



annual budget 2023

BLOOMINGTON.
tomorrow. together. ●



General Fund Budget
Adopted by the
Bloomington City Council
December 5, 2022

Other Funds Adopted
October through
December 2022



annual
budget
fiscal year
2023

Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Bloomington
Minnesota**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Bloomington for its annual budget for the fiscal year beginning January 1, 2022. This was the 27th consecutive year the honor was awarded to the City of Bloomington.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



March 1, 2023

Dear Reader,

This year, our budget book theme, *Bloomington. Tomorrow. Together.*, reflects the name of our new strategic plan. The process of creating that plan included more voices than ever before. Hundreds of community members and City staff were involved in bringing the City's new strategic plan to life. The teams involved in the planning process were made up of more than 50% community members, which exceeded the City's goal. The community-driven plan resulted in the following mission statement: To cultivate an enduring and remarkable community where people want to be.

To cultivate an enduring and remarkable community, the City needs a solid financial foundation. Bloomington ranks with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa status from Moody's, AAA from Standard & Poor's and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies.

This document presents the City's approved 2023 budget, and includes budget summaries for all funds, working capital goals, debt and capital overviews and operating program details. Background information used to develop the budget and to describe its impact and corresponding levies are included in the introduction to provide a more complete understanding. To determine the current levy and to consider the City's long-term financial stability, 5-, 10- and 15-year budget models were used.

Find this document on our website along with more detailed financial information from the 2023 Annual Comprehensive Financial Report at blm.mn/financialreports. You can learn more about the City's strategic plan at blm.mn/btt.

A handwritten signature in blue ink that reads "Lori Economy-Scholler".

Lori Economy-Scholler
Chief Financial Officer

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introduction and overview



City of Bloomington

City Council

Mayor



Tim Busse

Term Expires Jan. 2024

Council Members



Jenna Carter
At Large

Term Expires Jan. 2024



Chao Moua
At Large

Term Expires Jan. 2024



Dwayne Lowman
District I

Term Expires Jan. 2024



Shawn Nelson
District II

Term Expires Jan. 2024



Lona Dallessandro
District III

Term Expires Jan. 2024



Patrick Martin
District IV

Term Expires Jan. 2024

Housing and Redevelopment Authority

Chairperson

Cheryl Lewis

Commissioners

Jenna Carter
Blake Doblinger
Victoria Hoogheem
Patrick Martin
Jennifer Mueller
Rod Wooten

Port Authority

President Bob Erickson

Commissioners Tim Busse
Jenna Carter
Cynthia Hunt
Tim Keller
Rob Lunz
Steve Peterson

