was obtained from the Minnesota Department of Transportation (MnDOT). The department collects traffic volume information for cities through both continuous and short-term traffic counts. At about 160 locations in the state, automatic traffic recorders count traffic 24 hours a day, 365 days a year. Short-term counts are taken at about 13,000 locations and are adjusted for seasonal or day of the week differences based on the continuous-count data. Traffic volume is the primary determinant of the street services workload. More than 80 percent of the workload is based on this factor.

Soil. Soil weights are based on the relative cost of street construction and maintenance for various soil types. There are four basic soil types in Minnesota. Data on the soil type of each city was obtained from municipal reference data in the Minnesota State Aid Manual and from county maps in the state aid office. In those instances where city boundaries included more than one soil type, the dominant type was used in the workload. When there was no obvious dominant type, the higher number (poorer quality) was used. Soil with a factor of 50, for example, is of a higher quality and thus is less expensive to pave than a soil with a factor of 130.

Table 3. Number of cities by soil type

Soil Type	Number of Cities	Percent of Cities
50	22	12%
75	34	19%
100	91	50%
130	34	19%

Figures for the cost and quantity of construction materials published by MnDOT for the Municipal State Aid program were used to calculate the cost to build an "average" road for a city of each soil type.

Table 4. Price for street materials

Material	Average Price per unit
Grading Material	$3.00 per cubic yard
Base Material	$5.75 per ton
Sub-base Material	$5.75 per ton
Surface	$24.50 per ton

Quantities of three types of material (grading cubic yards, base and sub-base tons, and surface tons) were compiled for each soil type for a one-mile section of a new or reconstructed road. Each quantity was then multiplied by the average price of that material to derive a total cost figure.

Table 5. Cost per mile by soil type

Soil Type	Material	Quantity	Price per unit	Cost	Total cost per mile
50	Grading	22,864 yds^3	\$3.00/yds^3	\$68,592	\$359,605
	Base	13,601 tons	\$5.75/ton	\$78,206	
	Sub-base	0 tons	\$5.75/ton	\$0	
	Surface	8,686 tons	\$24.50/ton	\$212,807	
75	Grading	25,811 yds^3	\$3.00/yds^3	\$77,433	\$398,841
	Base	13,601 tons	\$5.75/ton	\$78,206	
	Sub-base	5,286 tons	\$5.75/ton	\$30,395	
	Surface	8,686 tons	\$24.50/ton	\$212,807	
100	Grading	32,155 yds^3	\$3.00/yds^3	\$96,465	\$483,319
	Base	13,601 tons	\$5.75/ton	\$78,206	
	Sub-base	16,668 tons	\$5.75/ton	\$95,841	
	Surface	8,686 tons	\$24.30/ton	\$212,807	
130	Grading	35,327 yds^3	\$3.00/yds^3	\$105,981	\$525,547
	Base	13,601 tons	\$5.75/ton	\$78,206	
	Sub-base	22,357 tons	\$5.75/ton	\$128,553	
	Surface	8,686 tons	\$24.30/ton	\$212,807	

Soil Type of 100 was used as the base for indexing because most cities have this type of soil.

Table 6. Soil cost factor

Soil type	Total cost	Soil cost factor
50	\$359,605	\$359,605/\$483,319 = .74
75	\$398,841	\$398,841/\$483,319 = .83
100	\$483,319	\$483,319/\$483,319 = 1.00
130	\$525,547	\$525,547/\$483,319 = 1.08

The percentage increase in workload caused by soil type was adjusted by the average percentage of city street expenditures that might be influenced by soil factors. Soil factors contribute little additional cost to snow removal, street engineering, street lighting, and other capital outlay. Of the remaining two expenditure categories, street construction accounts for 52.5 percent of a city's spending on streets (the median is 41 percent), and street maintenance 25.3 percent. Some street maintenance activities occur at a certain level regardless of the soil type, so CORE estimated that 50 percent of maintenance is influenced by soil type. Thus, street maintenance contributes 12.7 percent. The percentage of city spending that can be influenced by soil factors totals 65.2 percent (52.5 percent + 12.7 percent).

Table 7. Percent of spending influenced by soil type

Activity	% of total street spending	% of spending influenced by soil factor
Snow removal	2.4%	0%
Street engineering	6.9%	0%
Street lighting	4.5%	0%
Capital outlay	3.9%	0%
Street construction	52.5%	52.5%
Street maintenance	25.3%	12.7%
All Activities	100%	65.2%

The number 1 was subtracted from the soil cost factor so that cities with soil type 100 received no increment; cities with soil type less than 100 received a decrease; and cities with soil type greater than 100 received a positive increment.

Thus, the soil index is calculated at .652 (soil cost factor-1).

Table 8. Soil index

Soil type	Soil cost factor	Soil index
50	.74	-.17
75	.83	-.11
100	1.00	0
130	1.08	.05

Police weights

Weighted population. Weighted population is the largest portion of the police services workload. On average, weighted population composes 91 percent of a city's workload.

The number of people living in a city by age and sex was obtained from the 1990 Census. Each category of age and sex received a weight based on the number of victimizations for that category of persons. The national victimization rates for these categories were calculated by the federal Bureau of Justice Statistics.[6]

Table 9. National victimization rates

Demographic factor	A Victimization rate per 1,000 persons	B Victimization rate for males >24	C=A/B Weight
Males 12-24	198.3	77.0	2.58
Females 12-24	150.5	77.0	1.95
Males >24	77.0	77.0	1.00
Females >24	64.0	77.0	0.83
Average person	93.4	77.0	1.21

The bureau does not calculate victimization rates for people under age 12. To proxy for the number of victimizations, CORE used estimates of the incidence of child abuse from the U.S. Department of Health and Human Services.[7] The child abuse rate for children under 12 is 26 per 1,000 persons. Thus, the weight for children was calculated as 26/77, which equals 0.34.

In addition, Minneapolis, St. Paul, and Duluth were given additional workload because of their size. According to national victimization rates, central cities with populations of more than 50,000 have about 25 percent more victimizations than smaller cities. The population draw factors account for much of this increased number of victimizations, but in Minneapolis, St. Paul and Duluth an additional 14 percent in weighted population was given to these cities to adjust for the additional number of victimizations that was not captured by population draw.

---

[6]Bureau of Justice Statistics, *Criminal Victimizations in the U.S.: 1990*, U.S. Department of Justice, 1991.

[7]U.S. Department of Health and Human Services, *Study of National Incidence and Prevalence of Child Abuse and Neglect*, Washington, D.C., 1988.

Workers. No organization collects data on the number of net incoming workers. To estimate this, CORE determined the number of incoming workers and subtracted the number of outgoing workers. Incoming workers was calculated by taking the number of people who work in a city and subtracting the number of people who live and work in a city. These variables were provided by the census.

Net incoming workers = Incoming workers - outgoing workers

Incoming workers = People who work in a city
- People who work and reside in the same city

The weight for workers is based on the number of hours a person is at his/her place of employment. On average, a person spends 1,500 hours per year at work, which is about 18 percent of their time. The weight for an average person is 1.21 (Table 9). Thus, for each "net incoming worker" a city received an additional workload of .22 (since $1.21 \times .18 = .22$). Cities could either gain or lose workload because of this factor, but in most cases the change was minimal.

Persons living in female-headed households. The number of persons living in female-headed households was estimated by multiplying the average number of people in a family in each city by the number of families with children who were headed by a female with no husband present. The weight for this factor was also based on victimization rates. A person living in a female-headed household is about 50 percent more likely to be a victim than an average person. Thus the weight for this factor is .60 (since $.5 \times 1.21 = .60$). This factor composed between 1 and 9 percent of a city's workload.

Retail sales. Retail sales data was provided by the state Department of Revenue. CORE used the total amount of retail sales the city had for the following types of retail trade: eating and drinking establishments, food, clothing and accessories, and miscellaneous retail establishments.[8] The amount of additional workload each city received was based on that city's disproportionality of sales. The disproportionality of retail sales was calculated as follows:

$$\frac{\left(\frac{\textit{City's Retail Sales}}{\textit{State's Retail Sales}}\right)}{\left(\frac{\textit{City's Population}}{\textit{State's Population}}\right)}$$

[8]Sales from three types of retail establishments were not included in the retail sales factor because the high cost of the items sold in these businesses skewed the total amount of retail sales for cities. The types of establishments excluded are: automotive and marine, home furnishing and entertainment, and building, hardware, garden, and mobile homes.

Each city was given an increase in workload equal to 3.33 times its disproportionality index. The multiplier 3.33 was chosen on the basis of anecdotal evidence suggesting that a one-unit increase in the disproportionality would be associated with an increase in workload of about 3.33 percent.[9] The retail sales factor increased a city's workload up to 24 percent. The average city received a 4 percent increase.

Lodging sales. The weight for lodging sales was .018 times the disproportionality of lodging sales. The disproportionality of lodging sales was determined as follows:

$$\frac{\left(\frac{\textit{City's Lodging Sales}}{\textit{State's Lodging Sales}}\right)}{\left(\frac{\textit{City's Population}}{\textit{State's Population}}\right)}$$

Each city was given an increase in workload equal to .018 times its disproportionality index. The multiplier .018 was chosen because cities with high disproportionality indices tended to have spending a little less than 2 percent higher than the basic spending level. Cities received up to 21 percent additional workload because of the lodging sales factor. The average city received a 1 percent increase.

Fire weights

Fire workload was calculated in two steps. Step 1 was based on property types; Step 2 increases city workloads for housing age and traffic volume. Step 1 is:

$$\frac{\begin{array}{l}+ (1.0)(1.2065)(\textit{Number of Residential Units}) \\ + (2.0)(1.1068)(\textit{Number of Commercial Units}) \\ + (2.0)(0.8262)(\textit{Hazardous Materials Weight})(\textit{Number of Industrial Units}) \\ + (1.5)(0.4721)(\textit{Number of Institutional Units}) \\ + (1.0)(0.3119)(\textit{Number of Other Buildings})\end{array}}{\textit{Base}}$$

[9]In a city with a large enclosed mall, the police chief estimated that about 20 percent of calls are to the area surrounding the mall. He also estimated that about half of that amount was "created" by the mall. The fact that the disproportionality index of this city was three suggested that each one-unit increase in disproportionality increased workload about 3.33 percent.

Step 2 is:

Workload = Base (1 + Age + Traffic Volume)

Property type. Property categories were created as collections of state Department of Revenue classifications of structure types. CORE created five categories of property: residential; commercial; industrial; institutional; and other.

Table 10. Property categories

Property Class	Description
Residential	All residential property except apartments with four or more units (classified as commercial). This includes non-homestead residential, mobile home and farm homestead property (but not farm non-homestead property, classified as "other"). Also includes residential seasonal recreational property.
Commercial	Commercial, church, charitable and government property, and apartments with four or more units. This includes commercial seasonal recreational property, as well as tax-exempt special districts (mostly mining plants).
Industrial	Industrial and public utility property plus the Department of Revenue category "personal property" that encompasses mainly the personal property of public utilities.
Institutional	Elementary and secondary school property, academy, college and university property, and hospital and nursing home property.
Other	Forests, parks, and refuges, mineral, timber, railroad and vacant land, farm land (exclusive of house, garage, and first acre), Indian reservation land, public burying grounds, and open space.

The "number of units" for each property type was calculated as the value of property in the type divided by the median house value in that city. For example, the "number of residential units" was calculated as:

$$\frac{\textit{Residential property value in city}}{\textit{Median house value in city}}$$

The purpose of dividing by the median house value in the city was to prevent workloads from being higher in cities where property values are higher. Because it takes the same amount of effort to fight a hospital fire in either a high-value or low-value city (presuming the hospitals are identical), the same amount of workload should be added in both cities.

Three types of factors were used to determine the weight for structures:

- weights related to the proportionality of cost;
- weights related to the proportionality of service; and
- a hazardous materials weight (applied to industrial units).

Property type weights. In Step 1 of the workload calculation, the first weight in front of each property type was related to the costliness of serving the particular property type, and the second weight was related to the relative frequency of fires occurring in the particular property type. These two weights are referred to as the "proportionality of cost" and "proportionality of service" weights. Industrial units also received a "hazardous materials weight" if data showed the city to have exceptional amounts of hazardous material.

Proportionality of cost weights were determined by consulting with experts in the field. Table 11 shows the equipment and time needs that were developed for the different property types.

Table 11. Proportionality of cost weights

Property Type	Equipment	Time	Weight
Residential	2 engines (2½" hose) Aerial ladder	2-3 hours	1.0
Institutional	All apparatus (5" hose)	3-4 hours	1.5
Commercial	All apparatus (5" hose) Mutual Aid apparatus	8-10 hours, higher ranking officers	2.0
Industrial	All apparatus (5" hose) Mutual Aid apparatus	8-10 hours, higher ranking officers	2.0

The weight in the last column of Table 11 is not directly proportional to resource use. Additional resources are needed partly because average structure sizes are larger on the non-residential properties. The larger size of these properties was already considered in the base: property "units" are equal to property value divided by median house price in the city. Thus a large industrial structure, with its correspondingly large value, was already counted as multiple units.

Proportionality of service weights was determined by the process shown in Table 12.

Table 12. Proportionality of service weights

Type of property	% of fires in MN	% of property value in MN	Weight: ratio of % of fires to % of property value
Residential	67.55	55.99	1.2065
Commercial	19.85	17.93	1.1068
Industrial	5.49	6.65	0.8262
Institutional	3.09	6.55	0.4721
Other	4.02	12.89	0.3119

Hazardous materials weight for industrial property was different for each city. It was determined using the number of pounds of "tier II," extremely hazardous materials reported to the State Emergency Response Commission in 1991. The weight was calculated as follows:

$$1 + \frac{PPI}{MPPI \times 100}$$

where PPI stands for "pounds per industrial unit" and MPPI stands for "mean pounds per industrial unit." A city reporting the average number of pounds of hazardous materials in 1991 had its industrial units value increased 1 percent, and a city reporting 10 times the average in 1991 had its industrial units value increased 10 percent. The nine cities with more than 10 times the average number of pounds of hazardous materials in 1991 were given an increase of only 10 percent. Of the 181 cities, 162 cities receive an increment of less than 1 percent.

Housing age factor. The housing age factor was calculated as:

$$1992 - (\textit{median built year of housing units})$$

The variable "median built year of housing units" was provided by the census. Each city was given an increase in workload equal to .001 times its age factor. This means a city whose median housing unit was built in 1972 received a 2 percent increase in workload. The multiplier .001 was chosen because statistical

tests suggested that an increase in housing age of 10 years was associated with an increase in spending of about 1 percent. All cities receive an age increment, varying between 0.8 and 5.3 percent.

Traffic volume factor. The traffic volume factor used was total vehicle miles travelled on all roads located in the city during one year. This data was obtained from MnDOT, which uses automatic traffic recorders to get estimates of traffic volume in each city. Many fire professionals advised that "mobile risk factors" such as cars and trucks created additional fire workload. Cities with unusually large traffic volume were assumed to have higher workload.

Each city was given an increase in workload equal to .0000000001 times its traffic volume. A city with 100 million vehicle miles of travel through its boundaries in a year, therefore, had its base increased 1 percent. The multiplier .0000000001 was chosen because anecdotal evidence suggested that mobile risk factors did not significantly affect workload until a threshold of 100 million vehicle miles was attained. All cities received a traffic volume increment, varying between 0.04 and 20 percent, though 153 of the 181 cities received an increment of 1 percent or less. Only three cities received an increment greater than 10 percent: Bloomington (10.5 percent), St. Paul (16 percent) and Minneapolis (21 percent).

Adequacy measures. The dollar loss data received from the State Fire Marshal was adjusted to correct for differences in losses that were due solely to differences in property values across cities. First, average fire losses were calculated for the number of years between 1987 and 1990 in which a city reported losses to the Fire Marshal. This number was adjusted to correct for differences in property values across cities:

$$\begin{matrix}\textit{Adjusted}\\ \textit{Average}\\ \textit{Fire}\\ \textit{Losses}\end{matrix} = \begin{matrix}\textit{Average}\\ \textit{Fire}\\ \textit{Losses}\end{matrix}\left(\frac{325{,}000}{\textit{Median House Value}}\right)$$

The value $325,000 was the highest median value of housing among cities in Minnesota. This adjustment makes fire losses equivalent to what they would have been had the fire occurred in the city with the highest median value.

Parks and recreation weights

Population draw. The population draw factor gave additional workload to cities that are regional centers. Cities were identified as regional centers if they were a tier 0-3

city as defined in a study by Thomas Anding.[10] Anding classified cities based on the presence of a variety of retail and wholesale businesses. In order to be considered a regional center, a city had to have a minimum set of convenience retail services and nine or more specialty retail stores.

With this standard, 38 cities were considered regional centers:

Albert Lea	Duluth	Little Falls	Rochester
Alexandria	Elk River	Mankato	St. Cloud
Austin	Fairmont	Marshall	St. Paul
Bemidji	Faribault	Minneapolis	Thief River Falls
Brainerd	Fergus Falls	Montevideo	Virginia
Breckenridge	Grand Rapids	New Ulm	Waseca
Buffalo	Hibbing	Northfield	Willmar
Cloquet	Hutchinson	Owatonna	Winona
Crookston	International Falls	Park Rapids	Worthington
Detroit Lakes		Red Wing	

These cities received additional workload based on the amount of people in surrounding communities. The population draw factor was calculated as:

(1/5)(*Non-resident population living within a five-mile ring around city center*)
+(1/10)(*Non-resident population living within the 2nd five-mile ring*)
+(1/15)(*Non-resident population living within the 3rd five-mile ring*)
+(1/20)(*Non-resident population living within the 4th five-mile ring*)

Information on the distance from a regional center to the center of nearby cities was provided by the Land Management Information Center. No city was allowed to receive a population draw greater than half the size of its population.

Basic interest expense

A city's "basic interest expense" reflects its need to pay interest on *general purpose debt* only. Cities also incur debt for the provision of above-basic services and for services that should be funded through enterprise funds. Because these different kinds of debt are not separated on city reports to the state auditor, CORE made estimates, premised on two assumptions.

[10]Anding, Thomas L., John S. Adams, William Case, Sandra de Montille and Miriam Goldfein, *Trade Centers of the Upper Midwest: Changes from 1960 to 1989*, Center for Urban and Regional Affairs, University of Minnesota, 1990.

First, it was assumed that all cities recorded their "pure" general obligation and special assessment debt in their governmental funds; the data supports this assumption. The total governmental fund debt for 57 cities (32 percent) was composed of only general obligation or special assessment bonds. All but two cities had total government fund debt that was at least as great as the value of the bonds. It was evident that some cities held their revenue bonds as a separate enterprise fund debt.

Second, it was assumed that the percentage of total interest payments for a city attributable to general purpose debt can be approximated by the proportion of general obligation bonds and 65 percent of special assessment bonds out of total governmental fund bonded debt. Special assessment bonds were weighted at 65 percent[11] of their value because these bonds finance water utility and sanitary sewer construction as well as street construction. Water utility and sanitary sewer construction are considered excluded services because they usually are run as enterprise operations.

For example, if 20 percent of a city's governmental fund debt was general obligation bonds and 30 percent special assessment bonds, then 39 percent of the interest payments made in 1990 were for debt that financed basic services (20 percent + .65 x 30 percent = 39 percent).

For three cities that recorded interest payments out of their enterprise fund but had no enterprise fund debt, their government and enterprise fund interest payments were added together before separating interest payments for general purpose debt from the interest payments for other types of debt.

Future calculations

The difference between actual 1990 total city interest payments for general purpose debt and CORE's estimate of basic interest expense was $12.4 million. CORE concluded that the formula should account for the interest payments of a city on outstanding debt in the year any new general purpose aid formula is implemented. In the year of implementation, cities could be asked to report what the annual interest payments are on their outstanding debt for general obligation and special assessment bonds, long-term notes, and installment contracts for governmental fund services, excluding economic development. These interest payments are the minimum interest expense of a city for that year. When a city's estimated basic interest expense (calculated according to the formula above) is different from its actual interest

[11]The 65 percent was estimated from a sample of forms cities submit to the State Auditor's Office on the use of special assessment bond proceeds for road and bridge construction. These forms show the cost of the total project and the amounts for streets, water utilities and sanitary sewers. The forms submitted by 20 cities for recent years were analyzed, and a weighted average of 65 percent determined as the cost of streets, sidewalks and related infrastructure. Calls to a sampling of cities confirmed that this was how special assessments generally were used.

payments, the larger of those two amounts could be included in the calculation of the city's total basic spending level.

By using the greater of actual-vs.-estimated interest expense the first year, a transition period is created, enabling cities with a large amount of debt to move from their current situations to a new formula determination of appropriate interest expense in the future. Through this approach, cities would not be negatively affected by decisions made in previous years.

In the first year of a new formula, all cities could be credited with at least the actual amount of their interest payments. Cities that spent less than the estimated interest expenditure amount, however, would be credited with the full basic interest expense amount.

In the immediate years after implementation of the formula, cities could receive credit for their actual interest expense *on the debt outstanding from the year of implementation*, or the median percent of interest expense, whichever is greater. Eventually, as debt outstanding from the year of implementation is paid off, all cities would be credited with just the interest expense as calculated by the formula.

In 1990, 88 cities made actual interest payments that were less than the estimate of their basic interest expense, while 93 cities made interest payments greater than their estimates. With the formula suggested above, the 88 cities with interest payments less than estimated would receive their actual interest expense *plus* the difference between that amount and the CORE estimate; the other 93 cities would receive their actual interest expenditure amount.

C. SUMMARY OF SURVEYS

CORE undertook several surveys of Minnesota cities during the project. They were used to gather information specific to each city that was not available elsewhere. Also, survey information was used to adjust state auditor data to better reflect the costs of some city services so that city spending comparisons would be more accurate.

Local services funding project survey

In July 1993, each city was sent a six-page survey with several categories of questions. Followup calls were made to cities that failed to return the survey, and answers to the questions were taken over the telephone. Additionally, followup calls to some cities were necessary in order to clarify the responses to some questions. Of 179 cities surveyed, data was collected for 175, for a response rate of 98 percent.

This survey had several purposes. One was to correct inconsistencies in state auditor data. Another was to gather information to determine service adequacy. Cities were asked whether they had their own police department or had a contract with the county sheriff's office. Several questions on the survey asked cities about how they recorded certain types of expenditures on their state auditor forms and the total amount of the expenditures. Some adjustments were made so cities were treated consistently for such expenses as a fire marshal and street cleaning.

Some cities provide services to other cities or governmental entities. The survey was used to determine which cities have service contracts and the revenues collected from them. These contract revenues were subtracted from both the revenues and expenditures of the provided service.

Additional questions were asked about intergovernmental grants cities receive and how cities financed their capital outlays in 1990.

Fire contract survey

In February 1993, a telephone survey was used to determine which cities provided fire services to other governmental entities on a contract basis. Mutual aid agreements were not considered a contract. For cities with contracts, the value of the contract in 1990 was subtracted from the expenditures for fire service listed in the state auditor report.

Type of fire department survey

In November 1992, a mail survey was used to determine which cities had paid, part

paid or volunteer fire departments, and to obtain information on how fire expenditures were recorded for the state auditor and the types of services provided by the fire department. If the fire department was a volunteer one, questions were asked about how expenses for the department were reported to the state auditor. The data was used to group fire departments as either volunteer or paid.

Parks survey

In November 1992, a mail survey was sent to all cities in order to obtain information on how park expenditures were recorded for the state auditor, the types of services provided through the parks and recreation departments of cities, the type and number of park facilities each city had, and contract revenues from other cities. Additionally, a telephone survey was used to obtain data on the number of acres each city maintained for active use.

D. SERVICES EXCLUDED FROM BASIC SPENDING

Following are descriptions of the services that are *not* included in the determination of city basic spending levels: background information, some per capita spending analyses,[12] and the rationale for not including the service in basic spending.

Ambulance services

Ambulance services are part of the services known as emergency medical services. Two levels of service are commonly provided — basic life support and advanced life support.

Ambulance services are licensed by the state Department of Health. In addition to cities, services are provided by private hospitals and ambulance services and by both individual and groups of counties. This system results in some coverage overlap and, in the metropolitan area, competition among providers.

Some city ambulance services are staffed by volunteers, others by paid staff. All incur costs for insurance and equipment in addition to staff costs. Some ambulance services are self-supporting. They charge fees and receive insurance payments and payments from Medicare and Medicaid.

Regional provision of ambulance service generally is considered more cost effective and may result in better quality of care. To be self-supporting an ambulance unit must complete at least 1,200 advanced life support runs per year. On average, a service can expect one call per day for each 10,000 people served. Some cities do not generate enough calls for their service to be self-supporting; their staffs are not called out enough to maintain skill levels.

Reported ambulance service expenditures. Only 40 Minnesota cities (22 percent) reported any governmental fund expenditures for ambulance service. Operating expenses ranged from $43 per person in Virginia (population 9,410) to one cent per person in Austin (population 21,907). Of the 40 cities, 21 reported operating expenditures of less than $5 per person.

An additional 11 cities reported ambulance service as an enterprise operation. The remaining 128 cities report no expenditures in the category of ambulance services;

[12]Workloads were not developed for the excluded services.

however, a few of them operate ambulances through their police or fire departments.

The cities reporting ambulance expenditures range in size from St. Paul (population 272,235) to Melrose (population 2,561). There is no apparent pattern to the distribution of cities providing the service.

Rationale. Ambulance service is excluded from basic spending because:

- Given that most cities do not provide ambulance service, it is difficult to justify it as a minimum, basic *city* service.
- Recognizing ambulance services as a need for some cities and not others creates inequities between cities based on past local decisions. Including it as a need for all cities would overcompensate cities that do not provide the service and underfund those that do provide it.
- Funding cities for providing ambulance service may encourage the continuation of an inefficient service system. Excluding it from the determination of need may cause cities to consider alternative means for ambulance service delivery.

Library services

M.S. 134.07 authorizes cities and counties to establish and maintain public library services and to levy an annual tax known as the library fund. However, M.S 134.341 assigns fiscal responsibility for ensuring the availability of library service to the counties and requires that counties participate in the regional public library system.

Forming regional public library districts was recommended in the state Department of Education's 1989 report, *Final Report and Recommendations, Regional Public Library Districts for Minnesota.* It states that regional systems are successful in extending library service to additional people and in strengthening existing libraries. The report asserts that forming library districts would resolve some funding problems.

The legislature set up an annual grant program for regional library basic system support. To be eligible, cities or counties must provide for a minimum level of public library support set by statute.

Reported library service expenditures. Library service costs were reported to the state auditor by 91 cities (51 percent). Operating costs ranged from $60 per person in Thief River Falls to 22 cents per person in St. James. Cities of all sizes and from all over the state provide the service. There is no apparent pattern to the distribution.

No cities operate their libraries as enterprise funds. Some cities levy taxes for library

services and others receive funds from the county. Libraries also receive some state and federal funding.

Rationale. Library service is excluded from basic spending because:

- Given that not all cities provide libraries, and that counties have fiscal responsibility for seeing that a minimal service level is provided, it is difficult to justify it as a minimum, basic *city* service.

- Recognizing libraries as a service need for some cities and not others creates inequities between cities based on past local decisions. Including it as a need for all cities would overcompensate cities that do not provide the service and under-fund those that do provide it.

- Funding cities for providing library service may encourage continuation of an inefficient service system. If regional library systems are preferable, it may be appropriate to target state dollars to the regional service districts.

Health services

Under M.S. 145A.04, a county or multi-county board of health has the powers and duties of a board of health for all territory within its jurisdiction not under the jurisdiction of a city board of health. A city without its own health board receives health service from the county or multi-county health board.

The state Department of Health has effectively encouraged health board consolidation by limiting eligibility for community health service funds to health boards serving a population of 30,000 or more. Before 1976, there were more than 2,100 health boards in the state; there are now only 49.

Of the 33 cities that reported health service operating expenses, five (Minneapolis, Bloomington, Edina, Richfield, and St. Paul) have their own health boards and are eligible for state funding.

Reported health service expenditures. Only 33 cities (18 percent) reported any governmental fund expenditures for health service. Operating expenses ranged from $59 per person in Luverne to 4 cents per person in Caledonia. Of those 33 cities, 12 spent less than $1 per capita on health service.

In addition, six cities operated health-related enterprise funds, primarily for nursing homes. The remaining 146 cities reported no health service expenditures.

Those cities with reported health service range in size from Minneapolis (population

368,383) to Melrose (population 2,561). There is no apparent pattern to the distribution of cities providing the service.

Rationale. Health service is excluded from basic spending because:

- Given that most cities do not provide health service, it is difficult to justify it as a minimum, basic *city* service.
- Recognizing health service as a need for some cities and not others creates inequities between cities based on past local decisions. Including it as a need for all cities would overcompensate cities that do not provide the service and underfund those that do provide it.
- Funding cities for providing health service may result in duplication between county and city health programs. If a city has unique health needs, its officials could work with county staff to ensure that the county meets those needs, without the need of an alternative system.

Garbage services

Garbage collection is the first step in the solid waste disposal process. Related issues span all levels of government, from local to federal agencies. It involves both environmental protection and health concerns.

All local units of government have authority to regulate collection and transportation of solid waste. In most cases, cities provide, manage, or regulate garbage collection and transportation.

Counties are required to develop solid waste management plans and to study and implement alternatives to landfills, such as resource recovery.

Garbage collection systems fall into three categories: 1) private collection; 2) municipal collection; and 3) organized, or contract, collection. Within these categories, financing sources include tax revenues (governmental fund) or user fees (enterprise fund or private contracts).

Reported garbage service expenditures. Only 29 cities (16 percent) reported any governmental fund expenditures for garbage collection, ranging from $71 per person for Champlin to 15 cents per person for Kasson. Of these cities, 12 spent less than $10 per person on garbage service.

Another 44 cities (24 percent) provide garbage service as an enterprise activity. The remaining 108 cities report no expenditures for garbage. The cities that provided

garbage collection through their governmental fund fall into no consistent pattern of size or regional location.

Rationale. Garbage service is excluded from basic spending because:

- Very few cities actually provide garbage services; in those that don't, citizens have a variety of available options.
- Garbage collection is largely a private enterprise system, regulated by government. Regulation is not reported to be more effective in cities with governmental fund garbage operations.
- Disposal of garbage once it is collected is largely a county issue. It is unlikely that eliminating this service from an analysis of state aid to cities will have any negative affect on the environment or public health.
- Recognizing garbage collection as a service need for some cities and not others creates inequities among cities based on past local decisions. Including it as a need for all cities would over-compensate cities that do not provide the service and under-fund those that do provide the service.

Airport services

The legislature has established both a state airport system and a state airport fund in statute. The state airport fund is a dedicated fund with three revenue sources: the aircraft registration tax, the aviation fuel tax, and the airline property tax. Major appropriations from this fund are for airport grant-in-aid programs. To be eligible for state grants, an airport must, among other criteria, be owned by a municipality — city, county or township — or a cooperative group of municipalities.

The federal government provides construction grants-in-aid to eligible airports through the airport improvement program. Most of these grants require a 10 percent local match; some of the local match may come from the state.

Seven Twin Cities area airports, including the Minneapolis–St. Paul International Airport, are operated by the Metropolitan Airports Commission. The commission has the authority to levy taxes, but has done so only twice. The operations of the airports are completely funded through federal grants and user fees.

Reported airport service expenditures. Airports are located in 63 cities with more than 2,500 population; most are owned by the city. Of the cities with airports, 55 (30 percent of the 181 cities) reported 1990 governmental fund expenditures for airports, ranging from $36 per person for Windom to $1 per person for Buffalo.

Another eight cities operate airports as enterprise operations. Two of those eight cities also show governmental fund expenditures for airports. Several of the cities with airport enterprise funds indicated that they make general fund transfers into the enterprise fund on an as-needed basis to cover costs.

Additional revenue sources for cities with airport service include hangar rentals, fuel sales, and farmland rental.

Rationale. Airport service is excluded from basic spending because:

- Most cities do not own an airport; airports are not a minimal, basic service.
- It has been demonstrated that airports can be operated as an enterprise.
- The benefits to citizens from an airport are more presumed than clearly evident. For example, airports may provide additional jobs for area residents, or travelers on the airplanes may spend money in the city. It is debatable whether the benefits of an airport outweigh the expense.
- Some airports are used for general aviation and have little if any commercial use.
- Recognizing airports as a need for some cities and not others creates inequities between cities based on past local decisions. Including airports as a need for all cities would over-compensate cities that do not provide the service and under-fund those that do provide the service.

Economic development services

In the state Department of Trade and Economic Development's *Economic Development Program*, economic development is defined as "the stimulation of private investment in order to expand, maintain or start a business. The desired result of economic development grants is the creation of new jobs or the retention of endangered jobs for low and moderate income people."

The federal government supports economic development through loan programs, grants, training programs, labor market information, and technical assistance. Federal objectives for economic development include: 1) benefit to low- and moderate-income persons; 2) prevention or elimination of slums and blight; and 3) alleviation of urgent community development needs.

In the state auditor's uniform chart of accounts, economic development spending is described as "expenditures directed toward the economic development of an area within the city and the provision of assistance and opportunity for persons and

businesses within that disadvantaged area."

Reported economic development service expenditures. In 1990, 81 cities (45 percent) reported governmental fund expenditures for economic development, ranging from $102 per person in Two Harbors to 6 cents per person in Circle Pines.

Four cities operate economic development activities as enterprise activities. Some cities conduct economic development activities, and record expenditures, through both an economic development authority *and* a housing redevelopment authority.

Rationale. Economic development service is excluded from basic spending because:

- Economic development is often encouraged through loans to businesses. As such, the city may expect a return on its investments, rather than a constant drain.

- Because economic development is an important issue for Minnesota, the state has established a variety of economic development grant programs to stimulate business and job growth. Application of city general purpose aids to economic development may be unnecessary and may encourage use of a less efficient program model.

- Economic development can be argued to be a regional, rather than a local issue. One report contends that "state programs need to take the perspective of a larger region, promote cooperation among the local jurisdictions in an area in economic development, and refuse to subsidize projects that have the effect of moving economic activity around the region unless a business is moving from a prosperous area to a distressed area."[13] To an extent, providing general purpose aid to fund economic development may shift economic development away from some cities and toward others because there is no incentive to plan or cooperate.

- Recognizing economic development as a need for some cities and not others creates inequities between cities based on past local decisions. Including economic development as a need for all cities would over-compensate cities not providing the service and under-fund those that do.

Transit services

Much of the transit spending in Minnesota is financed by the Regional Transit Board and usually does not show up on city accounts.

---

[13]Margaret E. Dewar, *Why Don't State and Local Economic Development Programs Produce Economic Development?*, University of Minnesota, May 1992.

Reported transit service expenditures. In 1990, 45 cities reported transit service costs to the state Department of Transportation. Five of those 45 cities had transit enterprise funds: Duluth, Hastings, St. Peter, Mankato and Monticello. The other 40 cities either directly provided or contracted for some transit services; five of those 45 cities contracted for senior citizen transit service using small cities development grant funds. All of the 45 cities lie outside the Twin Cities metropolitan area. In general, they are relatively larger cities.