Executive Leadership Team

City Manager James D. Verbrugge
Michael Sable

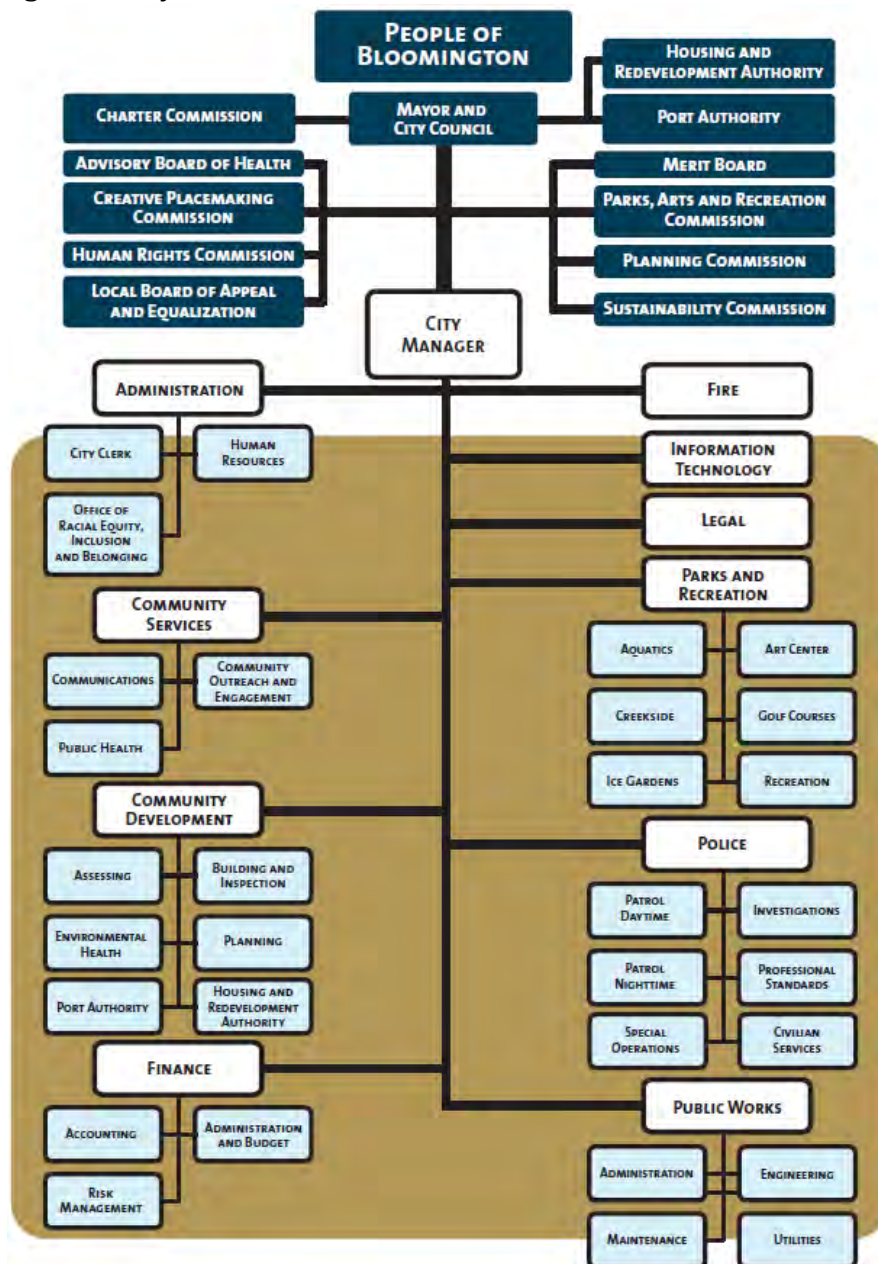
Assistant City Manager

Department Heads	Karla Henderson, Director	Community Development
	Diann Kirby, Director	Community Services
	Lori Economy-Scholler, CFO	Finance
	Ulysses Seal, Fire Chief	Fire
	Amy Cheney, CIO	Information Technology
	Melissa Manderschied, City Attorney	Legal
	Ann Kattreh, Director	Parks and Recreation
	Booker T Hodges, Police Chief	Police
	Karl Keel, Director	Public Works
	Faith Jackson, Chief Equity Officer	Equity
	Aarica Coleman, Administrator	Housing & Redev. Authority
	Holly Masek, Administrator	Port Authority

Organization Structure and Chart

A home rule charter was adopted in November 1960. The City is a Council-Manager form of municipal government. The Council is comprised of the Mayor and six Council Members who serve four-year terms; the Mayor and two members are elected at large, the rest are elected by district. The City Manager, the chief administrative officer, is selected by the Council to serve an indefinite term. The City Manager controls and directs the operation of the City's affairs and supervises all departments and divisions.

Activities are managed through ten departments, each with a department head appointed by and reporting to the City Manager. A description of the departments and their functions is included in this document. Within each department are divisions managed by division managers who report to the department heads. Descriptions of each division, its objectives and budget are also in this document. Cross-functional teams study, prioritize and implement projects throughout the year.



Community Profile

Bloomington, Minnesota is a dynamic urban center in the Twin Cities metro area and a vibrant community for both residents and businesses. [This two minute video](#) describes just some of the wonderful things about Bloomington.



Located just south of the Twin Cities of Minneapolis and St. Paul, Bloomington is a thriving community of approximately 90,000 residents and the fourth largest city in the state. Home to the Mall of America and adjacent to Minneapolis-St. Paul airport, Bloomington is both an employment and hospitality hub for the region.

The City has achieved 99 percent of its original development capacity. To provide visual and physical relief from continuous urban development, one-third of the city is designated for public parks and conservation. Bloomington is also home to award-winning schools and colleges. Significant redevelopment is occurring in Bloomington's South Loop District, an urban center at the crossroads of the metro area's transportation network.

City of Bloomington Strategic Plan

Bloomington. Tomorrow. Together

In 2021, the City embarked on a new strategic planning effort, one that involved the community in planning Bloomington's future. The initiative *Bloomington. Tomorrow. Together.* engaged residents in helping the City Council design a new strategic plan. City staff worked in partnership with members of the community at every stage of the process, from community cafes and surveys to understand Bloomington's strengths and challenges; through creation of a mission statement and strategic objectives by a core planning team; to identifying strategies and measurements for success by action and measurement teams.

The difference between this and previous strategic planning processes was that the community was involved in nearly every step of the process. As a result, the community's voice is reflected in the final product. The *Bloomington. Tomorrow. Together.* strategic plan was adopted by the City Council on April 25, 2022. The plan will guide the City's work through 2027.

Bloomington. Tomorrow. Together. Strategic Plan **2022 - 2027**

Our Mission

Our mission is to cultivate an enduring and remarkable community where people want to be.

Our Core Values – We believe that...

- The community thrives when its members share responsibility for its well-being.
- Transformation will come through collective courage and the willingness to take risks.
- When diversity is embraced, the community is strengthened.
- Everyone benefits when there is equitable access to opportunity.
- Safety and security are critical components of a resilient and healthy community.

Our Strategic Objectives – By 2030...

1. Our community members will feel connected to their neighbors, welcomed, and valued by the community as a whole.
2. The City of Bloomington will achieve significant improvement in the indices measuring the community's environmental and individual health.
3. The City of Bloomington will achieve significant improvement in indices measuring equitable economic growth.

Our Strategies – What we will do

1. Build trusting relationships that acknowledge diversity so that we are able to embody our core values, live our mission and achieve our strategic goals.
2. Do what is necessary so that all of the community can understand, support and actively contribute to the achievement of the mission and strategic objectives.
3. Identify and align efforts across organizations in the community to leverage, develop and maximize assets to achieve mutually beneficial outcomes.

Five-Year Results

Measurement Results

- We will develop a measurement system and report by the end of 2022.
- The City will have a community-involved process for measuring the strategic plan

Strategy 1 Results

- The City's internal culture is consistent with core values.
- The City uses a model to support neighborhood identity, placemaking, connection, history, and culture.
- The City utilizes a comprehensive plan for addressing issues of safety and security.
- City regulations have been revised to increase flexibility and support for community gathering places, including small businesses, community organizations and City spaces.
- City staff are skilled, empowered and expected to build and maintain authentic relationships with community members.
- Issues of injustice for historically marginalized communities are acknowledged and addressed in Bloomington.
- The City expanded its Creative Placemaking program across Bloomington.
- The City has a model for a centralized gathering space that is welcoming, unique, dynamic and celebrates Bloomington's diversity.

Strategy 2 Results

- A network of diverse and trusted community partners has been established to share relevant information.
- We have identified what is missing in our approaches of communicating with our community.
- Barriers to participation are identified and removed.
- The community has a better understanding of how the strategic objectives will affect them and why they should care.
- Community members are increasingly motivated to actively contribute.
- Community members increasingly take advantage of opportunities to actively contribute.

Strategy 3 Results

- We have established and piloted a community asset mapping model for cataloging key services, benefits and resources to identify strengths and gaps relating to Bloomington's strategic objectives.
- We have established partnerships with organizations to connect residents and businesses with relevant resources.
- The community asset map is used by the public and partners to access and align resources.

We will not:

- Add any program, project, policy, or service that is not consistent with our core values and aligned to our mission.
- Allow past practices to interfere with the consideration of new ideas.

City Manager's Budget Message

Bloomington. Tomorrow. Together.

This year, our budget book theme, *Bloomington. Tomorrow. Together.*, reflects the name of our new strategic plan. The process of creating that plan included more voices than ever before. Hundreds of community members and City staff were involved in bringing the City's new strategic plan to life. The teams involved in the planning process were made up of more than 50% community members, which exceeded the City's goal. The community-driven plan resulted in the following mission statement: To cultivate an enduring and remarkable community where people want to be.

To cultivate an enduring and remarkable community, the City needs a solid financial foundation. Bloomington ranks with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa status from Moody's, AAA from Standard & Poor's and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies.

Bloomington has been very fortunate to have a broad base of revenues combined with a long history of sound financial management. The City is not as dependent as other cities on property taxes, which represents about two-thirds of General Fund revenues.

In 2022, the City continued public engagement in the budget planning process. Finance staff expanded their [budget webpage](#) with videos, links to presentations and articles with extensive information on the budget planning process. Staff set up tables at popular summer events including music festivals, the police open house and farmers market to learn what was important to residents when it came to City services.

The City's Annual Budget for fiscal year 2023 brings together the City Council priorities and financial planning with community needs and expectations. Doing this ensures that the City continues to meet the needs of residents while maintaining a stable and healthy budget.

Renewing community

Many new developments and property renovations were underway last year in Bloomington. The City's budget dedicates resources to implement plans for community renewal citywide. The following projects were under construction or completed construction in 2022:

- SICK Technology Campus – Phase I, the first phase in a 547,000 sq. ft. Campus.
- Seagate Expansion, 80,000 sq. ft., two-story manufacturing addition. Carbon31, multifamily residential and grocery.
- Amira Senior Apartments, 133 units for independent seniors.
- Lyndale Flats, an 81-unit apartment building with all 81 units affordable at 60% area median income (AMI).

- Crowne Plaza conversion to multifamily housing (The Aire Apartments), part of the Crowne Plaza hotel is being converted into 185 apartments.
- Risor Senior Apartments, 146 units with 13 units affordable at 60% AMI.
- Noble Apartments, 149 units with 14 units affordable at 50% AMI.
- Cadence Apartments, 68 units affordable at 30-60% AMI.
- Hyatt House, a four-story, 151-room extended stay hotel.
- Topline Credit Union, 3,000 sq. ft. financial institution.
- Fire Station 4, 25,000 sq. ft. fire station, replacing the previous Fire Station 4.
- Walser Toyota, 122,000 sq. ft. auto dealership.
- Verizon Wireless, 17,000 sq. ft. addition to an industrial building.
- U-Haul Self Storage, a four-story, 115,000 sq. ft. self-storage facility.

Bloomington housing market

The value of the median home rose from \$307,200 to \$355,900, an almost 16% increase between 2021 and 2022. It is expected that strong growth in residential values will more than offset weakness in some sectors of commercial, leading to a higher tax base in total. And despite COVID, a strong development cycle continues for multifamily properties.

Survey finds safety is key factor in Bloomington's quality of life

Three-quarters of residents positively rated the overall feeling of safety in Bloomington according to the 2022 National Community Survey™ of Bloomington residents.

Around 9 in 10 residents reported feeling very or somewhat safe in their neighborhood and commercial areas during the day. This high level of safety likely contributed to the high quality of life respondents said they experience. A total of 90% of respondents rated the overall quality of life in Bloomington as excellent or good. Around 9 in 10 respondents were likely to recommend living in Bloomington to someone who asks.

Residents also liked how Bloomington handles water—liquid and frozen. The City's drinking water ranked No. 2 among the nearly 300 cities and counties polled nationwide, with an approval rating of 91%. Snow removal received scores of excellent or good from 84% of respondents, putting the City in the top 10% nationwide.

Other results

- Fire services received a score of 94%, while Police services drew excellent or good marks from 84% of respondents.
- Nearly three-quarters of residents gave positive marks to the value of services provided by Bloomington and the overall customer service of City employees.
- The availability of paths and walking trails (84%), preservation of natural areas (80%), and open space (78%) were all highly rated compared to national averages.

This was the 11th year in a row that the National Community Survey™ was conducted in Bloomington. A total of 728 residents completed the random sample, a scientific poll that was conducted between May 20 to July 8, by the National Research Center of Boulder, Colorado. For more information and complete survey results, visit blm.mn/ncs2022

Retaining excellent financial integrity

Bloomington ranks with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa status from Moody's, AAA from Standard & Poor's and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies. Bloomington is one of only 33 cities out of more than 19,500 municipal governments in the U.S. that have achieved three triple-A ratings. Bloomington is currently the only Minnesota city to hold all three highest ratings. According to the agencies, triple-A status reflects the City's conservative fiscal management, diverse economic base, central location, low unemployment rate that falls below state and national averages, and continued success in the Mall of America tax increment district. The City's excellent bond ratings signal to current and potential investors that our financial future is strong and ensure that interest costs will remain low. They also signal to businesses and individuals that Bloomington is a financially healthy community.