MnDOT provides some grants to cities to offset transit costs.

Rationale. Transit service is excluded from basic spending levels because:

- Relatively few cities have expenditures for transit services.
- Recognizing transit as a service need for some cities and not others creates inequities between cities based on past local decisions. Including it as a need for all cities would over-compensate cities that do not provide the service and under-fund those that do provide the service.
- Unlike many of the services accounted for under "miscellaneous expenditures" on the state auditor's reports, data is available from MnDOT to make a correction.
- MnDOT already supports city transit systems.

Housing and redevelopment services

Most cities conduct housing and redevelopment activities through housing and redevelopment authorities (HRAs). State law provides for the creation of HRAs in each city and county, as well as multi-county HRAs.

Housing and redevelopment are seen in some areas as a regional issue. For example, the metropolitan area cities are served by county HRAs and by the Metropolitan Council's HRA.

There is overlap in the duties and authorities of housing and redevelopment authorities, economic development authorities and port authorities. In some cities, the HRA branches into economic development, while in other cities the economic development authority becomes involved in housing.

Most HRA funding comes from state and federal grants, local HRA tax levies and revenue bonds.

Other entities can provide similar services. For example, housing projects can be built and managed by nonprofit organizations, or by private landowners through U.S. Department of Agriculture grants.

Reported housing and redevelopment service expenditures. Cities reported housing and redevelopment expenditures of $202.8 million in 1990, which accounts for more than 9 percent of total city spending.

Only 95 cities (52 percent) reported expenditures for housing and redevelopment in 1990, ranging from $250.23 per person in Chaska to 2 cents per person in Apple Valley. Twelve of the 95 cities spent less than $1 per capita on housing and redevelopment.

St. Paul and Minneapolis accounted for 61 percent of the total city current expenditures and Minneapolis accounted for 68.5 percent of total city capital outlays for 1990. In 1990, Austin and St. Paul both operated HRAs as enterprise fund activities.

Rationale. Housing and redevelopment service is excluded from basic spending because:

- Given that economic development and housing and redevelopment are closely linked and often overlapping, it makes sense to treat them in the same way. In this case, it is logical to exclude both services.

- Housing and redevelopment can be encouraged through low-interest loans to homeowners. As such, the city may expect a return on its investments, rather than a constant drain.

- Housing and redevelopment projects such as apartment buildings constructed with federal funds and managed by HRAs are often self-supporting.

- Many HRAs operate as distinct legal entities that have separate budgets, separate revenue streams and the capacity to receive funds directly.

- Recognizing housing and redevelopment as a need for some cities and not others creates inequities between cities based on past local decisions. Including housing and redevelopment as a need for all cities would over-compensate cities that do not have governmental fund expenditures for the service and under-fund those that do.

Miscellaneous pensions and insurance

Miscellaneous pensions and insurance are two line items on the state auditor's report: non-allocated pension contributions, and non-allocated insurance.

According to generally accepted accounting principles, the costs of insurance payments and pension contributions are to be allocated proportionately (for bookkeeping purposes) among various city departments, even if those payments are made from a single fund. This is not consistently done.

Reported miscellaneous pensions and insurance expenditures. Only 48 cities (27 percent) report any expenditures for miscellaneous insurance. Only 12 cities (7 percent) report any expenditures for miscellaneous pensions. And of those 12, only one (Minneapolis) does not also report some expenditures under miscellaneous insurance. One city (Owatonna) reports a negative expenditure for miscellaneous insurance.

Rationale. Miscellaneous pensions and insurance expenditures are excluded from basic spending because:

- Miscellaneous pensions and insurance costs account for only about .7 percent of total city spending.
- Recognizing miscellaneous accounting of pensions and insurance as a need for some cities and not others would create inequities between cities based on past local decisions.
- Providing funding for "miscellaneous" accounting practices for pension and insurance may encourage the continuation of inappropriate accounting practices. Excluding it from the determination of need may encourage cities to allocate those costs.

E. CITIES EXCLUDED FROM BASIC SPENDING

Twenty-two cities were excluded from the determination of all basic spending levels, for the following reasons.

Recent population gain. In eight cities, the growing population passed the 2,500 mark between the years 1984 and 1990. Cities with fewer than 2,500 population have different accounting and reporting requirements from those of larger cities. Including the eight cities would have created data problems because CORE used an eight-year average for capital outlay. The eight cities are:

Glenwood	Pine City	St. Francis
Lauderdale	Rockford	St. Michael
Melrose	St. Charles	

Benefits allocation. In eight other cities, benefits apparently were not allocated appropriately. In each city, more than 5 percent of its current expenditures was reported to the state auditor as "miscellaneous pensions and insurance." The cities are:

Crystal	Mora	Virginia
Eveleth	Proctor	Waite Park
Hibbing	Sauk Centre	

Specific concerns. Six cities were excluded for particular reasons.

Delano	Did not file a report with the state auditor in 1990.
International Falls	Recently merged with South International Falls, making its current capital outlays incompatible with the past eight years.
Golden Valley	Did not properly allocate benefits among expenditure categories.
New Brighton	The only city that reported depreciation instead of capital outlays. (New Brighton's approach, incidentally, is preferable for this type of analytical comparison.)

Minneapolis and St. Paul	Their significantly larger workloads and expenditures have an inordinate effect on the calculation of the basic spending level.

F. FACTORS NOT INCLUDED IN SERVICE WORKLOADS

Street services

CORE contacted more than 110 street experts, conducting numerous in-depth interviews and a discussion group with city engineers to identify workload factors. Several mailings were sent to solicit feedback on the workload formula. Contacts included representatives of the state Department of Transportation, the Metropolitan Council, and city engineers. Numerous workload factors were identified. Included factors are described in the section, "Basic spending." Listed here are the factors that CORE considered, but determined did not apply or could not be measured.

Population. Total vehicle miles is a better measure of actual demand than population, because it not only captures use of city streets by residents, but also the use of city streets by non-residents. Including both population and total vehicle miles would have been redundant.

Population density. Cities that were either very dense or very sparse did not have noticeably different spending patterns from other cities. Population density is to some extent within the city's control.

Population change. Cities that were rapidly growing did not have significantly higher street expenditures than other cities. Some growing cities require developers to put in streets. Other cities borrow funds and then make special assessments in order to spread the cost of the new streets over the future population of the city.

Age of city roadway system. If roads are well maintained, the age of the road may not reflect spending needs. Including this factor as part of the workload may give cities an incentive to allow their roads to deteriorate when they should be rebuilt. There is no central source of data that captures average age of city roads.

City-owned lane miles (or center stripe miles). Using lane miles (or center stripe miles) in the workload formula would give cities credit for building new streets that may not be needed. It would also reward cities that may have overbuilt in the past.

Type of traffic. MnDOT estimates that heavy commercial vehicles represent only 2 percent of all traffic on city-owned streets. County and state roads bear most of the heavy traffic that goes through a city.

Presence of local transit system (buses). The effect of a transit system on city roads is unclear. The existence of a transit system may reduce a city's need for streets

because fewer people would need to drive. Different cities have different kinds of transit systems that result in different kinds of travel and thus different levels of demands being placed on the streets. Regular route buses often travel on county trunk highways.

Width of streets. The width of city streets is based on past decisions and related to the preferences of a city's residents.

Estimates of total trips based on property use or zoning. Total vehicle miles traveled is a better measure of what this factor would estimate.

Type of street surface. These surfaces are based on past decisions and on individual city preferences.

Maintenance of a county or state highway system. City costs associated with maintenance of non-city roads should be reimbursed by the appropriate government entity.

Police services

CORE contacted approximately 100 police experts in the process of developing the police workload formula. More than 20 in-depth interviews were conducted with criminal justice experts and police and city officials to identify workload factors. A mailing was also sent to 80 city police officials and police experts to solicit feedback on the workload formula. The following factors were identified by police experts, but were not included in the police services workload formula.

Crime data. Police officials can control the way they record crimes. Police officials reported to CORE that if the workload was determined on the basis of the number of Part I crimes, they would find/record more Part I crimes. Criminal justice experts recommend against the use of crime data to compare jurisdictions. Crime data is dependent on a victim reporting a crime. The amount of reporting varies among cities. Police need is related to the number of victims, not the number of reported crimes.

Calls for service. The definition of a "call for service" varies among cities. For example, some cities count every call for a "lockout" while other cities may not count any.

Race. There was little variation among most Minnesota cities on the number of residents of different races. Race is highly correlated with female-headed households.

Poverty. Poverty is highly correlated with female-headed households; counting both

factors would be redundant. Research on police service indicates that the category of female-headed households appears to indicate the need for police better than poverty. Cities with large poor elderly populations and college towns often have high poverty rates but do not have a high need for police services.

Multiple dwelling units. Multiple dwelling units are highly correlated with female-headed households and youth. Apartment complexes filled with upper income adults do not create additional police workload. Police officials commented that it is youth who create disturbances and family violence that seem to create additional calls to multiple family dwellings.

Large sparse cities. A majority of police experts did not feel geography was an important factor. The amount of time it takes to get from one end of the city to the other is more important than the size and density of the city, but this data was not available. Cities that are large and sparse do not have significantly higher police expenditures than cities with similar workloads that are not large and sparse.

Large sports facilities and special events. The type of event and the type of crowd it attracts have a greater impact than the number of people in attendance. It is extremely difficult to estimate the effect an event will have on a crowd. City officials can control the number of special events that occur within their city. The cost of police services for these events can be built into the cost of special permits.

Colleges and universities. College-age people are already receiving additional workload. College students are counted by the Census at their primary place of residence. For students living in dormitories or near the school, the Census counts the student as living in the same city as the school. The police workload formula may undercount the workload caused by commuters; however, no data was available on the number of students who attend a college or university, but live in another city.

Junior and senior high schools. Youth are already receiving additional workload. There is not much variation among cities on the net influx of students. Cities that have a net influx of students do not spend more for police services than do cities with similar workloads.

Prisons. Very few cities with a population of more than 2,500 have a prison. Criminal justice experts stated that they do not think that prisons create an additional burden on city police. Cities with prisons did not have significantly higher police expenditures than did cities with a similar workload that do not have prisons.

County seats. The additional demand for police services created by a city being a county seat should be picked up by population draw factors such as retail sales and workers. Cities that are county seats do not have significantly higher police expenditures than do cities with similar workloads that are not county seats.

Border cities. The demand for police services by non-Minnesotans should be captured by the three population draw variables (workers, retail sales, lodging sales).

Tourism. Tourism is partially accounted for in the lodging and retail sales factor. The demand for police services by people taking day trips where few dollars are spent may be underestimated. No data is available on the amount of tourism in each city.

Proximity to an interstate or highway. Most cities with a population of more than 2,500 have an interstate or a heavily travelled state highway in close proximity to the city. CORE was unable to identify which cities have an additional workload need because of this proximity.

Migrant workers. No data is available on the number of migrant workers in each city. The number of migrant workers living in cities of more than 2,500 is small.

Regional treatment centers. Only a few cities in Minnesota with a population of more than 2,500 have a regional treatment center. Regional treatment centers are currently being downsized. If they do have an effect on police services, the need will rapidly decrease over the next few years. Cities with regional treatment centers do not have significantly higher police expenditures than do cities with similar workloads that do not have regional treatment centers.

Elderly. National victimization rates indicate that the elderly are the least likely of any age group to be victimized.

Casinos. Data is not available on the number of people going through a city to a casino. At least some casinos have made arrangements with the nearby city to pay some of the cost of increased population draw. Cities near casinos do not have significantly higher expenditures than do cities with similar workloads that are not near casinos.

Liquor stores and bars. City officials can control the number of liquor stores and bars allowed within their city. Alcohol is not necessarily consumed where it is purchased. That is, in cities without bars, people find other places to congregate and drink. The retail sales factor partially accounts for police need related to liquor stores and bars.

Fire services

Approximately 130 fire experts were contacted in the process of developing the fire services workload formula. To identify workload factors, CORE conducted interviews and held two large discussion groups with representatives from state agencies, fire departments, and fire organizations to identify workload factors. A mailing was also sent to solicit feedback on the proposed workload formula. The following workload

factors were identified, but not included in the fire workload formula.

Demographics. Discussions with experts and practitioners in fire services suggested that fire expenditures varied more directly with the number and type of structures in a city than the number and type of people residing in the city. Thus, structures were chosen as the "base" of fire services workload.

The percentage of old and young people in the city was not used because no clear evidence was found to suggest that these groups disproportionately contribute to the number or severity of fires in a city. Minnesota State Fire Marshal reports show the leading causes of fires are heating, arson and cooking, which cannot be clearly linked to the age of residents. Although the number of fires caused by children is reported, there is no similar breakdown for other age groups.

The percentage of people living in poverty was not used because, among the cities studied, there appeared to be no relationship between fire expenditures and several different measures of poverty.

Expected structural growth. Evidence suggests that cities do not need to purchase new fire protection equipment or facilities very long before the arrival of new structures. To the extent that a city does wish to plan ahead in this way, it can do so by debt financing, thereby passing the cost to the future residents who will benefit from these expenditures.

Topography. Topographical obstacles such as rivers, lakes and railroad tracks were not included in the workload because evidence indicates little variance among cities in the presence of these obstacles. Investigation found that the few cities with a very large percentage of wetland were cities whose boundaries cut into a lake or river, in which case the wetland is not an obstacle to travel. Evidence suggested too little variation in "hilliness" among cities to warrant inclusion in the workload.

Proximity to a regional center. Proximity to a regional center should not decrease a city's workload because if a city is receiving services from another city, the other city should be charging for the cost of the services. Unlike parks or libraries, one city cannot simply use the fire services of another city without the other city's agreement.

Density. To some extent, the type of buildings and the weight given to apartments and institutions substitutes for relevant aspects of density. In addition, density is highly correlated with median housing age, which is included in the workload formula. But average population density alone is not a good indicator of fire risk. A city with some dense and some sparse areas might have the same average density as a city with all housing similarly spaced, but the two cities might have different conflagration risks.

The effect of density is mixed. A very dense city may not need as many fire stations,

which reduces capital costs, but may have a greater risk of conflagration requiring larger crews. Density of the downtown area, in conjunction with total population and age of buildings, was taken into consideration in the determination of which cities should be funded at the level necessary to operate a paid fire department due to risk of conflagration.

Climate. The amount of variation in climate among Minnesota cities is not significant.

Fire ordinances. City officials can control the strictness of their fire ordinances.

Parks and recreation services

Approximately 120 parks and recreation experts were contacted in the process of developing a workload for parks and recreation services. CORE conducted numerous interviews and held a discussion group with park and recreation officials and state agency officials to identify workload factors. A mailing was sent to city officials and state agencies to solicit feedback on the workload formula. The following factors were identified, but were not included in the final workload formula for parks and recreation services.

Demographics. Parks experts believe that parks and recreation serves citizens of all age groups, so there is no clear theoretical justification for giving additional workload to certain age groups. Cities should provide parks and recreation services to meet the needs of all age groups represented in their population. Although the types of facilities and equipment might vary, it is not clear that it is more or less costly to serve any particular segment of the population.

Proximity of regional and state parks. Because different levels of government provide different types of recreational facilities, city and non-city parks are not substitutes for each other. Cities generally provide parks for more active use, while non-city parks provide more open space.

Population growth. Evidence suggests that cities do not need to install new parks or new park facilities very long before the arrival of new residents. To the extent that a city does wish to plan ahead in this way, it can do so by debt financing, thereby passing the cost to the future residents who will benefit from these facilities.

Land costs. While land costs vary throughout the state, many parks are on land donated to the city by developers. Other parks are in areas not really suitable for other types of development. To assess the cost of available parkland in each community would not be feasible.

General administration services

In the process of developing a workload formula for general administration, city officials and state agency representatives were contacted. The factors listed below were identified, but not included in the general administration workload formula.

Metropolitan vs. "free-standing" cities. CORE found no consistent variation in spending patterns among these different types of cities. Some respondents suggested that free-standing cities might provide more services because residents would not have as ready an access to the services of surrounding communities. Nonetheless, a city has control over the number of services it offers.

Unique county service arrangements. Some cities are located in counties that provide property assessment services for the city at no charge. This factor was not included because expenditures for the city assessor are only a small portion of a city's general administration expenditures.

Employee responsibilities. Information on employee responsibilities is not readily available. Cities should allocate the staff costs for each category of expenditures.

Employees. Data on the number of employees is not available on a service-by-service basis. The number of part-time vs. full-time employees a city hires is a factor within its control.

G. BASIC SPENDING INFORMATION

The tables beginning on Page 109 summarize the basic spending information for each Minnesota city with a population of more than 2,500. The tables are organized as follows:

- Cities are sorted by workload, from the lowest to highest, within each service category. This makes it possible to compare cities of similar workloads.

- The table uses *adjusted expenditures* rather than actual expenditures to enable accurate comparisons, as explained in the "Basic Spending" section. Only the final table in this section compares actual (unadjusted) *total* city expenditures to the sum of the basic spending levels.

- The *basic spending level* refers to the regression line calculated for each service category, based on city workloads. Not every city was used in the calculation. Cities were included in the "pool" only if they provided at least a basic, minimal and adequate level of service and if they did not spend far above the average in 1990.

- "Notes," the last column, indicate if a city's spending was excluded from the determination of that service's basic spending level. Reasons for exclusion include:

  A = *Accounting problems.* Some cities did not report expenditures in the correct categories.