Factors influencing decisions – Strategic priorities

Many community members and City staff worked together to create the *Bloomington. Tomorrow. Together.* strategic plan. Development of the community-driven plan started in 2021 with a core planning team, action teams and a measurement team. In 2022, City staff took what those groups created and built an actionable work plan around it that will guide their work over the next five years. The work plan has three priorities: A connected, welcoming community; A healthy community; and, A community with equitable economic growth. The following projects fall within those priority areas and influenced budget decisions for 2023.

A connected, welcoming community

City established the Office of Racial Equity, Inclusion and Belonging

The City established a new Office of Racial Equity, Inclusion and Belonging to advance the work of removing structural bias in City policies, programs and services in 2022. The new office addresses systemic inequities and supports systemic change throughout the City to emphasize equity, inclusion and belonging.

The City's commitment to racial equity and inclusion is longstanding and has evolved over the years. In December 2017, the City Council adopted a racial equity vision statement that reads, "The City of Bloomington will act courageously to advance racial equity. We will be a vibrant, safe and healthy place where people of all races thrive."

The City hired its first-ever racial equity coordinator in 2019. The City adopted the racial equity business plan in 2020, which charts the path for the City's racial equity work in the years to come. The plan identifies goals and outcomes in four distinct areas: hiring, training, services and community engagement.

In 2020, the City Council declared racism a public health crisis. The racial equity strategic planning committee was formed to identify the most impactful policies and practices the City and racial equity strategic planning committee would work on to begin reducing racial disparities in key areas: economic stability, education, health and health care, neighborhood and built environment, and community.

City honors third cohort of Pioneers and Changemakers

This year marks the City's third cohort of Bloomington pioneers and changemakers honorees. The series features Black leaders who have a connection to Bloomington. The City hosted an event to recognize the new pioneers and changemakers in February, Black History Month. The City's Bloomington Black Employee Network planned the event. The people featured in pioneers and changemakers series have worked to advance civil rights and remove barriers to equity in the fields of education, faith, government, housing, law and more. In this annual series, the City honors pioneers who have done so much to chart the path to where we are today and changemakers who are paving the way for future generations.

Hometown Poetry highlights local talent

Eight poems by local writers will be stamped onto new sidewalks this year and four will be on display on creative sign installations in the area from Portland Avenue to Pleasant Avenue, and American Boulevard to 90th Street as part of Hometown Poetry. The featured poets range in age from 10 – 94.

Writers read their poems, selected by a panel, at the Hometown Poetry Reading at Oxboro Library last September. This project is part of the City's neighborhood focus initiative and creative placemaking efforts in partnership with Artistry.

Council Minute continues

In 2020, Communications staff developed a new regular video series that gives viewers a quick inside look at City operations. Council Minute is a weekly series hosted by Mayor Tim Busse giving a wrap-up of that week's council business, important local events and any upcoming City Council discussions. Each week, Mayor Busse's Council Minute is posted on the City's social media accounts and on YouTube.

BPD REAT hosts cook out at Blooming Meadows

Blooming Meadows residents and the Bloomington Police Department (BPD) came together for delicious food, yard games, prizes and a good time last September. The Bloomington Police Department Racial Equity Action Team (REAT) hosted a community

cookout at Blooming Meadows to give residents a chance to mingle with neighbors, meet new people and connect with BPD staff and officers right in their own backyard.

“I liked seeing the positive interactions between the community and BPD,” Officer and BPD REAT leader Desmond Daniels said. “Questions were asked both ways and the conversations were flowing. Most of all I enjoyed seeing the kids have a great time.”

This was BPD’s first event like this. The Department plans to host similar events at different apartment buildings throughout the city. One other major project the BPD REAT is working on is coaching in the community, with six police officers currently helping local sports teams.

“The kids and parents don’t know we are police officers,” Daniels said. “Near the end of the season, we plan to show up in uniform.”

These are just a few of many projects City racial equity action teams have been working on in the last year. Each of the City’s 10 departments has a staff-driven team that is advancing racial equity work from the unique perspectives of their work groups. Sixty employees (10% of the organization) volunteered to act as change agents in their departments.

Mayor and councilmembers host Town Hall forums

Last fall, four councilmembers and Mayor Tim Busse hosted five town hall forums to connect with constituents. Councilmembers answered questions and presented updates on ongoing and upcoming projects. These events have proven to be a good way to connect with people and build relationships.

Second Bloomington Pride celebration a success

More than 2,000 people visited Civic Plaza last summer to celebrate Pride with live entertainment, kids activities, food trucks and more.

The City has been vocal and active in its support of the LGBTQ+ community in Bloomington for years. The City Council has issued a Pride proclamation for the past six years. The Pride flag has flown in June recognizing Pride.

In 2021, the City and community partners put on its first Pride festival with live entertainment, a story walk, arts and crafts, food trucks and more.

The City will participate in the third annual Bloomington Pride celebration in 2023.

Veterans Memorial planning progresses

Local nonprofit Bloomington Remembers Veterans has been working closely with the City to plan a veterans memorial on the grounds of the east lawn of Civic Plaza, 1800 West Old Shakopee Road. The goal of the memorial is to honor and recognize veterans, while educating the public about wars and why they were fought.

The Bloomington City Council selected and approved a memorial design by Leo A. Daly. It captures the themes of honor, reflection, education, community and the future.

The six military branches will be recognized in the design through armatures and service emblems. Individual recognition will be provided through oversized symbolic dog tags hanging from the armatures with QR codes that visitors can scan to learn more about the veteran listed and their service.

Bloomington Remembers Veterans is in the process of fundraising to make the memorial a reality.

A healthy community

New tobacco ordinance took effect in 2022

In 2021, the City Council continued its leadership of protecting youth against the harms of commercial tobacco products by adopting a new tobacco ordinance. The effort is two-fold—first, it prohibits the sale of flavored tobacco products and second, it stops new tobacco retail licenses. Starting January 1, 2022, retailers could no longer sell flavored tobacco products in Bloomington. Starting June 30, 2022, the City no longer issued new retail licenses for tobacco.

Retailers who currently hold a tobacco license can renew their license annually if they continue to meet renewal requirements. However, if a retailer closes, relocates or sells their business, their license will be retired. Over time, the number of tobacco outlets will reduce to zero.

This measure is in response to trends of youth tobacco use. Flavored tobacco products, including menthol, target new, young smokers. Menthol products have also been proven to be more addictive than traditional cigarettes. On April 28, 2022, the U.S. Food and Drug Administration announced that they would begin the rulemaking process to ban menthol cigarettes and flavored cigars.

Research shows that decreasing the number of tobacco retailers in a community and removing flavored tobacco products from stores and social circles reduces the number of youth who start smoking. Bloomington joins a growing list of Minnesota communities banning flavored products and is the first to promote health equity and public health through tobacco licensing restrictions.

Curbside organics recycling debuted in 2022

The City's curbside organics recycling service began in March 2022 to help Bloomington residents divert organic materials from the City's waste stream. Since its launch, more than 25% of eligible households have signed up. This is comparable with other communities' first-year sign up for curbside organics collection.

Taking organic materials out of the waste stream turns these materials into a nutrient-rich compost for many uses. It also aids the efficient operation of the Hennepin Energy Recovery Center, where the rest of Bloomington's garbage is taken and burned for energy. Though the City's first-year participation goal was reached, all eligible households are encouraged to participate.

Curbside Cleanup program became more sustainable

After months of digital community engagement, a survey and community listening sessions, the City Council approved a new plan for handling bulky waste items in a more sustainable way than the Curbside Cleanup program of the past. The purpose behind the new program and the added activities, listed below, is to reuse and recycle more, and landfill less. The new plan and activities began in 2022, including changes to the spring Curbside Cleanup with limited items accepted. 2023 is the first year with no Curbside Cleanup taking place. Changes in the new program include:

- A Curbside Cleanup event that will take place every other year started in 2022.
- Small items that can fit in a small garbage cart will no longer be accepted during the cleanup, read more on these items below.
- A new annual drop-off event for recyclable materials will be open to all Bloomington residents.
- Swap events for exchanging items such as sporting goods or gardening tools will be open to all Bloomington residents.
- The City is also exploring options to have a regular pickup of reusable bulky items for customers with City garbage and recycling.

Two energy-disclosure ordinances took effect

The buildings in our community play a big role in the local greenhouse gas emissions driving climate change—the electricity and natural gas used to fuel our buildings are the largest sources of greenhouse gas emissions in the city. Bloomington's Energy Action Plan outlines a goal of reducing these emissions by 75% by 2035. In the fall of 2021, the City Council took significant steps to meet this goal when they adopted these two energy disclosure ordinances. Both took effect in 2022.

One of the ordinances adopted in September focuses on large building benchmarking. This ordinance requires public, commercial, and multifamily buildings that are larger than 75,000 square feet to benchmark and disclose high-level energy metrics on an annual basis. The City will implement these requirements in phases based on building size and type. Public buildings were the first to require benchmarking, with an initial reporting date of December 30, 2021. Commercial and multifamily buildings more than 100,000 square feet followed, with an initial reporting date of June 1, 2022.

The time-of-sale energy disclosure ordinance is the second energy-disclosure measure the Council adopted. The new ordinance leverages the City's existing time-of-sale inspection to gather and disclose information about a home's energy assets. Beginning on April 1, 2022,

inspectors will collect energy metrics about a home's heating and cooling system, water heater, wall and attic insulation, and windows before it is listed for sale.

The City will summarize those metrics in an energy disclosure report and require sellers to display that report at open houses. Bloomington is the second city in the state to require energy disclosure at the time of sale. Sharing information about a home's energy assets helps potential buyers understand the energy cost of ownership. Energy disclosures also provide the City a way to identify and connect residents with resources to address inefficient homes.

City adds more hybrid and electric vehicles to its fleet

Operations in the Bloomington Police Department are getting greener after the City Council approved the purchase of four hybrid patrol vehicles. The vehicles joined BPD's fleet in summer 2022.

"Not only will these hybrid vehicles reduce fuel costs for BPD, they will produce 40% fewer greenhouse gas emissions compared to gasoline-powered patrol vehicles," Mayor Tim Busse said. "This effort aligns with the City's Energy Action Plan goals, which outlines ways Bloomington can responsibly address climate change."

The hybrid vehicle the City selected is the Ford Interceptor SUV hybrid, which is currently the only pursuit-rated hybrid on the market. Bloomington Fleet Manager Michael Keim said BPD is trying to reduce operational costs and that patrol cars are prime candidates for using hybrid vehicles due to their special operating conditions.

"The amount of electronics on the unit run down a standard battery very quickly so if they shut them off, they may not restart," Keim said. "The hybrids have a much larger battery and automatically shut off and restart the engine as needed based on total battery charge."

The City is also expanding its battery electric vehicle fleet with eight all-electric F150s on order. These vehicles will be used by Engineering and Building and Inspections staff. The operating parameters and requirements for their jobs make these a very good fit. The change from internal combustion engines to battery electric vehicles is expected to save 1600 gallons of fuel each year.