  B = *Did not submit financial reporting form to the state auditor in 1990.* Only one city, Delano, is excluded for this reason.

  C = *Low construction expenditures.* If a city spent less than 10 percent of its total street expenditure on capital outlays for construction it was assumed that the quality of its streets was less than adequate.

  D = *County sheriff provides police services.* Cities generally do not bear the full cost of the county sheriffs' services, so their spending cannot be compared with that of cities with police departments.

  E = *Do not provide 24-hour police services.* Non-basic providers of service are not comparable.

F = *Fire department has at least five full-time paid fire fighters.* Only volunteer fire departments were used to determine the basic spending level (a separate basic spending level was calculated for Minneapolis, St. Paul, Rochester, and Duluth).

G = *Fire expenditures include costs for ambulance services.* Some cities that account for ambulance expenditures in their fire department budgets were unable to separate those costs, making their budgets difficult to compare.

H = *High fire loss.* City provides less than adequate fire services.

I = *Received Insurance Service Organization (ISO) rating worse than 5.* City provides less than adequate fire services.

J = *Missing adequacy data.* Information on adequacy was missing.

K = *Maintained fewer park acres than recommended by the National Park and Recreation Association (NPRA).* City provides less than adequate park and recreation services.

L = *Did not return the CORE survey.* Four cities did not return the CORE survey that identified accounting problems: Columbia Heights, Blue Earth, Hopkins, and Rosemount. These cities were included in the basic spending pools.

Basic spending — street services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Michael	1,582	78,167	190,135	-59%	A,C
Lauderdale	1,736	37,318	193,493	-81%	A
St. Joseph	2,330	289,962	206,463	40%	
Rockford	2,527	202,342	210,751	-4%	A
Delano	3,628	N/A	234,772	N/A	B
Bayport	4,027	232,118	243,478	-5%	C
Plainview	4,052	213,495	244,020	-13%	
Dilworth	4,317	226,969	249,805	-9%	
Jordan	4,416	246,170	251,964	-2%	
Stewartville	4,556	279,397	255,016	10%	
Big Lake	4,581	345,303	255,563	35%	
Two Harbors	4,648	544,430	257,036	112%	
Circle Pines	4,681	196,538	257,737	-24%	
Osseo	4,989	378,460	264,466	43%	
Kasson	5,013	39,307	264,990	-85%	C
Waconia	5,029	470,226	265,339	77%	
Goodview	5,239	145,883	269,914	-46%	C
Oak Park Heights	5,294	94,103	271,122	-65%	
Proctor	5,347	234,751	272,278	-14%	A
Long Prairie	5,582	274,365	277,404	-1%	
Melrose	5,663	248,702	279,171	-11%	A
Eveleth	6,069	621,244	288,026	116%	A
Pine City	6,094	391,013	288,577	35%	A

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Sleepy Eye	6,260	371,549	292,196	27%	
Sartell	6,289	527,388	292,830	80%	
St. Charles	6,336	223,234	293,857	-24%	A
New Prague	6,599	396,325	299,593	32%	
Cannon Falls	6,693	637,186	301,639	111%	
Staples	6,877	530,683	305,653	74%	
Princeton	7,122	250,856	311,007	-19%	C
Caledonia	7,136	346,081	311,303	11%	
Newport	7,232	204,239	313,393	-35%	C
La Crescent	7,305	312,815	314,999	-1%	
St. Paul Park	7,310	342,986	315,100	9%	
Breckenridge	7,381	335,076	316,652	6%	
St. Francis	7,384	114,643	316,719	-64%	A,C
Belle Plaine	7,471	204,233	318,618	-36%	
Sauk Centre	7,565	372,516	320,668	16%	A
Jackson	7,734	489,989	324,356	51%	C
Olivia	7,754	331,219	324,801	2%	
Le Sueur	7,969	451,648	329,483	37%	
Wayzata	8,000	581,128	330,159	76%	
Mora	8,021	188,250	330,617	-43%	A
Benson	8,044	699,028	331,124	111%	
Glenwood	8,074	357,658	331,774	8%	A
Granite Falls	8,304	429,319	336,784	27%	
Pipestone	8,675	509,503	344,887	48%	
Deephaven	8,680	269,416	344,995	-22%	C

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Blue Earth	8,683	878,635	345,071	155%	L
Lake City	8,742	393,350	346,340	14%	
Luverne	8,851	544,999	348,721	56%	
St. James	8,956	541,367	351,017	54%	
Glencoe	9,559	442,228	364,170	21%	
Park Rapids	9,796	496,925	369,341	35%	C
Mountain Iron	9,915	422,322	371,929	14%	C
Monticello	10,224	776,256	378,691	105%	
Windom	10,278	489,282	379,860	29%	
Wadena	10,640	230,683	387,751	-41%	C
Ely	11,474	555,578	405,949	37%	C
Redwood Falls	12,418	601,857	426,541	41%	
Baxter	13,053	182,717	440,414	-59%	
Dayton	14,274	271,745	467,043	-42%	
North Oaks	14,473	20,177	471,385	-96%	
Waite Park	14,896	359,510	480,616	-25%	A
Cambridge	15,872	221,049	501,897	-56%	C
Medina	15,890	525,993	502,301	5%	
Afton	16,316	196,388	511,597	-62%	A
Hugo	16,747	290,999	521,008	-44%	
Minnetrista	16,760	321,235	521,282	-38%	C
Forest Lake	16,994	326,379	526,398	-38%	C
Falcon Heights	17,025	290,817	527,064	-45%	
Independence	17,096	300,320	528,613	-43%	C
Shorewood	18,007	706,024	548,489	29%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Mahtomedi	20,497	655,654	602,815	9%	
Vadnais Heights	20,619	415,856	605,476	-31%	
Farmington	22,904	1,042,078	655,330	59%	
Buffalo	23,741	493,054	673,591	-27%	
Spring Lake Park	24,626	416,718	692,905	-40%	
Chisholm	25,385	849,223	709,470	20%	
Litchfield	25,394	1,092,366	709,656	54%	
Little Canada	25,593	900,668	713,998	26%	
Morris	26,277	692,795	728,913	-5%	
Savage	27,268	1,795,392	750,542	139%	
International Falls	28,644	N/A	780,563	N/A	A
Lake Elmo	29,381	321,947	796,643	-60%	
Mounds View	29,701	789,302	803,616	-2%	
Arden Hills	29,967	426,239	809,436	-47%	
Waseca	31,307	1,353,455	838,664	61%	
Lino Lakes	32,524	1,544,543	865,216	79%	A
St. Peter	32,607	1,370,683	867,027	58%	
Montevideo	35,222	689,762	924,080	-25%	
Champlin	35,619	1,187,929	932,748	27%	
St. Anthony	36,864	493,122	959,905	-49%	
Ham Lake	37,783	556,217	979,948	-43%	
Corcoran	38,130	461,463	987,526	-53%	
North St. Paul	38,563	811,462	996,973	-19%	
Orono	38,725	583,120	1,000,507	-42%	
Mound	38,993	659,576	1,006,355	-34%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Chanhassen	39,078	3,449,690	1,008,209	242%	
Rosemount	39,878	1,813,336	1,025,663	77%	L
Detroit Lakes	41,857	1,381,651	1,068,845	29%	
Sauk Rapids	42,259	887,499	1,077,613	-18%	
Prior Lake	42,456	1,036,223	1,081,909	-4%	
Crookston	42,578	994,626	1,084,566	-8%	
Hutchinson	42,688	1,789,187	1,086,971	65%	
Grand Rapids	44,588	1,440,197	1,128,421	28%	
Thief River Falls	45,594	1,209,694	1,150,380	5%	
Chaska	45,865	777,628	1,156,286	-33%	
Shoreview	45,869	2,061,076	1,156,375	78%	
North Mankato	47,432	2,447,581	1,190,474	106%	
Northfield	47,849	2,376,820	1,199,572	98%	
Anoka	48,480	985,891	1,213,341	-19%	C
East Grand Forks	49,635	1,634,122	1,238,530	32%	
Little Falls	49,781	863,813	1,241,713	-30%	
East Bethel	51,506	685,347	1,279,367	-46%	
Mendota Heights	52,421	540,031	1,299,322	-58%	
Shakopee	52,649	2,959,894	1,304,297	127%	
Marshall	53,021	1,964,599	1,312,413	50%	
Worthington	54,039	1,694,066	1,334,623	27%	
Ramsey	54,146	915,536	1,336,968	-32%	
Andover	54,751	1,246,610	1,350,159	-8%	
Elk River	54,985	1,497,986	1,355,258	11%	
New Brighton	55,297	1,526,696	1,362,070	12%	A

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Brainerd	56,841	1,333,177	1,395,764	-4%	
Robbinsdale	57,470	961,275	1,409,479	-32%	
Hermantown	59,090	456,346	1,444,832	-68%	
Hastings	61,243	2,190,169	1,491,791	47%	
West St. Paul	61,516	2,209,985	1,497,754	48%	
Fergus Falls	63,041	1,623,600	1,531,026	6%	
New Ulm	64,693	2,353,230	1,567,069	50%	
Cloquet	66,295	1,878,431	1,602,021	17%	
Virginia	67,762	1,755,868	1,634,033	7%	A
Alexandria	69,512	996,140	1,672,209	-40%	
South St. Paul	71,623	3,159,504	1,718,266	84%	
Oakdale	73,615	2,192,405	1,761,726	24%	
Stillwater	74,759	1,908,522	1,786,686	7%	
Hopkins	76,086	1,449,448	1,815,638	-20%	L
Bemidji	80,187	1,360,032	1,905,115	-29%	
Inver Grove Heights	80,688	1,527,690	1,916,043	-20%	
White Bear Lake	82,997	1,628,264	1,966,420	-17%	
Owatonna	86,764	3,311,600	2,048,607	62%	
Columbia Heights	87,367	1,079,524	2,061,763	-48%	L
Maplewood	87,646	3,945,128	2,067,850	91%	
Crystal	88,348	1,460,159	2,083,163	-30%	
Fairmont	93,396	1,815,015	2,193,302	-17%	
Blaine	100,636	3,228,733	2,351,260	37%	
Fridley	100,984	3,047,258	2,358,852	29%	
New Hope	101,602	1,708,322	2,372,330	-28%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Albert Lea	102,955	2,067,888	2,401,857	-14%	
Red Wing	103,606	2,610,411	2,416,061	8%	
Roseville	104,507	6,278,390	2,435,718	158%	
Faribault	118,529	2,179,140	2,741,646	-21%	
Lakeville	118,844	3,392,438	2,748,519	23%	
Woodbury	127,282	2,798,229	2,932,616	-5%	
Winona	135,176	2,901,843	3,104,836	-7%	
Richfield	137,894	1,630,769	3,164,140	-48%	
Willmar	139,012	2,772,908	3,188,538	-13%	
Apple Valley	139,727	3,039,378	3,204,137	-5%	
Maple Grove	140,400	5,205,795	3,218,821	62%	
Austin	143,691	3,272,482	3,290,623	-1%	
Cottage Grove	145,381	1,571,229	3,327,494	-53%	
Brooklyn Center	152,195	2,862,877	3,476,169	-18%	
Golden Valley	157,241	4,398,874	3,586,252	23%	A
Moorhead	166,298	3,788,729	3,783,857	0%	
Coon Rapids	167,549	4,053,831	3,811,156	6%	
Hibbing	176,639	2,464,911	4,009,466	-39%	A
St. Louis Park	180,621	3,460,753	4,096,356	-16%	
Eagan	191,276	5,577,175	4,328,817	29%	
Eden Prairie	203,789	5,726,280	4,601,827	24%	
Brooklyn Park	207,372	6,291,272	4,679,988	34%	
Minnetonka	235,251	3,796,864	5,288,250	-28%	
Plymouth	254,740	6,269,668	5,713,455	10%	
Burnsville	275,166	7,243,182	6,159,103	18%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Edina	279,419	4,823,371	6,251,883	-23%	
St. Cloud	296,928	8,739,039	6,633,896	32%	
Mankato	330,362	8,661,710	7,363,352	18%	
Rochester	333,830	7,530,316	7,439,015	1%	
Bloomington	527,839	19,770,768	11,671,842	69%	
Duluth	730,636	14,698,432	16,096,397	-9%	
St. Paul	1,495,101	37,567,825	32,775,260	15%	
Minneapolis	1,559,190	43,702,150	34,173,534	28%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Basic spending — police services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Michael	2,612	51,152	361,834	-86%	A, D, E
Afton	2,614	52,157	361,934	-86%	D, E
Independence	2,671	308,842	366,099	-16%	
St. Francis	2,761	194,590	372,719	-48%	A, E
Goodview	2,839	276,447	378,355	-27%	
Rockford	2,845	194,840	378,836	-49%	A, D, E
St. Charles	2,868	234,312	380,471	-38%	A
Dilworth	2,881	243,976	381,447	-36%	E
Olivia	2,909	260,168	383,455	-32%	
Lauderdale	2,924	167,024	384,572	-57%	A, D, E
Melrose	2,934	279,808	385,322	-27%	A
Glenwood	3,018	394,818	391,413	1%	A
Delano	3,034	N/A	392,599	N/A	B
Plainview	3,039	293,956	392,972	-25%	A
Caledonia	3,041	268,521	393,113	-32%	E
Jordan	3,154	176,113	401,325	-56%	E
Pine City	3,224	125,508	406,401	-69%	A, D, E
Belle Plaine	3,305	261,126	412,366	-37%	
Long Prairie	3,328	315,832	413,985	-24%	
Minnetrista	3,333	328,185	414,398	-21%	
Big Lake	3,348	381,666	415,479	-8%	A
North Oaks	3,385	304,855	418,200	-27%	D
Osseo	3,400	178,635	419,260	-57%	
Medina	3,409	371,920	419,927	-11%	E

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Proctor	3,448	318,316	422,767	-25%	A
Staples	3,475	409,038	424,699	-4%	
Granite Falls	3,486	369,415	425,536	-13%	
Deephaven	3,615	334,352	434,953	-23%	
Benson	3,637	491,928	436,564	13%	
Kasson	3,651	236,037	437,543	-46%	
Bayport	3,659	355,719	438,135	-19%	
Cannon Falls	3,691	440,575	440,483	0%	
Mora	3,721	441,294	442,644	0%	A
Mountain Iron	3,793	372,563	447,900	-17%	D
Park Rapids	3,811	419,114	449,218	-7%	
Baxter	3,887	252,938	454,767	-44%	
Jackson	3,957	505,140	459,883	10%	
Breckenridge	3,994	798,495	462,582	73%	
New Prague	4,000	401,205	463,012	-13%	
Sleepy Eye	4,037	282,098	465,731	-39%	
Sauk Centre	4,145	429,092	473,576	-9%	A
Waconia	4,212	171,529	478,460	-64%	D, E
Blue Earth	4,246	448,836	480,967	-7%	L
Two Harbors	4,247	703,495	480,998	46%	
Oak Park Heights	4,324	519,296	486,641	7%	
Newport	4,351	537,651	488,611	10%	
Le Sueur	4,361	302,513	489,305	-38%	
La Crescent	4,404	453,657	492,456	-8%	
Princeton	4,589	457,629	505,934	-10%	E