Driving gasoline-powered vehicles is the second largest source of greenhouse gas emissions in Bloomington. Climate change brings problematic weather trends to Bloomington, such as extreme rain events, warmer winters and an increased likelihood of extreme summer heat. Purchasing hybrid vehicles instead of standard internal combustion vehicles supports Minnesota GreenStep Cities best practices and aligns with the City's 2017 commitment to achieving the goals of the Paris Agreement.

A community with equitable economic growth

Bloom in Bloomington internship program launches

Bloom in Bloomington is a youth workforce program offering summer intern experiences to young people, aged 16 to 24, who live or attend school in Bloomington. The City designed Bloom in Bloomington internships to provide youth who face barriers to employment an opportunity to build skills, learn leadership and gain valuable work experience. Participants will have an opportunity to explore career paths from a wide variety of local employers, including the City.

“Bloomington is an economic engine for the region, and we want to connect local youth with all the opportunities here,” Community Development Director Karla Henderson said.

In the coming years, Minnesota employment statistics confirm a projected workforce shortage. Conversely, nonwhite populations are growing more quickly than the white population in the Twin Cities region, according to Chief Equity and Inclusion Officer Faith Jackson. To meet future workforce needs, Minnesota employers must attract and retain more workers of all races.

Bloom in Bloomington program organizers will review applications, interview candidates and place interns with employers for summer of 2023. Learn more at blm.mn/bloominbloomington.

The City and Hennepin County partner to launch the Love Local campaign

The City invited community and staff to shop small in 2022. Last November, Mayor Tim Busse read a proclamation recognizing Small Business Saturday and the outstanding contributions Bloomington's small businesses make to the community and local economy.

The City partnered with Hennepin County to launch the Love Local campaign. There are 38,000 businesses in Hennepin County with 100 employees or less. The Love Local logo sticker will be in small business windows around town to help shoppers identify them.

"The Love Local campaign reminds us to support those small businesses that make our community so vibrant this holiday season and throughout the year," Assistant Port Authority Administrator Barb Wolff said. "Let's celebrate our local small businesses by shopping at them and sharing about our experience."

The City provided 500 window clings for local businesses to promote the Love Local campaign.

Small Business Development Center coming soon at former Fire Station 3

In early November 2022, the City joined forces with 4RM+ULA to redesign the former Fire Station 3 at 2050 East 86th Street into a small business development center. The center is expected to open by the end of 2024.

The pandemic and the distribution of CARES ACT funding revealed a gap in the City's relationships with small businesses, especially those owned by BIPOC, women, youth and artists.

The need for the small business development center project was born out of the work of the City of Bloomington's Racial Equity Strategic Planning Committee and reconfirmed by the recent business survey conducted by Morris Leatherman Company, where 84% of the surveyors responded that the creation of a City-led business incubator was a good idea.

Community engagement efforts have been driven by the Small Business Development Center Advisory Committee as well as feedback received from the Racial Equity Strategic Planning Committee and an ongoing survey of local businesses.

For updates about the center or to provide input through a business survey, visit blm.mn/small-business.

HRA provides programs across the housing spectrum

The Bloomington Housing and Redevelopment Authority helps provide affordable housing opportunities for those who are not adequately served by the marketplace, coordinates the City's efforts to preserve existing neighborhoods and promotes development and redevelopment that enhance Bloomington.

The HRA performed an assessment of its work in 2022. As a result, it is focusing its direction on policies, programs and services along the housing continuum. Which, at its simplest, is the range of housing types available in a community — from emergency shelters on one end, all the way to homeownership on the other. In between lies an assortment of housing options and types, each critically important for different people at different times.

Read about the services and programs the HRA provides to help renters, homeowners and potential homebuyers in Bloomington online at blm.mn/hraresources.

Bloomington is a regional leader producing housing that's affordable

Affordable housing is an important component of all vibrant communities, and it's more of an economic issue than a social issue. Affordable housing is good for area businesses as well as tenants and buyers.

Construction of new affordable housing and programs that rehabilitate existing housing create jobs for architects, contractors and others in the construction trade. This also means more revenue for local businesses that supply building materials and related services.

Local governments also reap the benefit of increased income in the form of occupational license fees and net profits from the jobs and services being provided. Often, affordable housing is constructed on vacant, underutilized parcels because they are more cost-effective to develop. This increases the value of the property, which in turn means increased property taxes that flow to local and state governments and local school boards. This new or renovated affordable housing often increases the value of neighboring properties.

The Metropolitan Council establishes affordable housing goals for all cities within their seven-county jurisdiction. Bloomington’s affordable housing goal for the period 2021-2030 is to establish 842 new affordable units. In 2021 and 2022, 730 affordable units were opened, under construction, or approved and awaiting construction, which is over 86% of the way towards the 10-year goal.

“I am proud of our City Council in many ways, but I am most proud of our commitment to affordable housing in Bloomington,” Mayor Tim Busse said. “Unfortunately and unfairly, the phrase affordable housing carries with it some baggage. We are not letting preconceived notions of affordable housing be a barrier to what we are trying to accomplish—providing housing that people can afford. Housing that first-year teachers can afford. Housing that people in our tourism industry can afford. Housing our healthcare workers can afford. Our Council has made it a priority to remove the barriers for people who want to live in this community.”

Gyropolis to expand in Gateway Development District

When you take a family’s Greek roots, organic produce grown on their family’s farm in Northfield and a fast-casual restaurant setting, you get Gyropolis—one of Bloomington’s iconic locally owned businesses. The restaurant is nearly tripling in size next year with a 2,400-square-foot expansion to the existing building at 2325 West 90th Street. The new construction will include the demolition of the vacant gas station next door.