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Dayton	4,602	132,320	506,885	-74%	E
Hugo	4,609	204,540	507,372	-60%	D
Stewartville	4,699	151,142	513,923	-71%	D
Eveleth	4,721	456,127	515,543	-12%	A
Circle Pines	4,791	461,494	520,698	-11%	
St. Joseph	4,803	306,625	521,576	-41%	E
Luverne	4,805	618,371	521,694	19%	E
St. James	4,920	543,134	530,048	2%	
Lake City	4,966	691,769	533,412	30%	
Windom	4,966	641,247	533,448	20%	
Corcoran	4,993	203,339	535,387	-62%	E
Wadena	5,140	552,763	546,107	1%	
Glencoe	5,188	474,306	549,629	-14%	
St. Paul Park	5,250	497,323	554,133	-10%	
Ely	5,280	576,395	556,313	4%	
Pipestone	5,298	531,761	557,611	-5%	E
Redwood Falls	5,583	702,416	578,429	21%	
Mahtomedi	5,604	140,413	579,961	-76%	D
Shorewood	5,712	392,134	587,824	-33%	
Sartell	5,717	419,309	588,173	-29%	
Chisholm	5,734	910,723	589,383	55%	
Wayzata	5,823	550,630	595,931	-8%	
Monticello	6,067	239,181	613,713	-61%	D, E
Lake Elmo	6,124	110,339	617,842	-82%	D, E
Montevideo	6,259	604,775	627,659	-4%	
Falcon Heights	6,301	247,900	630,740	-61%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Cambridge	6,341	493,657	633,666	-22%	
Farmington	6,384	559,077	636,826	-12%	D, E
Waite Park	6,591	407,779	651,895	-37%	A
Litchfield	7,000	858,362	681,724	26%	
Orono	7,119	484,251	690,345	-30%	
Hermantown	7,173	508,076	694,284	-27%	
Spring Lake Park	7,571	676,682	723,352	-6%	
Forest Lake	7,583	718,744	724,167	-1%	
East Bethel	7,791	112,009	739,331	-85%	D, E
Buffalo	8,168	722,890	766,808	-6%	
Lino Lakes	8,293	605,535	775,964	-22%	
St. Anthony	8,409	656,996	784,444	-16%	
Sauk Rapids	8,487	657,216	790,073	-17%	
Morris	8,595	709,989	797,954	-11%	
Little Falls	9,042	883,461	830,572	6%	
Savage	9,146	971,469	838,107	16%	
Ham Lake	9,214	207,546	843,083	-75%	D, E
Rosemount	9,520	791,903	865,421	-8%	L
East Grand Forks	9,557	1,671,210	868,073	93%	
Mound	9,702	770,910	878,697	-12%	
Crookston	9,795	1,283,033	885,460	45%	
Detroit Lakes	9,799	1,044,416	885,730	18%	
Little Canada	10,031	429,160	902,679	-52%	D
Mendota Heights	10,138	1,153,734	910,418	27%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Waseca	10,244	613,104	918,166	-33%	
Thief River Falls	10,670	1,183,131	949,248	25%	
Chanhassen	10,989	462,096	972,511	-52%	D
Vadnais Heights	11,137	370,536	983,281	-62%	D
International Falls	11,388	N/A	1,001,597	N/A	A
North Mankato	11,407	765,702	1,002,976	-24%	
Prior Lake	11,591	1,131,445	1,016,344	11%	
Grand Rapids	11,900	936,504	1,038,864	-10%	
Virginia	12,063	1,397,436	1,050,771	33%	A
Arden Hills	12,213	456,748	1,061,690	-57%	D
Worthington	12,239	1,898,109	1,063,644	78%	
Elk River	12,740	1,178,966	1,100,137	7%	
Ramsey	12,753	651,483	1,101,084	-41%	
Chaska	12,784	783,442	1,103,334	-29%	
Cloquet	12,932	1,142,451	1,114,111	3%	
Fairmont	13,009	1,371,625	1,119,717	22%	
St. Peter	13,173	890,962	1,131,675	-21%	
Alexandria	13,256	1,450,309	1,137,764	27%	
Mounds View	13,641	966,242	1,165,802	-17%	
North St. Paul	13,815	947,792	1,178,519	-20%	
Hutchinson	13,923	1,386,936	1,186,369	17%	
Shakopee	14,371	1,543,371	1,219,041	27%	
Andover	15,336	491,947	1,289,360	-62%	D
Fergus Falls	15,423	1,799,635	1,295,699	39%	
Champlin	15,513	975,493	1,302,308	-25%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Robbinsdale	15,679	1,598,454	1,314,345	22%	
New Ulm	15,689	1,653,751	1,315,086	26%	
Marshall	16,552	1,620,335	1,378,033	18%	
Stillwater	16,896	1,312,207	1,403,064	-6%	
Red Wing	18,050	2,187,647	1,487,201	47%	
Hastings	18,553	1,400,286	1,523,884	-8%	
Brainerd	18,742	1,627,784	1,537,700	6%	
Bemidji	18,767	1,806,342	1,539,512	17%	
Oakdale	19,217	1,316,385	1,572,320	-16%	
Woodbury	20,003	1,628,892	1,629,564	0%	
Hopkins	20,183	1,814,329	1,642,706	10%	L
Faribault	20,575	2,231,751	1,671,275	34%	
Columbia Heights	20,581	2,122,312	1,671,751	27%	L
Hibbing	21,275	2,503,562	1,722,337	45%	A
Anoka	21,379	2,307,250	1,729,891	33%	
South St. Paul	21,751	2,744,467	1,757,002	56%	
Albert Lea	21,807	2,727,132	1,761,136	55%	
Northfield	22,186	1,449,913	1,788,761	-19%	
West St. Paul	22,595	1,780,572	1,818,511	-2%	
Willmar	22,656	2,440,036	1,822,956	34%	
Owatonna	22,719	1,556,849	1,827,579	-15%	
Cottage Grove	23,575	2,114,149	1,889,986	12%	
Inver Grove Heights	23,948	1,972,297	1,917,194	3%	E
Shoreview	24,468	819,608	1,955,111	-58%	D

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Lakeville	24,692	2,496,781	1,971,384	27%	
New Hope	25,260	2,200,281	2,012,807	9%	
Crystal	25,382	1,953,283	2,021,680	-3%	A
Austin	25,419	3,157,195	2,024,388	56%	
Golden Valley	25,884	1,489,565	2,058,297	-28%	A
New Brighton	26,417	1,437,811	2,097,128	-31%	A
White Bear Lake	27,022	1,973,541	2,141,241	-8%	
Fridley	35,437	3,111,295	2,754,705	13%	
Brooklyn Center	35,451	2,803,331	2,755,745	2%	
Apple Valley	35,638	3,526,441	2,769,356	27%	
Winona	36,583	3,426,604	2,838,256	21%	
Maple Grove	37,581	2,206,740	2,911,023	-24%	
Maplewood	38,544	2,781,730	2,981,214	-7%	
Richfield	38,980	3,748,897	3,012,976	24%	
Moorhead	42,867	4,122,173	3,296,311	25%	
Blaine	43,156	2,769,821	3,317,401	-17%	
Eden Prairie	45,374	2,789,226	3,479,127	-20%	
Roseville	45,435	2,488,355	3,483,539	-29%	
Mankato	49,801	3,411,611	3,801,800	-10%	
Eagan	51,702	3,758,049	3,940,378	-5%	
St. Louis Park	52,258	4,078,250	3,980,928	2%	
Edina	56,247	3,538,059	4,271,704	-17%	
Coon Rapids	57,567	4,113,498	4,367,906	-6%	
Minnetonka	58,031	4,355,165	4,401,782	-1%	
Plymouth	60,709	3,127,475	4,596,966	-32%	
Burnsville	60,860	5,168,109	4,607,993	12%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Brooklyn Park	62,323	4,758,555	4,714,628	1%	
St. Cloud	77,229	5,884,364	5,801,284	1%	
Rochester	92,864	7,400,511	6,941,024	7%	
Bloomington	117,460	7,785,536	8,734,014	-11%	
Duluth	125,337	10,393,436	9,308,243	12%	
St. Paul	385,533	36,196,976	28,276,063	28%	A
Minneapolis	564,611	55,545,916	41,330,509	34%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Basic spending — fire services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Dilworth	1,053	59,041	30,246	95%	H
Rockford	1,084	94,487	31,020	205%	I
St. Michael	1,107	8,917	31,605	-72%	I
Jordan	1,321	62,592	36,972	69%	H, I
Afton	1,336	64,776	37,350	73%	I, J
North Oaks	1,376	82,094	38,342	114%	J
St. Charles	1,391	45,538	38,721	18%	H
Independence	1,427	43,076	39,634	9%	I, J
St. Francis	1,429	55,700	39,679	40%	I
Belle Plaine	1,457	114,638	40,369	184%	I
St. Joseph	1,467	45,129	40,637	11%	H, I
Kasson	1,495	59,925	41,335	45%	H, I
Goodview	1,514	13,684	41,803	-67%	I
Lauderdale	1,559	35,407	42,925	-18%	J
Plainview	1,770	32,731	48,226	-32%	I
Big Lake	1,788	71,488	48,669	47%	H, I
Stewartville	1,834	94,086	49,821	89%	I
Delano	1,837	N/A	49,913	N/A	B
Proctor	1,880	26,776	50,970	-47%	I
Corcoran	1,986	61,420	53,641	15%	I, J
Dayton	2,011	99,968	54,269	84%	I
New Prague	2,028	65,566	54,687	20%	I
Hugo	2,066	60,343	55,647	8%	
Caledonia	2,091	49,059	56,276	-13%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Minnetrista	2,099	58,310	56,464	3%	I, J
Olivia	2,136	49,713	57,391	-13%	I, J
Glenwood	2,156	192,912	57,897	233%	I
La Crescent	2,181	85,852	58,519	47%	J
Mountain Iron	2,232	89,422	59,803	50%	I
Cannon Falls	2,253	26,778	60,333	-56%	I
Long Prairie	2,255	45,118	60,388	-25%	I
Waconia	2,334	97,525	62,348	56%	H, I
Osseo	2,344	155,888	62,618	149%	I
Staples	2,426	88,123	64,667	36%	H, I
Circle Pines	2,493	143,208	66,338	116%	J
Breckenridge	2,506	65,702	66,660	-1%	I
Deephaven	2,533	62,964	67,351	-7%	I, J
Melrose	2,543	48,223	67,598	-29%	I
Sleepy Eye	2,592	70,716	68,836	3%	I
Lake Elmo	2,645	159,410	70,163	127%	I
Le Sueur	2,661	103,842	70,545	47%	I
Newport	2,682	82,525	71,088	16%	I
Medina	2,703	109,907	71,608	53%	I, J
Sartell	2,729	105,227	72,263	46%	
St. Paul Park	2,731	119,445	72,317	65%	
Pine City	2,736	68,084	72,426	-6%	A
Benson	2,790	67,248	73,782	-9%	I
Blue Earth	2,842	57,650	75,095	-23%	L
Baxter	2,931	41,926	77,322	-46%	I, J
Granite Falls	2,979	73,086	78,522	-7%	I, J

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Mahtomedi	3,035	78,463	79,943	-2%	I
Shorewood	3,096	81,509	81,461	0%	I, J
Mora	3,097	46,264	81,493	-43%	I, J
Sauk Centre	3,190	89,065	83,819	6%	A
Jackson	3,236	77,073	84,962	-9%	I
East Bethel	3,263	104,840	85,636	22%	I
Princeton	3,275	126,095	85,957	47%	J
Glencoe	3,295	79,772	86,457	-8%	
Falcon Heights	3,345	118,943	87,708	36%	G
Eveleth	3,380	292,775	88,578	231%	F, I
Lake City	3,592	84,626	93,885	-10%	
Bayport	3,713	122,959	96,934	27%	I
Park Rapids	3,742	44,358	97,654	-55%	I
Spring Lake Park	3,790	99,519	98,858	1%	H
Ham Lake	3,807	171,106	99,276	72%	H, I
Farmington	3,856	73,776	100,520	-27%	
Wadena	3,916	105,124	102,004	3%	I
Two Harbors	3,922	114,973	102,154	13%	I
Luverne	3,959	120,733	103,087	17%	I
Waite Park	4,082	65,349	106,181	-38%	A
St. James	4,143	(11,062)	107,700	-110%	I
Lino Lakes	4,249	254,876	110,370	131%	J
Sauk Rapids	4,306	160,334	111,781	43%	
Cambridge	4,353	70,070	112,969	-38%	I
Hermantown	4,410	203,963	114,388	78%	I
Orono	4,458	162,934	115,592	41%	I, J

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Forest Lake	4,496	86,871	116,554	-25%	H
Montevideo	4,520	105,848	117,147	-10%	F
Wayzata	4,612	80,213	119,463	-33%	I
Redwood Falls	4,625	151,644	119,795	27%	
Morris	4,661	126,473	120,679	5%	I
East Grand Forks	4,838	1,112,612	125,124	789%	F
Buffalo	4,941	67,953	127,715	-47%	H, I
Savage	4,958	333,722	128,121	160%	I
Pipestone	4,997	100,477	129,099	-22%	
Ely	5,002	200,435	129,227	55%	F, I
St. Peter	5,005	148,787	129,320	15%	I
Ramsey	5,084	201,672	131,286	54%	I
Prior Lake	5,094	127,934	131,539	-3%	G, I
Windom	5,176	70,624	133,598	-47%	I
Oak Park Heights	5,205	17,648	134,322	-87%	I, J
St. Anthony	5,299	374,108	136,672	174%	F, J
Little Canada	5,342	402,529	137,768	192%	H, I
Mound	5,447	168,826	140,378	20%	
North Mankato	5,466	117,740	140,863	-16%	I
Rosemount	5,831	169,145	150,023	13%	L
Litchfield	5,849	98,964	150,466	-34%	I
Mendota Heights	5,928	223,548	152,459	47%	I
Waseca	6,085	214,002	156,391	37%	
Andover	6,175	581,815	158,633	267%	I
Mounds View	6,249	168,310	160,503	5%	J
Thief River Falls	6,505	436,281	166,911	161%	F, I

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
North St. Paul	6,590	152,712	169,032	-10%	G
Crookston	6,834	608,307	175,146	247%	F
Vadnais Heights	6,959	197,514	178,284	11%	
Champlin	7,077	176,463	181,240	-3%	J
Elk River	7,104	271,317	181,927	49%	G
Chanhassen	7,185	244,891	183,950	33%	I
Little Falls	7,281	246,377	186,367	32%	F
Northfield	7,310	180,299	187,078	-4%	
Chisholm	7,377	763,063	188,771	304%	
Detroit Lakes	7,419	226,268	189,829	19%	J
International Falls	7,605	N/A	194,501	N/A	A
Hutchinson	7,741	226,813	197,894	15%	
Chaska	8,015	217,512	204,768	6%	G, H
Worthington	8,720	253,462	222,428	14%	
Fairmont	8,892	236,149	226,743	4%	
Oakdale	9,355	309,543	238,352	30%	I
Monticello	9,382	284,537	239,016	19%	I
Cloquet	9,646	928,477	245,634	278%	F, G, I
Robbinsdale	9,716	234,742	247,391	-5%	
Stillwater	9,956	482,550	253,422	90%	F
Alexandria	10,139	270,212	257,992	5%	
Shakopee	10,179	292,421	259,011	13%	
New Ulm	10,195	289,092	259,394	11%	
Hastings	10,229	518,426	260,254	99%	F, H
Marshall	10,280	384,030	261,538	47%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Virginia	10,457	1,101,721	265,964	314%	F, G
Grand Rapids	10,639	170,365	270,532	-37%	
Cottage Grove	11,159	841,539	283,577	197%	F
Arden Hills	11,210	341,764	284,845	20%	J
Woodbury	11,285	420,941	286,730	47%	I
Anoka	11,816	225,323	300,042	-25%	F, J
Lakeville	12,081	729,005	306,690	138%	
Columbia Heights	12,261	868,093	311,187	179%	F, G, L
Bemidji	12,314	434,134	312,515	39%	F
New Brighton	12,418	291,728	315,127	-7%	A
Faribault	12,478	1,606,457	316,618	407%	F
South St. Paul	12,484	1,836,075	316,779	480%	F
Brainerd	12,653	690,780	321,010	115%	F, I
Inver Grove Heights	12,735	943,806	323,077	192%	
Willmar	12,796	698,416	324,592	115%	
West St. Paul	13,411	1,453,444	340,025	327%	F, G
Hopkins	13,472	364,191	341,552	7%	G, L
Shoreview	13,565	645,132	343,874	88%	J
Owatonna	13,665	657,257	346,391	90%	F
Crystal	13,721	324,835	347,775	-7%	A
Fergus Falls	14,003	258,344	354,861	-27%	
White Bear Lake	14,045	123,205	355,895	-65%	F, G
New Hope	14,211	695,580	360,067	93%	
Hibbing	16,192	2,273,891	409,730	455%	F, G

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Apple Valley	17,571	526,033	444,281	18%	
Albert Lea	17,734	1,924,466	448,387	329%	F
Winona	18,057	3,382,029	456,463	641%	F
Austin	19,672	2,298,103	496,959	362%	F, G
Moorhead	19,744	2,305,669	498,759	362%	F
Maple Grove	20,701	924,269	522,734	77%	
Golden Valley	20,942	360,443	528,797	-32%	A, F
Fridley	22,047	743,217	556,487	34%	F
Red Wing	22,106	1,846,996	557,964	231%	F
Blaine	22,902	629,092	577,906	9%	J
Mankato	23,594	2,185,864	595,272	267%	F
Richfield	23,958	1,658,533	604,387	174%	F
Brooklyn Center	24,918	408,907	628,446	-35%	
Maplewood	26,768	983,913	674,825	46%	J
Coon Rapids	27,767	1,936,956	699,852	177%	F
Brooklyn Park	31,256	478,379	787,317	-39%	
Roseville	32,089	778,049	808,199	-4%	
Burnsville	32,417	2,586,936	816,430	217%	F, G
Eden Prairie	33,083	1,033,037	833,120	24%	
Eagan	33,652	746,011	847,384	-12%	
Plymouth	36,601	926,392	921,292	1%	
Edina	36,668	2,117,582	922,965	129%	F, G
St. Louis Park	40,896	2,023,281	1,028,945	97%	F
Minnetonka	41,176	1,060,668	1,035,980	2%	
St. Cloud	41,883	5,873,447	1,053,700	457%	F
Rochester	55,455	5,844,470	4,256,450	37%	F

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Duluth	71,425	10,933,421	5,426,125	101%	F
Bloomington	89,244	2,344,707	2,240,857	5%	
St. Paul	248,302	29,178,346	18,380,654	59%	F, G
Minneapolis	493,051	36,255,283	36,306,096	0%	F

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Basic spending — parks and recreation services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Michael	2,525	21,148	151,855	-86%	A
St. Francis	2,603	24,743	155,867	-84%	K
Melrose	2,624	49,328	156,958	-69%	A
Dilworth	2,646	165,555	158,066	5%	K
Afton	2,652	6,747	158,386	-96%	K
Glenwood	2,680	205,259	159,815	28%	A
Rockford	2,694	130,753	160,520	-19%	K
St. Charles	2,708	139,908	161,236	-13%	A
Olivia	2,714	167,234	161,569	4%	
Pine City	2,718	74,877	161,790	-54%	A
Osseo	2,745	27,383	163,132	-83%	K
Delano	2,761	N/A	163,998	N/A	B, K
Lauderdale	2,779	20,059	164,932	-88%	A
Plainview	2,820	146,973	167,028	-12%	
Independence	2,849	32,714	168,499	-81%	K
Caledonia	2,890	115,822	170,632	-32%	
Long Prairie	2,896	43,548	170,910	-75%	
Goodview	2,919	59,562	172,122	-65%	K
Staples	2,921	39,316	172,204	-77%	K
Jordan	2,981	109,782	175,320	-37%	
Mora	3,030	100,208	177,815	-44%	A
Proctor	3,041	100,959	178,392	-43%	K
Medina	3,117	41,036	182,277	-77%	
Big Lake	3,170	34,909	185,011	-81%	K

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Belle Plaine	3,177	128,938	185,405	-30%	K
Granite Falls	3,184	223,026	185,760	20%	
Bayport	3,256	116,219	189,428	-39%	
Cannon Falls	3,275	143,241	190,433	-25%	A
Benson	3,361	277,642	194,840	42%	
North Oaks	3,414	0	197,563	0%	K
Minnetrista	3,485	1,644	201,206	-99%	K
Mountain Iron	3,489	190,311	201,421	-6%	
St. Joseph	3,500	72,870	202,020	-64%	
Waconia	3,538	111,115	203,947	-46%	
Oak Park Heights	3,555	173,875	204,841	-15%	
Kasson	3,576	184,286	205,931	-11%	
New Prague	3,629	169,394	208,632	-19%	A
Sauk Centre	3,674	126,738	210,977	-40%	A
Deephaven	3,676	88,519	211,038	-58%	K
Jackson	3,686	114,392	211,548	-46%	K
Baxter	3,732	79,435	213,926	-63%	A
Two Harbors	3,747	356,132	214,691	66%	
Sleepy Eye	3,783	257,206	216,555	19%	A
Le Sueur	3,810	439,837	217,960	102%	
Princeton	3,816	105,497	218,243	-52%	
Blue Earth	3,843	265,527	219,662	21%	A, L
Newport	3,849	128,074	219,943	-42%	
Wayzata	3,880	227,332	221,555	3%	
Ely	4,171	175,487	236,521	-26%	K

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Breckenridge	4,198	402,844	237,908	69%	
Eveleth	4,248	543,532	240,478	126%	A
Wadena	4,338	315,562	245,092	29%	A
La Crescent	4,389	103,392	247,716	-58%	K
Park Rapids	4,434	38,059	250,032	-85%	J
Windom	4,438	245,226	250,235	-2%	
Dayton	4,467	94,317	251,771	-63%	K
Hugo	4,468	51,608	251,811	-80%	J
Lake City	4,482	374,365	252,502	48%	
Luverne	4,499	573,947	253,412	126%	K
St. James	4,502	308,527	253,550	22%	K
Stewartville	4,571	227,782	257,074	-11%	
Circle Pines	4,728	191,501	265,184	-28%	A
Glencoe	4,731	122,740	265,330	-54%	A
Pipestone	4,737	482,566	265,649	82%	
Redwood Falls	4,998	470,184	279,062	68%	
St. Paul Park	5,030	160,567	280,696	-43%	
Monticello	5,079	256,952	283,223	-9%	
Waite Park	5,147	43,832	286,708	-85%	K
Corcoran	5,229	43,089	290,948	-85%	K
Cambridge	5,250	84,493	292,025	-71%	A
Chisholm	5,419	227,574	300,707	-24%	
Sartell	5,500	113,544	304,900	-63%	
Falcon Heights	5,522	166,500	306,030	-46%	K
Mahtomedi	5,624	221,129	311,262	-29%	K
Shorewood	5,934	206,681	327,245	-37%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Lake Elmo	5,978	70,378	329,474	-79%	
Farmington	5,986	353,483	329,879	7%	K
Forest Lake	5,993	170,780	330,244	-48%	K
Morris	6,013	206,706	331,292	-38%	K
Litchfield	6,194	433,836	340,622	27%	
Spring Lake Park	6,611	369,712	362,036	2%	K
Hermantown	6,863	316,443	375,034	-16%	
Orono	7,311	64,442	398,063	-84%	K
Montevideo	7,438	580,926	404,574	44%	
St. Anthony	7,789	41,359	422,633	-90%	K
Sauk Rapids	7,992	178,180	433,123	-59%	
East Bethel	8,167	36,503	442,091	-92%	
Rosemount	8,731	613,535	471,093	30%	L
Lino Lakes	8,881	241,192	478,821	-50%	A
East Grand Forks	8,977	1,260,362	483,774	161%	
Ham Lake	9,000	81,864	484,970	-83%	A
Little Canada	9,066	282,515	488,334	-42%	K
Crookston	9,228	1,144,136	496,671	130%	
Arden Hills	9,233	391,015	496,959	-21%	
International Falls	9,270	N/A	498,826	N/A	A, K
Mendota Heights	9,469	608,968	509,061	20%	
Mound	9,769	256,454	524,513	-51%	K
St. Peter	9,784	680,502	525,277	30%	K
Thief River Falls	9,796	800,315	525,920	52%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Savage	9,962	425,015	534,447	-20%	A
Detroit Lakes	10,233	557,524	548,376	2%	
North Mankato	10,325	889,169	553,117	61%	
Buffalo	10,411	244,613	557,547	-56%	J
Little Falls	10,741	274,984	574,538	-52%	
Vadnais Heights	11,116	193,799	593,792	-67%	
Chaska	11,534	545,441	615,300	-11%	A
Worthington	11,583	533,481	617,850	-14%	
Prior Lake	11,589	618,907	618,170	0%	
Chanhassen	11,790	591,080	628,511	-6%	
Shakopee	11,888	761,141	633,536	20%	
Alexandria	12,167	428,240	647,868	-34%	K
Grand Rapids	12,315	814,985	655,478	24%	J
Ramsey	12,471	314,333	663,543	-53%	
North St. Paul	12,559	640,778	668,078	-4%	K
Mounds View	12,729	583,419	676,780	-14%	
Waseca	12,743	410,847	677,505	-39%	J
Fairmont	13,369	1,001,148	709,745	41%	
Stillwater	14,079	415,934	746,259	-44%	K
Marshall	14,114	1,335,133	748,029	78%	
Virginia	14,473	1,219,099	766,519	59%	A
Robbinsdale	14,576	1,143,424	771,824	48%	
Fergus Falls	14,892	1,394,669	788,068	77%	
Andover	15,354	326,731	811,867	-60%	
Hastings	15,638	638,222	826,455	-23%	A
Hutchinson	15,810	1,384,847	835,291	66%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Bemidji	15,816	588,243	835,611	-30%	K
New Ulm	15,958	1,187,125	842,920	41%	
Cloquet	16,684	453,010	880,293	-49%	K
Hopkins	16,819	1,100,935	887,197	24%	K, L
Elk River	16,910	290,263	891,876	-67%	K
Champlin	16,948	1,021,937	893,828	14%	
Anoka	17,557	1,036,197	925,167	12%	
Brainerd	17,831	526,487	939,294	-44%	
Oakdale	18,641	390,895	980,930	-60%	A
Red Wing	18,656	1,138,205	981,743	16%	
Columbia Heights	19,314	1,708,097	1,015,573	68%	K, L
West St. Paul	19,509	895,327	1,025,608	-13%	K
Woodbury	20,201	945,337	1,061,233	-11%	
South St. Paul	20,576	965,587	1,080,502	-11%	
Golden Valley	21,194	1,080,811	1,112,306	-3%	A
Willmar	21,301	1,374,246	1,117,798	23%	
New Hope	22,209	1,285,679	1,164,494	10%	
Albert Lea	22,292	1,708,834	1,168,777	46%	
Northfield	22,419	345,376	1,175,315	-71%	A
Hibbing	22,422	964,363	1,175,470	-18%	A
New Brighton	22,570	1,174,243	1,183,081	-1%	A
Inver Grove Heights	22,883	902,911	1,199,189	-25%	
Cottage Grove	23,086	1,365,537	1,209,616	13%	
Crystal	24,017	1,665,110	1,257,514	32%	A

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Faribault	24,570	952,735	1,285,981	-26%	
Shoreview	24,757	2,973,841	1,295,624	130%	A
Owatonna	24,864	1,735,914	1,301,108	33%	
White Bear Lake	24,939	405,438	1,304,981	-69%	A
Lakeville	25,042	1,497,593	1,310,262	14%	
Austin	26,208	1,803,653	1,370,223	32%	
Fridley	28,766	844,144	1,501,823	-44%	
Brooklyn Center	29,398	2,318,686	1,534,350	51%	
Winona	30,017	2,481,685	1,566,182	58%	
Maplewood	31,435	1,807,051	1,639,161	10%	
Roseville	33,796	1,616,632	1,760,604	-8%	A
Moorhead	33,901	2,967,897	1,766,011	68%	J
Apple Valley	34,900	2,256,981	1,817,413	24%	
Richfield	36,205	3,109,694	1,884,564	65%	
Maple Grove	38,960	1,649,121	2,026,305	-19%	
Blaine	39,485	1,345,399	2,053,298	-34%	
Eden Prairie	39,618	3,107,311	2,060,151	51%	
Mankato	43,157	1,883,052	2,242,240	-16%	
St. Louis Park	44,349	2,654,691	2,303,514	15%	
Edina	46,439	1,785,470	2,411,077	-26%	
Eagan	47,744	3,178,942	2,478,193	28%	K
Minnetonka	48,619	2,488,592	2,523,203	-1%	
Plymouth	51,316	2,023,071	2,661,992	-24%	K
Burnsville	51,826	2,832,329	2,688,216	5%	
Coon Rapids	53,612	2,144,405	2,780,096	-23%	
Brooklyn Park	57,441	3,306,869	2,977,068	11%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Cloud	67,510	2,285,935	3,495,077	-35%	
Rochester	77,828	9,946,205	4,025,921	147%	
Bloomington	87,134	4,418,535	4,504,696	-2%	J
Duluth	97,264	5,523,610	5,025,825	10%	K
St. Paul	389,455	22,249,556	20,058,051	11%	
Minneapolis	525,190	42,198,204	27,041,136	56%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Basic spending — general administration services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Michael	2,506	292,063	266,198	10%	A
St. Francis	2,538	173,130	268,322	-35%	A
Melrose	2,561	638,045	269,848	136%	A
Dilworth	2,562	267,471	269,915	-1%	
Glenwood	2,573	328,517	270,645	21%	A
Pine City	2,613	468,913	273,300	72%	A
Olivia	2,623	316,013	273,964	15%	
St. Charles	2,642	178,812	275,225	-35%	A
Afton	2,645	174,789	275,424	-37%	
Rockford	2,665	428,922	276,752	55%	A
Lauderdale	2,700	152,978	279,075	-45%	A
Osseo	2,704	227,024	279,341	-19%	
Delano	2,709	N/A	279,673	N/A	B
Staples	2,754	300,213	282,660	6%	
Plainview	2,768	280,889	283,589	-1%	
Long Prairie	2,786	277,535	284,784	-3%	
Independence	2,822	116,146	287,173	-60%	
Caledonia	2,846	312,856	288,767	8%	
Park Rapids	2,863	425,453	289,895	47%	
Goodview	2,878	360,661	290,891	24%	
Mora	2,905	277,287	292,683	-5%	A
Jordan	2,909	213,660	292,948	-27%	
Proctor	2,974	315,625	297,263	6%	A
Granite Falls	3,083	424,280	304,498	39%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Medina	3,096	412,062	305,361	35%	
Big Lake	3,113	238,267	306,490	-22%	
Belle Plaine	3,149	315,562	308,879	2%	
Bayport	3,200	277,157	312,265	-11%	
Cannon Falls	3,232	297,428	314,389	-5%	
Benson	3,235	437,775	314,588	39%	
St. Joseph	3,294	231,104	318,505	-27%	
Mountain Iron	3,362	508,521	323,018	57%	
North Oaks	3,386	63,131	324,611	-81%	
Minnetrista	3,439	482,267	328,130	47%	
Oak Park Heights	3,486	380,824	331,249	15%	
Waconia	3,498	488,958	332,046	47%	
Kasson	3,514	237,392	333,108	-29%	
Jackson	3,559	637,838	336,095	90%	
New Prague	3,569	433,863	336,759	29%	
Sauk Centre	3,581	258,828	337,555	-23%	A
Two Harbors	3,651	240,450	342,202	-30%	
Deephaven	3,653	279,504	342,335	-18%	
Sleepy Eye	3,694	241,933	345,056	-30%	
Baxter	3,695	405,293	345,123	17%	
Breckenridge	3,708	405,393	345,986	17%	
Le Sueur	3,714	343,211	346,384	-1%	
Princeton	3,719	363,318	346,716	5%	
Newport	3,720	296,203	346,782	-15%	
Blue Earth	3,745	359,106	348,442	3%	L

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Wayzata	3,806	474,005	352,491	34%	
Ely	3,968	485,985	363,244	34%	
Eveleth	4,064	293,047	369,617	-21%	A
Wadena	4,131	228,201	374,064	-39%	
Windom	4,283	325,023	384,154	-15%	
La Crescent	4,311	311,919	386,012	-19%	
St. James	4,364	320,366	389,530	-18%	
Luverne	4,382	548,399	390,725	40%	
Lake City	4,391	461,684	391,323	18%	
Hugo	4,417	277,432	393,049	-29%	
Dayton	4,443	323,051	394,774	-18%	
Stewartville	4,520	153,788	399,886	-62%	
Pipestone	4,554	403,561	402,143	0%	
Glencoe	4,648	443,791	408,382	9%	
Circle Pines	4,704	312,116	412,099	-24%	
Redwood Falls	4,859	642,241	422,388	52%	
Monticello	4,941	793,703	427,831	86%	
St. Paul Park	4,965	415,343	429,424	-3%	
Waite Park	5,020	155,028	433,075	-64%	A
Cambridge	5,094	300,373	437,987	-31%	
Corcoran	5,199	293,400	444,957	-34%	
Chisholm	5,290	449,908	450,998	0%	
Falcon Heights	5,380	327,996	456,972	-28%	
Sartell	5,393	276,565	457,835	-40%	
Montevideo	5,499	400,004	464,871	-14%	
Mahtomedi	5,569	449,240	469,518	-4%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Morris	5,613	454,483	472,438	-4%	
Forest Lake	5,833	234,080	487,042	-52%	
Lake Elmo	5,903	482,548	491,688	-2%	
Shorewood	5,917	636,830	492,618	29%	
Farmington	5,940	668,865	494,144	35%	
Litchfield	6,041	598,044	500,849	19%	
Spring Lake Park	6,532	503,780	533,441	-6%	
Detroit Lakes	6,635	614,936	540,278	14%	
Hermantown	6,761	471,635	548,642	-14%	
Buffalo	6,856	475,945	554,948	-14%	
Little Falls	7,232	514,441	579,907	-11%	
Orono	7,285	724,488	583,425	24%	
St. Anthony	7,727	506,826	612,764	-17%	
Sauk Rapids	7,825	503,881	619,270	-19%	
Alexandria	7,838	933,275	620,132	50%	
Grand Rapids	7,976	1,069,514	629,293	70%	
Thief River Falls	8,010	859,276	631,550	36%	
East Bethel	8,050	284,922	634,205	-55%	
Crookston	8,119	937,084	638,785	47%	
International Falls	8,325	N/A	652,459	N/A	A
Waseca	8,385	524,231	656,442	-20%	
Rosemount	8,622	1,592,162	672,174	137%	L
East Grand Forks	8,658	651,858	674,564	-3%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Lino Lakes	8,807	1,266,087	684,454	85%	
Ham Lake	8,924	365,293	692,220	-47%	
Little Canada	8,971	421,970	695,340	-39%	
Arden Hills	9,199	478,563	710,475	-33%	
Virginia	9,410	842,665	724,481	16%	A
St. Peter	9,421	894,857	725,211	23%	
Mendota Heights	9,431	680,008	725,875	-6%	
Mound	9,634	954,075	739,350	29%	
Savage	9,906	888,247	757,405	17%	
Worthington	9,977	917,510	762,118	20%	
North Mankato	10,164	835,755	774,531	8%	
Cloquet	10,885	1,002,809	822,390	22%	
Vadnais Heights	11,041	470,750	832,746	-43%	
Elk River	11,143	660,931	839,516	-21%	
Bemidji	11,245	1,155,089	846,287	36%	
Fairmont	11,265	973,994	847,615	15%	
Chaska	11,339	1,318,634	852,527	55%	
Prior Lake	11,482	988,461	862,019	15%	
Hutchinson	11,523	751,968	864,740	-13%	
Chanhassen	11,732	1,060,706	878,614	21%	
Shakopee	11,739	1,244,345	879,078	42%	
Marshall	12,023	1,321,933	897,930	47%	
Brainerd	12,353	687,301	919,835	-25%	
Fergus Falls	12,362	1,240,228	920,433	35%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
North St. Paul	12,376	331,486	921,362	-64%	
Ramsey	12,408	1,370,364	923,486	48%	
Mounds View	12,541	1,227,934	932,315	32%	
New Ulm	13,132	1,262,714	971,545	30%	
Stillwater	13,882	785,109	1,021,329	-23%	
Robbinsdale	14,396	1,336,821	1,055,448	27%	
Northfield	14,684	1,683,159	1,074,566	57%	
Red Wing	15,134	1,376,413	1,104,436	25%	
Andover	15,216	721,464	1,109,880	-35%	
Hastings	15,445	1,167,399	1,125,080	4%	
Hopkins	16,534	1,384,605	1,197,368	16%	L
Champlin	16,849	1,003,893	1,218,277	-18%	
Faribault	17,085	826,441	1,233,943	-33%	
Anoka	17,192	948,063	1,241,045	-24%	
Willmar	17,531	1,776,650	1,263,548	41%	
Hibbing	18,046	2,034,139	1,297,733	57%	A
Albert Lea	18,310	1,349,008	1,315,257	3%	
Oakdale	18,374	1,434,509	1,319,506	9%	
Columbia Heights	18,910	1,490,763	1,355,085	10%	L
West St. Paul	19,248	932,675	1,377,521	-32%	
Owatonna	19,386	981,232	1,386,682	-29%	
Woodbury	20,075	1,614,597	1,432,417	13%	
South St. Paul	20,197	1,341,638	1,440,515	-7%	
Golden Valley	20,971	3,616,632	1,491,893	142%	A
New Hope	21,853	1,372,102	1,550,440	-12%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Austin	21,907	1,066,572	1,554,024	-31%	
New Brighton	22,207	1,563,968	1,573,938	-1%	A
Inver Grove Heights	22,477	2,448,280	1,591,860	54%	
Cottage Grove	22,935	1,899,927	1,622,262	17%	
Crystal	23,788	1,104,612	1,678,884	-34%	A
Shoreview	24,587	1,379,464	1,731,921	-20%	
White Bear Lake	24,704	2,118,256	1,739,687	22%	
Lakeville	24,854	2,625,966	1,749,644	50%	
Winona	25,399	1,977,465	1,785,821	11%	
Fridley	28,335	3,251,906	1,980,711	64%	
Brooklyn Center	28,887	1,905,864	2,017,352	-6%	
Maplewood	30,954	2,222,366	2,154,558	3%	
Mankato	31,477	1,948,286	2,189,275	-11%	
Moorhead	32,295	2,306,938	2,243,573	3%	
Roseville	33,485	1,329,141	2,322,565	-43%	
Apple Valley	34,598	2,153,699	2,396,445	-10%	
Richfield	35,710	2,160,974	2,470,259	-13%	
Maple Grove	38,736	1,711,322	2,671,123	-36%	
Blaine	38,975	1,850,348	2,686,987	-31%	
Eden Prairie	39,311	3,599,067	2,709,291	33%	
St. Louis Park	43,787	2,609,483	3,006,405	-13%	
Edina	46,070	2,002,412	3,157,949	-37%	
Eagan	47,409	5,605,768	3,246,831	73%	
Minnetonka	48,370	3,796,742	3,310,622	15%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Cloud	48,812	4,008,753	3,339,961	20%	
Plymouth	50,889	3,113,845	3,477,831	-10%	
Burnsville	51,288	4,332,580	3,504,317	24%	
Coon Rapids	52,978	3,577,443	3,616,498	-1%	
Brooklyn Park	56,381	4,056,810	3,842,387	6%	
Rochester	70,745	2,888,982	4,795,860	-40%	
Duluth	85,493	10,089,816	5,774,824	75%	
Bloomington	86,335	7,248,184	5,830,715	24%	
St. Paul	272,235	17,481,737	18,170,643	-4%	A
Minneapolis	368,383	44,388,312	24,552,888	81%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Basic spending — other services