The project includes an expanded kitchen, 74 additional indoor seats and a 58-seat outdoor patio with a garden feel. Customers will also be able to order and pay for their food online and pick it up at a new pickup window.

Construction will begin in spring or summer 2023. Gyropolis will be closed for about a month during the beginning phases of construction. The expansion is projected to be complete in 2024.

Gyropolis was founded in 2005 by brothers Dino and George Contolatis who grew up in Bloomington. You can watch a video feature on the family and Gyropolis on the City’s YouTube channel at blm.mn/gyropolis.

The City of Bloomington partnered with Gyropolis owner, Dino Contolatis, to help him coordinate this project. Staff worked with him to put together the Tax Increment Funding (TIF) district that helped make the project possible. The City also has a grant agreement with DEED. Contolatis is a subrecipient of \$58,400 in grant funding. The City Council also passed several policies in 2022 regarding sewer availability charges, which made it easier to expand indoor and outdoor seating areas.

“We’re treating this project as an example to show what the City can do for local businesses when we use the tools at our disposal,” Assistant Port Authority Administrator Barb Wolff said. “The City is partnering with Dino Contolatis to help him expand his business and all it

brings to the neighborhood and our community. Dino is making an investment in our community. It will boost Bloomington overall.”

Key changes in the 2023 budget

Engaging the community

This year, Finance staff and other City employees engaged community members more creatively than ever before. Staff went out and about and engaged with residents at seven different community events, from farmers markets to concerts in the park, to learn more about what was important to residents when it came to the budget and City services. The Mayor and Council discussed the budget during eight different Council meetings and five town hall forums in the community. The National Community Survey™ also addressed budget topics. Based on that feedback, the community engagement and thoughtful Council discussions, the 2023 budget reflects the community’s priorities.

2023 budget and property tax levy reflect community’s priority of public safety

The 2023 property tax levy was set at \$74,545,878 million—a 9.15% increase over 2022. This levy funds 68% of the City’s 2022 general fund budget. The remainder of the proposed budget is supported by lodging and admission taxes, license and permit fees, grants and program revenues. Eighty-five percent of the tax levy increase is an investment in police and fire services.

The Bloomington Police Department was previously authorized for 123 officers. That is low, based on national benchmarks for peer cities. The 2023 budget adds four police officers. This will decrease the amount of overtime officers are expected to work to meet basic staffing needs. Changes like this will allow officers to get the downtime they need outside of the difficult and stressful work they do. It also adds a dispatch training and quality coordinator position to address challenges with recruitment and retention.

Bloomington firefighters have operated on a volunteer or paid-on-call basis since 1947. The ideal number of active firefighters for Bloomington is 155. The Bloomington Fire Department has only 97 active firefighters. Insufficient staffing has adversely affected response times and the number of firefighters available to respond to calls. In 2021, BFD met its response time goal only 67% of the time.

Bloomington fire trucks frequently arrived on calls with only one or two firefighters. The 2023 budget adds three full-time firefighters in 2023 to address critical staffing issues and begin the transformation from a mainly paid-on-call, part-time department to a hybrid model of full-time and part-time firefighters. The City also recently received a Staffing for Adequate Fire and Emergency Response (SAFER) Grant that funds 18 additional firefighters for three years. Between City and federal funds, a total of 21 full-time firefighters will be hired in 2023.

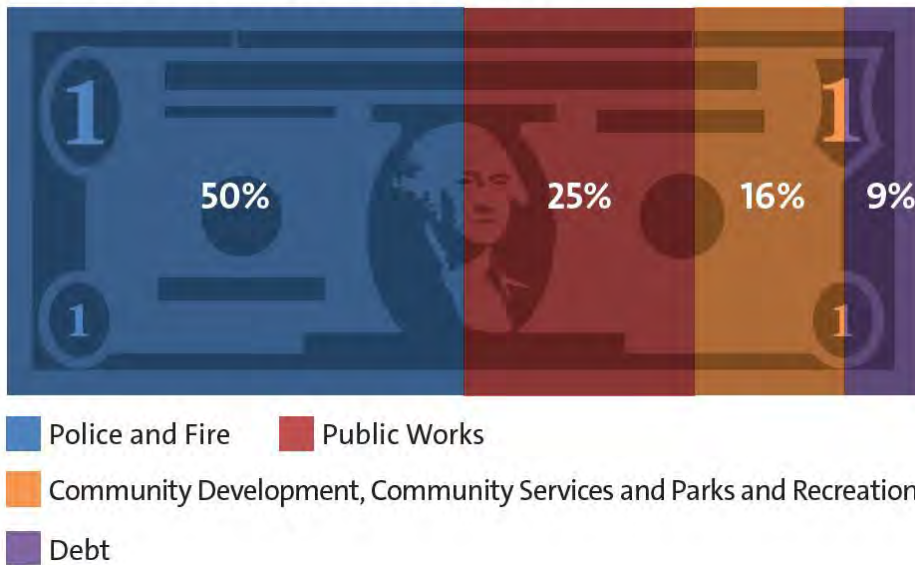
From 2022 to 2023, the median-valued home increased from \$307,200 to \$355,900, a growth of 15.9%. This increase in valuation means that the monthly cost of tax-supported

services for the owner of a \$355,900 median-valued home is \$111 for 2023, a \$10 increase from the 2022 monthly cost of \$101.