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Michael	2,506	227,125	107,486	111%	A
St. Francis	2,538	112,466	108,859	3%	A
Melrose	2,561	(32,185)	109,845	-129%	A
Dilworth	2,562	34,868	109,888	-68%	
Glenwood	2,573	78,197	110,360	-29%	A
Pine City	2,613	94,454	112,076	-16%	A
Olivia	2,623	31,489	112,505	-72%	
St. Charles	2,642	57,689	113,320	-49%	A
Afton	2,645	91,143	113,448	-20%	
Rockford	2,665	29,239	114,306	-74%	A
Lauderdale	2,700	45,513	115,807	-61%	A
Osseo	2,704	10,843	115,979	-91%	A
Delano	2,709	N/A	116,193	N/A	B
Staples	2,754	2,105	118,123	-98%	
Plainview	2,768	53,030	118,724	-55%	
Long Prairie	2,786	13,983	119,496	-88%	
Independence	2,822	188,062	121,040	55%	
Caledonia	2,846	323,433	122,070	165%	
Park Rapids	2,863	167,712	122,799	37%	
Goodview	2,878	369,352	123,442	199%	
Mora	2,905	444,040	124,600	256%	A
Jordan	2,909	332,655	124,772	167%	
Proctor	2,974	28,056	127,560	-78%	A
Granite Falls	3,083	79,871	132,235	-40%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Medina	3,096	409,026	132,792	208%	
Big Lake	3,113	191,372	133,522	43%	
Belle Plaine	3,149	5,790	135,066	-96%	
Bayport	3,200	160,025	137,253	17%	
Cannon Falls	3,232	249,866	138,626	80%	
Benson	3,235	133,361	138,754	-4%	
St. Joseph	3,294	121,299	141,285	-14%	
Mountain Iron	3,362	120,688	144,202	-16%	
North Oaks	3,386	239,869	145,231	65%	
Minnetrista	3,439	130,319	147,504	-12%	
Oak Park Heights	3,486	332,913	149,520	123%	
Waconia	3,498	1,003,269	150,035	569%	
Kasson	3,514	82,485	150,721	-45%	
Jackson	3,559	1,609,330	152,651	954%	
New Prague	3,569	40,973	153,080	-73%	
Sauk Centre	3,581	337,915	153,595	120%	A
Two Harbors	3,651	786,594	156,597	402%	
Deephaven	3,653	164,459	156,683	5%	
Sleepy Eye	3,694	642,594	158,442	306%	
Baxter	3,695	169,727	158,484	7%	A
Breckenridge	3,708	633,294	159,042	298%	A
Le Sueur	3,714	437,773	159,299	175%	
Princeton	3,719	132,987	159,514	-17%	
Newport	3,720	26,672	159,557	-83%	
Blue Earth	3,745	46,416	160,629	-71%	L

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Wayzata	3,806	432,438	163,245	165%	
Ely	3,968	500,209	170,194	194%	
Eveleth	4,064	368,493	174,311	111%	A
Wadena	4,131	274,522	177,185	55%	
Windom	4,283	38,463	183,705	-79%	
La Crescent	4,311	283,455	184,906	53%	A
St. James	4,364	45,694	187,179	-76%	
Luverne	4,382	287,722	187,951	53%	
Lake City	4,391	226,821	188,337	20%	
Hugo	4,417	123,442	189,452	-35%	
Dayton	4,443	73,817	190,567	-61%	
Stewartville	4,520	70,391	193,870	-64%	
Pipestone	4,554	909,397	195,328	366%	
Glencoe	4,648	101,286	199,360	-49%	
Circle Pines	4,704	292,146	201,762	45%	
Redwood Falls	4,859	125,854	208,410	-40%	
Monticello	4,941	483,933	211,927	128%	
St. Paul Park	4,965	111,010	212,957	-48%	
Waite Park	5,020	1,115,286	215,316	418%	A
Cambridge	5,094	1,731,327	218,490	692%	
Corcoran	5,199	169,584	222,993	-24%	
Chisholm	5,290	569,713	226,897	151%	A
Falcon Heights	5,380	261,793	230,757	13%	
Sartell	5,393	145,499	231,314	-37%	
Montevideo	5,499	612,272	235,861	160%	
Mahtomedi	5,569	165,866	238,863	-31%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Morris	5,613	138,015	240,751	-43%	
Forest Lake	5,833	876,104	250,187	250%	
Lake Elmo	5,903	261,393	253,189	3%	
Shorewood	5,917	396,951	253,790	56%	
Farmington	5,940	46,424	254,776	-82%	
Litchfield	6,041	342,053	259,108	32%	
Spring Lake Park	6,532	168,032	280,168	-40%	
Detroit Lakes	6,635	350,764	284,586	23%	
Hermantown	6,761	178,086	289,990	-39%	
Buffalo	6,856	1,178,735	294,065	301%	
Little Falls	7,232	2,280,412	310,192	635%	
Orono	7,285	435,549	312,465	39%	
St. Anthony	7,727	99,013	331,423	-70%	
Sauk Rapids	7,825	516,726	335,627	54%	
Alexandria	7,838	515,857	336,184	53%	
Grand Rapids	7,976	713,313	342,103	109%	
Thief River Falls	8,010	567,000	343,562	65%	
East Bethel	8,050	267,208	345,277	-23%	
Crookston	8,119	445,345	348,237	28%	
International Falls	8,325	N/A	357,073	N/A	A
Waseca	8,385	589,828	359,646	64%	
Rosemount	8,622	168,847	369,811	-54%	L
East Grand Forks	8,658	1,120,978	371,356	202%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Lino Lakes	8,807	122,615	377,746	-68%	
Ham Lake	8,924	277,094	382,765	-28%	
Little Canada	8,971	178,635	384,781	-54%	
Arden Hills	9,199	685,781	394,560	74%	
Virginia	9,410	723,643	403,610	79%	A
St. Peter	9,421	316,750	404,082	-22%	
Mendota Heights	9,431	1,406,253	404,511	248%	
Mound	9,634	237,589	413,218	-43%	
Savage	9,906	687,585	424,884	62%	
Worthington	9,977	358,875	427,930	-16%	
North Mankato	10,164	472,840	435,950	8%	
Cloquet	10,885	130,372	466,875	-72%	
Vadnais Heights	11,041	486,730	473,566	3%	
Elk River	11,143	349,127	477,941	-27%	
Bemidji	11,245	357,543	482,316	-26%	
Fairmont	11,265	503,009	483,174	4%	
Chaska	11,339	2,415,585	486,348	397%	
Prior Lake	11,482	1,234,662	492,481	151%	
Hutchinson	11,523	1,030,211	494,240	108%	A
Chanhassen	11,732	2,627,197	503,204	422%	
Shakopee	11,739	664,689	503,505	32%	
Marshall	12,023	(147,248)	515,686	-129%	A
Brainerd	12,353	536,314	529,840	1%	
Fergus Falls	12,362	1,252,010	530,226	136%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
North St. Paul	12,376	54,211	530,826	-90%	A
Ramsey	12,408	530,231	532,199	0%	
Mounds View	12,541	58,348	537,904	-89%	
New Ulm	13,132	1,642,503	563,253	192%	
Stillwater	13,882	493,825	595,421	-17%	
Robbinsdale	14,396	176,917	617,468	-71%	
Northfield	14,684	577,740	629,820	-8%	
Red Wing	15,134	2,370,726	649,122	265%	
Andover	15,216	2,092,314	652,639	221%	
Hastings	15,445	659,961	662,461	0%	
Hopkins	16,534	2,686,581	709,170	279%	L
Champlin	16,849	3,220,098	722,681	346%	
Faribault	17,085	836,926	732,803	14%	
Anoka	17,192	1,983,961	737,392	169%	
Willmar	17,531	1,542,254	751,933	105%	
Hibbing	18,046	564,977	774,022	-27%	A
Albert Lea	18,310	934,688	785,345	19%	
Oakdale	18,374	1,849,214	788,090	135%	
Columbia Heights	18,910	1,701,442	811,080	110%	L
West St. Paul	19,248	618,150	825,578	-25%	
Owatonna	19,386	943,771	831,497	14%	
Woodbury	20,075	782,727	861,049	-9%	
South St. Paul	20,197	1,056,639	866,282	22%	
Golden Valley	20,971	2,239,184	899,480	149%	A
New Hope	21,853	875,115	937,310	-7%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
Austin	21,907	556,460	939,626	-41%	
New Brighton	22,207	888,520	952,494	-7%	A
Inver Grove Heights	22,477	1,895,831	964,075	97%	
Cottage Grove	22,935	765,688	983,719	-22%	
Crystal	23,788	603,710	1,020,305	-41%	A
Shoreview	24,587	124,456	1,054,576	-88%	
White Bear Lake	24,704	217,648	1,059,594	-79%	
Lakeville	24,854	283,268	1,066,028	-73%	
Winona	25,399	997,829	1,089,404	-8%	
Fridley	28,335	157,801	1,215,334	-87%	
Brooklyn Center	28,887	707,280	1,239,010	-43%	
Maplewood	30,954	785,065	1,327,667	-41%	
Mankato	31,477	1,999,270	1,350,099	48%	
Moorhead	32,295	2,098,424	1,385,184	51%	
Roseville	33,485	336,726	1,436,225	-77%	
Apple Valley	34,598	5,912,996	1,483,964	298%	
Richfield	35,710	628,695	1,531,659	-59%	
Maple Grove	38,736	1,454,383	1,661,449	-12%	
Blaine	38,975	1,878,526	1,671,700	12%	
Eden Prairie	39,311	1,397,979	1,686,112	-17%	
St. Louis Park	43,787	1,815,747	1,878,095	-3%	
Edina	46,070	1,890,606	1,976,016	-4%	
Eagan	47,409	391,516	2,033,448	-81%	
Minnetonka	48,370	1,499,761	2,074,667	-28%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

City	Workload	Adjusted Expenditures	Basic Spending Level (BSL)	Percent Above/Below BSL	Notes
St. Cloud	48,812	934,647	2,093,625	-55%	
Plymouth	50,889	3,164,236	2,182,711	45%	
Burnsville	51,288	2,013,978	2,199,825	-8%	
Coon Rapids	52,978	2,098,861	2,272,311	-8%	
Brooklyn Park	56,381	5,624,938	2,418,272	133%	
Rochester	70,745	3,332,971	3,034,367	10%	
Duluth	85,493	7,264,862	3,666,932	98%	
Bloomington	86,335	7,050,388	3,703,047	90%	
St. Paul	272,235	19,108,330	11,676,596	64%	A
Minneapolis	368,383	34,019,440	15,800,538	115%	

A = Accounting problem.
B = Did not submit 1990 financial reporting form to state auditor.
C = Low construction expenditures.
D = County sheriff provided police services.
E = Did not provide 24-hour police services.
F = Fire department had at least five full-time paid firefighters.
G = Fire expenditures included ambulance service costs.
H = High fire loss.
I = Received ISO rating worse than 5.
J = Missing data on adequacy.
K = Maintained fewer park acres than NPRA recommendation.
L = Did not return CORE survey.

Total expenditures on basic services

The following table reverses the adjustments that were made to city expenditures for the comparisons. The table lists actual total spending for each city, in alphabetical order, and the overall basic spending level.

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Afton	544,778	1,400,193	(855,415)	-61%
Albert Lea	7,952,607	6,348,981	1,603,626	25%
Alexandria	3,114,633	3,481,571	(366,937)	-11%
Andover	6,342,555	6,074,105	268,450	4%
Anoka	7,063,768	5,800,182	1,263,586	22%
Apple Valley	16,104,946	11,547,603	4,557,343	39%
Arden Hills	2,626,450	3,625,583	(999,133)	-28%
Austin	9,739,766	8,189,018	1,550,748	19%
Baxter	1,153,693	1,593,907	(440,214)	-28%
Bayport	1,129,551	1,336,639	(207,088)	-15%
Belle Plaine	944,195	1,260,513	(316,318)	-25%
Bemidji	4,430,499	4,806,497	(375,997)	-8%
Benson	1,392,898	993,085	399,813	40%
Big Lake	1,139,754	1,194,932	(55,177)	-5%
Blaine	10,742,179	11,525,827	(783,648)	-7%
Bloomington	50,798,999	38,999,194	11,799,805	30%
Blue Earth	1,714,205	1,344,146	370,059	28%
Brainerd	4,254,485	4,515,137	(260,652)	-6%
Breckenridge	1,906,407	1,223,033	683,374	56%
Brooklyn Center	10,893,769	12,014,041	(1,120,272)	-9%
Brooklyn Park	25,804,338	20,734,322	5,070,015	24%
Buffalo	2,754,965	2,504,927	250,038	10%
Burnsville	24,729,550	21,219,455	3,510,095	17%
Caledonia	1,140,860	1,036,853	104,007	10%
Cambridge	2,779,388	1,956,728	822,660	42%
Cannon Falls	1,614,242	1,311,969	302,273	23%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Champlin	8,451,342	6,113,797	2,337,545	38%
Chanhassen	8,348,065	4,529,445	3,818,620	84%
Chaska	5,664,975	4,235,158	1,429,818	34%
Chisholm	3,207,170	2,200,523	1,006,647	46%
Circle Pines	1,463,284	1,572,846	(109,562)	-7%
Cloquet	4,873,523	4,618,492	255,031	6%
Columbia Heights	7,912,113	6,703,545	1,208,567	18%
Coon Rapids	16,429,693	16,168,193	261,500	2%
Corcoran	1,322,151	2,621,264	(1,299,113)	-50%
Cottage Grove	8,185,907	9,001,864	(815,957)	-9%
Crookston	3,780,362	2,726,941	1,053,421	39%
Crystal	7,120,746	8,677,953	(1,557,207)	-18%
Dayton	1,000,932	1,919,710	(918,779)	-48%
Deephaven	1,181,841	1,602,312	(420,472)	-26%
Delano		935,977		
Detroit Lakes	3,186,662	2,726,723	459,938	17%
Dilworth	802,813	928,788	(125,975)	-14%
Duluth	49,089,973	39,611,733	9,478,240	24%
Eagan	19,333,125	17,184,576	2,148,549	13%
East Bethel	1,514,631	3,282,644	(1,768,013)	-54%
East Grand Forks	5,361,926	2,899,358	2,462,568	85%
Eden Prairie	18,989,499	16,732,573	2,256,925	13%
Edina	15,990,345	19,601,730	(3,611,385)	-18%
Elk River	3,816,311	4,318,536	(502,224)	-12%
Ely	2,118,820	1,629,102	489,718	30%
Eveleth	2,183,516	1,455,047	728,469	50%
Fairmont	4,756,584	4,581,156	175,428	4%
Falcon Heights	1,313,912	2,159,506	(845,594)	-39%
Faribault	7,362,448	7,044,859	317,589	5%
Farmington	2,604,456	2,356,785	247,671	11%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Fergus Falls	5,755,482	4,263,525	1,491,957	35%
Forest Lake	2,386,677	2,376,156	10,521	0%
Fridley	9,744,961	9,379,328	365,632	4%
Glencoe	1,511,172	1,678,570	(167,398)	-10%
Glenwood	1,025,670	892,106	133,564	15%
Golden Valley	13,345,218	10,006,597	3,338,621	33%
Goodview	1,138,478	1,128,439	10,039	1%
Grand Rapids	4,424,404	3,588,169	836,236	23%
Granite Falls	1,128,542	1,018,808	109,734	11%
Ham Lake	1,510,806	3,197,450	(1,686,644)	-53%
Hastings	6,138,444	5,528,239	610,205	11%
Hermantown	1,926,525	3,098,225	(1,171,701)	-38%
Hibbing	9,027,670	8,408,716	618,954	7%
Hopkins	8,808,729	6,809,563	1,999,166	29%
Hugo	1,005,133	1,825,089	(819,956)	-45%
Hutchinson	6,117,658	4,467,791	1,649,867	37%
Independence	1,015,836	1,561,460	(545,624)	-35%
International Falls		2,964,524		0%
Inver Grove Heights	9,529,779	7,946,572	1,583,207	20%
Jackson	2,221,836	1,068,192	1,153,644	108%
Jordan	1,068,896	1,149,776	(80,880)	-7%
Kasson	660,859	1,157,190	(496,330)	-43%
La Crescent	1,117,051	1,195,069	(78,018)	-7%
Lake City	1,752,980	1,459,931	293,049	20%
Lake Elmo	1,314,245	2,460,162	(1,145,917)	-47%
Lakeville	10,785,203	9,114,331	1,670,872	18%
Lauderdale	408,390	1,120,063	(711,673)	-64%
Le Sueur	1,613,547	1,240,783	372,764	30%
Lino Lakes	3,842,412	3,149,097	693,315	22%
Litchfield	2,683,028	2,085,481	597,547	29%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Little Canada	2,787,383	3,397,797	(610,414)	-18%
Little Falls	4,445,724	3,145,321	1,300,403	41%
Long Prairie	746,290	1,041,530	(295,240)	-28%
Luverne	1,900,624	1,284,161	616,462	48%
Mahtomedi	1,670,933	2,184,798	(513,865)	-24%
Mankato	17,458,710	15,056,557	2,402,153	16%
Maple Grove	15,497,173	15,326,804	170,369	1%
Maplewood	12,255,776	10,621,227	1,634,549	15%
Marshall	5,215,083	4,087,175	1,127,908	28%
Medina	1,906,868	1,665,660	241,208	14%
Melrose	967,210	1,019,441	(52,232)	-5%
Mendota Heights	4,633,396	4,067,917	565,478	14%
Minneapolis	260,664,818	187,313,491	73,351,327	39%
Minnetonka	18,265,685	19,888,008	(1,622,323)	-8%
Minnetrista	1,367,565	1,720,045	(352,480)	-20%
Montevideo	2,354,101	2,210,288	143,812	7%
Monticello	2,663,101	2,053,705	609,396	30%
Moorhead	12,851,840	9,875,620	2,976,219	30%
Mora	1,090,332	1,075,686	14,646	1%
Morris	1,819,062	2,138,238	(319,176)	-15%
Mound	3,272,255	3,914,671	(642,416)	-16%
Mounds View	3,455,204	4,083,306	(628,102)	-15%
Mountain Iron	1,463,883	1,350,444	113,440	8%
New Brighton	6,865,130	7,377,626	(512,496)	-7%
New Hope	8,341,157	8,651,130	(309,973)	-4%
New Prague	1,419,902	1,422,848	(2,946)	0%
New Ulm	6,972,920	4,636,832	2,336,088	50%
Newport	1,166,665	1,518,336	(351,671)	-23%
North Mankato	4,695,147	3,451,981	1,243,166	36%
North Oaks	620,303	1,526,379	(906,076)	-59%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
North St. Paul	2,777,572	4,286,474	(1,508,902)	-35%
Northfield	5,924,445	5,387,609	536,835	10%
Oak Park Heights	1,433,011	1,507,193	(74,182)	-5%
Oakdale	8,100,072	7,249,149	850,923	12%
Olivia	936,378	1,048,100	(111,722)	-11%
Orono	2,474,727	3,197,207	(722,480)	-23%
Osseo	1,036,127	1,349,946	(313,819)	-23%
Owatonna	7,932,259	6,738,644	1,193,615	18%
Park Rapids	1,118,839	1,094,628	24,211	2%
Pine City	857,992	926,323	(68,331)	-7%
Pipestone	1,938,252	1,278,994	659,258	52%
Plainview	791,197	951,522	(160,324)	-17%
Plymouth	19,730,747	20,609,438	(878,691)	-4%
Princeton	984,959	1,120,134	(135,175)	-12%
Prior Lake	4,982,122	4,144,766	837,356	20%
Proctor	904,825	1,177,069	(272,245)	-23%
Ramsey	3,618,898	4,364,144	(745,245)	-17%
Red Wing	9,528,296	6,247,812	3,280,483	53%
Redwood Falls	1,943,342	1,490,645	452,697	30%
Richfield	13,549,795	13,333,963	215,832	2%
Robbinsdale	5,345,122	5,585,605	(240,483)	-4%
Rochester	35,874,048	30,647,819	5,226,229	17%
Rockford	869,583	919,681	(50,098)	-5%
Rosemount	5,031,080	3,611,847	1,419,232	39%
Roseville	12,587,759	11,918,850	668,909	6%
Sartell	1,404,074	1,652,717	(248,643)	-15%
Sauk Centre	1,397,374	1,353,838	43,536	3%
Sauk Rapids	2,546,931	2,858,564	(311,633)	-11%
Savage	4,835,552	3,347,727	1,487,825	44%
Shakopee	6,597,160	4,274,702	2,322,458	54%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Shoreview	7,955,098	7,360,216	594,882	8%
Shorewood	2,485,012	2,364,467	120,545	5%
Sleepy Eye	1,495,936	1,230,112	265,823	22%
South St. Paul	9,950,685	6,681,715	3,268,970	49%
Spring Lake Park	1,964,320	2,443,537	(479,217)	-20%
Staples	1,102,288	1,083,451	18,837	2%
Stewartville	991,843	1,680,653	(688,810)	-41%
Stillwater	5,537,332	5,915,789	(378,457)	-6%
St. Anthony	2,114,166	3,345,920	(1,231,754)	-37%
St. Charles	758,207	1,054,818	(296,611)	-28%
St. Cloud	24,177,124	19,574,800	4,602,323	24%
St. Francis	573,028	1,145,620	(572,592)	-50%
St. James	1,264,636	1,275,670	(11,033)	-1%
St. Joseph	885,774	1,152,840	(267,066)	-23%
St. Louis Park	16,587,869	16,793,861	(205,991)	-1%
St. Michael	555,813	850,517	(294,704)	-35%
St. Paul	175,140,227	142,694,724	32,445,503	23%
St. Paul Park	1,510,407	1,754,562	(244,155)	-14%
St. Peter	3,440,873	2,987,845	453,028	15%
Thief River Falls	3,848,325	2,986,849	861,477	29%
Two Harbors	1,811,848	1,037,362	774,486	75%
Vadnais Heights	2,234,907	3,614,929	(1,380,022)	-38%
Virginia	6,208,306	4,458,694	1,749,611	39%
Waconia	2,498,354	1,640,817	857,537	52%
Wadena	1,252,777	1,367,744	(114,967)	-8%
Waite Park	2,071,120	1,935,019	136,100	7%
Waseca	3,050,602	3,020,828	29,774	1%
Wayzata	2,349,027	1,835,959	513,069	28%
West St. Paul	6,944,529	6,190,604	753,925	12%
White Bear Lake	6,311,687	8,328,507	(2,016,821)	-24%

City	Unadjusted Expenditures	Basic Spending Level (BSL)	Difference	Percent Difference
Willmar	8,840,430	7,222,040	1,618,391	22%
Windom	1,517,332	1,596,479	(79,147)	-5%
Winona	11,900,076	8,893,966	3,006,110	34%
Woodbury	8,568,519	8,587,818	(19,299)	0%
Worthington	4,185,641	3,375,175	810,466	24%

H. INTEREST EXPENDITURE

City	Expenditure	Basic Spending Need
Afton	8,425	72,996
Albert Lea	72,528	330,990
Alexandria	28,275	181,504
Andover	1,333,283	1,333,283
Anoka	402,842	402,842
Apple Valley	1,066,936	1,066,936
Arden Hills	51,908	189,011
Austin	286,164	426,916
Baxter	301,320	301,320
Bayport	0	69,683
Belle Plaine	83,118	83,118
Bemidji	174,859	250,576
Benson	12,646	51,772
Big Lake	70,512	70,512
Blaine	568,775	600,873
Bloomington	3,063,916	3,063,916
Blue Earth	263,056	263,056
Brainerd	246,248	246,248
Breckenridge	191,862	191,862
Brooklyn Center	134,758	626,324
Brooklyn Park	1,698,651	1,698,651
Buffalo	286,958	286,958
Burnsville	3,840,006	3,840,006
Caledonia	154,889	154,889
Cambridge	264,754	264,754

City	Expenditure	Basic Spending Need
Cannon Falls	167,348	167,348
Champlin	971,066	971,066
Chanhassen	851,341	851,341
Chaska	317,324	317,324
Chisholm	25,649	114,719
Circle Pines	78,226	81,997
Cloquet	178,514	240,774
Columbia Heights	97,374	349,474
Coon Rapids	1,077,372	1,077,372
Corcoran	114,400	136,654
Cottage Grove	466,108	469,291
Crookston	32,319	142,163
Crystal	167,856	452,405
Dayton	28,158	100,080
Deephaven	13,354	83,533
Delano		48,795
Detroit Lakes	317,343	317,343
Dilworth	72,372	72,372
Duluth	1,323,469	2,065,067
Eagan	2,588,517	2,588,517
East Bethel	193,028	193,028
East Grand Forks	234,112	234,112
Eden Prairie	1,700,495	1,700,495
Edina	206,723	1,021,891
Elk River	276,022	276,022
Ely	53,031	84,929
Eveleth	37,202	75,856

City	Expenditure	Basic Spending Need
Fairmont	408,918	408,918
Falcon Heights	11,412	112,581
Faribault	551,412	551,412
Farmington	210,070	210,070
Fergus Falls	362,029	362,029
Forest Lake	166,757	166,757
Fridley	142,386	488,970
Glencoe	99,445	99,445
Glenwood	23,750	46,508
Golden Valley	410,243	521,671
Goodview	136,252	136,252
Grand Rapids	49,386	187,061
Granite Falls	51,033	53,113
Ham Lake	54,033	166,692
Hastings	417,437	417,437
Hermantown	155,396	161,519
Hibbing	168,043	438,369
Hopkins	182,416	355,001
Hugo	95,360	95,360
Hutchinson	499,943	499,943
Independence	47,238	81,403
International Falls		154,549
Inver Grove Heights	1,025,902	1,025,902
Jackson	52,313	55,688
Jordan	67,097	67,097
Kasson	27,031	60,327
La Crescent	112,837	112,837

City	Expenditure	Basic Spending Need
Lake City	204,980	204,980
Lake Elmo	27,524	128,255
Lakeville	1,259,706	1,259,706
Lauderdale	0	58,392
Le Sueur	35,487	64,685
Lino Lakes	302,200	302,200
Litchfield	101,688	108,722
Little Canada	388,796	388,796
Little Falls	333,294	333,294
Long Prairie	38,874	54,298
Luverne	50,582	66,947
Mahtomedi	97,294	113,899
Mankato	955,928	955,928
Maple Grove	2,617,701	2,617,701
Maplewood	808,979	808,979
Marshall	193,515	213,075
Medina	77,845	86,835
Melrose	17,148	53,146
Mendota Heights	556,141	556,141
Minneapolis	6,874,676	9,765,158
Minnetonka	1,644,339	1,644,339
Minnetrista	78,808	89,671
Montevideo	160,545	160,545
Monticello	468,183	468,183
Moorhead	425,522	514,843
Mora	14,057	56,078
Morris	59,346	111,472

City	Expenditure	Basic Spending Need
Mound	299,793	299,793
Mounds View	11,821	212,874
Mountain Iron	46,638	70,402
New Brighton	572,066	572,066
New Hope	402,953	451,007
New Prague	153,840	153,840
New Ulm	395,874	395,874
Newport	29,387	79,155
North Mankato	350,540	350,540
North Oaks	0	79,574
North St. Paul	99,305	223,465
Northfield	648,389	648,389
Oak Park Heights	55,075	78,574
Oakdale	1,152,759	1,152,759
Olivia	115,317	115,317
Orono	80,876	166,679
Osseo	78,370	78,370
Owatonna	253,839	351,304
Park Rapids	55,931	57,066
Pine City	9,460	48,292
Pipestone	10,874	66,677
Plainview	73,555	73,555
Plymouth	1,463,698	1,463,698
Princeton	57,144	58,396
Prior Lake	559,725	559,725
Proctor	57,076	61,364
Ramsey	108,157	227,515

City	Expenditure	Basic Spending Need
Red Wing	383,987	383,987
Redwood Falls	74,601	77,711
Richfield	940,473	940,473
Robbinsdale	22,510	291,193
Rochester	660,134	1,597,754
Rockford	86,402	86,402
Rosemount	544,904	544,904
Roseville	708,019	708,019
Sartell	152,126	152,126
Sauk Centre	125,235	125,235
Sauk Rapids	255,597	255,597
Savage	422,709	422,709
Shakopee	269,385	269,385
Shoreview	576,084	576,084
Shorewood	113,814	123,266
Sleepy Eye	90,521	90,521
South St. Paul	488,803	488,803
Spring Lake Park	49,973	127,388
Staples	86,442	86,442
Stewartville	53,448	87,617
Stillwater	656,443	656,443
St. Anthony	0	174,432
St. Charles	73,354	73,354
St. Cloud	1,758,293	1,758,293
St. Francis	0	59,724
St. James	71,518	71,518
St. Joseph	52,953	60,101

City	Expenditure	Basic Spending Need
St. Louis Park	364,044	875,509
St. Michael	36,072	44,340
St. Paul	13,357,457	13,357,457
St. Paul Park	36,515	91,470
St. Peter	137,196	155,764
Thief River Falls	257,235	257,235
Two Harbors	40,652	54,080
Vadnais Heights	287,099	287,099
Virginia	337,042	337,042
Waconia	315,564	315,564
Wadena	42,422	71,304
Waite Park	215,823	215,823
Waseca	48,105	157,484
Wayzata	54,267	95,713
West St. Paul	258,197	322,733
White Bear Lake	438,911	438,911
Willmar	644,265	644,265
Windom	327,402	327,402
Winona	507,994	507,994
Woodbury	1,131,249	1,131,249
Worthington	281,432	281,432

I. NUMBER OF CITIES IN EACH EXPENDITURE CATEGORY

	Parks & Recreation	Government Administration	Police	Streets	Fire	Other Expendi-tures	Total
Below	100 (56%)	69 (39%)	86 (48%)	68 (38%)	34 (19%)	74 (41%)	52 (29%)
Near Basic	19 (11%)	35 (19%)	44 (25%)	33 (18%)	37 (21%)	21 (12%)	50 (28%)
Above	36 (21%)	54 (30%)	42 (24%)	45 (25%)	47 (26%)	18 (10%)	68 (38%)
Well Above	24 (13%)	21 (12%)	7 (4%)	33 (19%)	61 (34%)	66 (37%)	9 (5%)

Below: Expenditures more than 10 percent below the basic spending level.

Near Basic: Expenditures within 10 percent above or below the basic spending level.

Above: Expenditures 10 to 50 percent above the basic spending level.

Well Above: Expenditures more than 50 percent above the basic spending level.

THE CORE MEMBERSHIP

AREND J. SANDBULTE
COMMISSION CHAIR
Chairman, President and CEO
Minnesota Power
Duluth

MARCIA F. APPEL
Executive Director
Association of Area
Business Publications
Lakeville

JANE BELAU
President
Belau Consulting Group
Rochester

SHARON SAYLES BELTON
Minneapolis City Council
President
Minneapolis

JOHN E. BRANDL
Professor
University of Minnesota
Minneapolis

GARY DENAULT
Executive Director
Middle Management Association
St. Paul

JACK W. EUGSTER
CEO, The Musicland Group
Minneapolis

GERALDINE A. EVANS
Chancellor
Community College System
St. Paul

JEAN L. HARRIS
Senior Associate Director
Medical Affairs
U of M Hospital & Clinic
Minneapolis

BECK HORTON
President
Juno Enterprises, Inc.
Minneapolis

ARLENE J. LESEWSKI
Regional Director
Independent Business Association
of Minnesota
Marshall

ERNEST A. LINDSTROM
Attorney at Law
Lindstrom Law Offices
Minneapolis

LEE LUEBBE
Former Chair
Winona County Board
of Commissioners
Winona

H. WILLIAM LURTON
Chairman and CEO
Jostens, Inc.
Minneapolis

DORRAINE (DORRIE) MUND
Associate Attorney at Law
Hall, Byers, Hanson, Steil &
Weinberger
St. Cloud

ROBIN PANLENER
President
Minnesota Association of
Professional Employees
St. Paul

KATHERINE (KATI) SASSEVILLE
General Counsel
Otter Tail Power Co.
Fergus Falls

GLEN TAYLOR
Chairman and CEO
Taylor Corp.
North Mankato

ERMA J. VIZENOR
Ph.D. Student
Harvard University
Ponsford

STEPHEN E. WATSON
President
Dayton-Hudson Corp.
Minneapolis

CONNIE G. WEINMAN
Vice President
National City Bank
Minneapolis

C. ANGUS WURTELE
Chairman and CEO
The Valspar Corp.
Minneapolis