The 2023 City property tax dollar

Most property taxes support core services, including police, fire, and public works. For every dollar of City taxes paid, 50 cents go toward police and fire, 25 cents go toward public works while 9 cents of each property tax dollar pay outstanding debt service. Debt is issued to fund street and infrastructure work and construction projects. The remaining 16 cents is for Community Development, Community Services, and Parks and Recreation.

CITY PROPERTY TAX ALLOCATION



Conclusion

As one of only 33 cities nationwide to achieve triple-A ratings from all three credit rating agencies, Bloomington is at the top of its class for financial strength and stability. The 2023 budget outlined in this book will continue the tradition of sound budget management at the City of Bloomington. That foundation of excellent management and quality service delivery is vital for Bloomington to achieve its mission of an enduring and remarkable community where people want to be.



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annual
budget
2023

2023 Budget Overview

The budget is the blueprint for services and plans for fiscal year 2023. It communicates the allocation of resources and the plan to achieve the City's goals and objectives.

Adopted 2023 Budget

Budgeted revenues for all funds total \$201,005,458 and budgeted expenses for all funds total \$204,495,279. The \$3,489,821 difference will fund planned capital expenditures as well as bring balances in line with fund goals, as appropriate.

General Fund

The General Fund budget is balanced, with both revenues and expenditures equaling \$94,161,711. The General Fund expenditure budget includes a contingency of 2.5% of proposed expenditures or \$2,296,627 that is available for emergencies or unanticipated expenses.

Special Revenue Funds

Budgeted total revenues of all the Special Revenue Funds equal \$5,396,130. Budgeted expenditures are \$4,584,869 resulting in an increase in working capital of \$811,261. Much of the increase is in the Pension fund for the Bloomington Fire Department Relief Association. The objective of the Fire Pension Fund is to build an adequate reserve for future pension obligations without causing property tax levy volatility.

Enterprise Funds

The Enterprise Funds' budgets have total budgeted revenues of \$60,699,064 and expenses of \$61,655,466 resulting in a net loss \$956,402. Most of the budgeted decrease is caused by large capital projects in the Storm Water Utility fund.

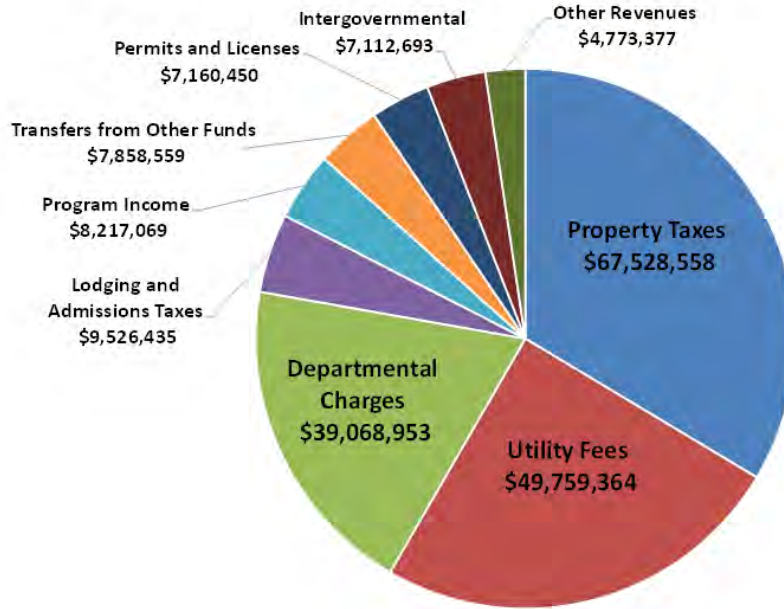
Internal Service Funds

The \$3,344,679 decrease in the Internal Service Funds results from budgeted revenues of \$40,748,553, being less than the budgeted expenses of \$44,093,232. This is due in part to the planned transfer of revenues in the Facilities Fund from American Rescue Plan (ARP) funds for infrastructure projects. It also due to vehicle replacements planned in the Fleet fund. These funds have 10-year budget models to manage internal fee increases and predict the working capital balance of each fund compared to working capital goals.

Budgeted Revenues – All Funds

Budgeted revenues for all funds total \$201,005,458.

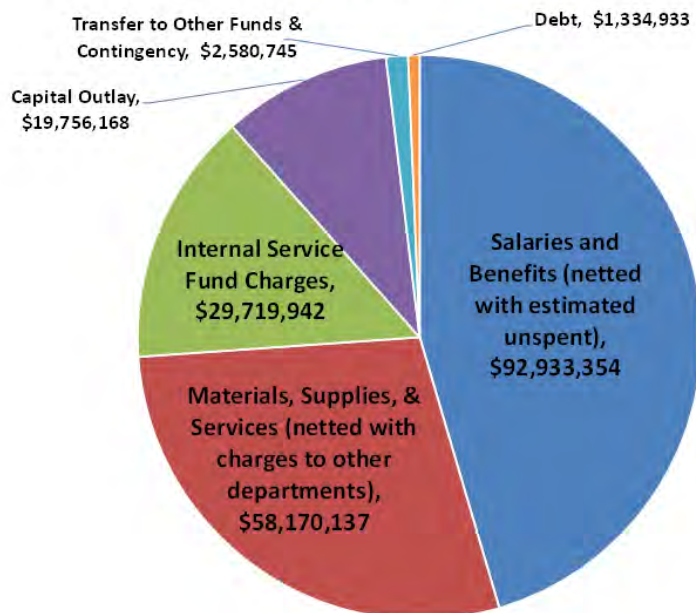
2023 Budgeted Revenues - All Funds



Budgeted Expenses – All Funds

Budgeted expenses for all funds total \$204,495,279.

2023 Budgeted Expenses - All Funds



Property Tax Value Information

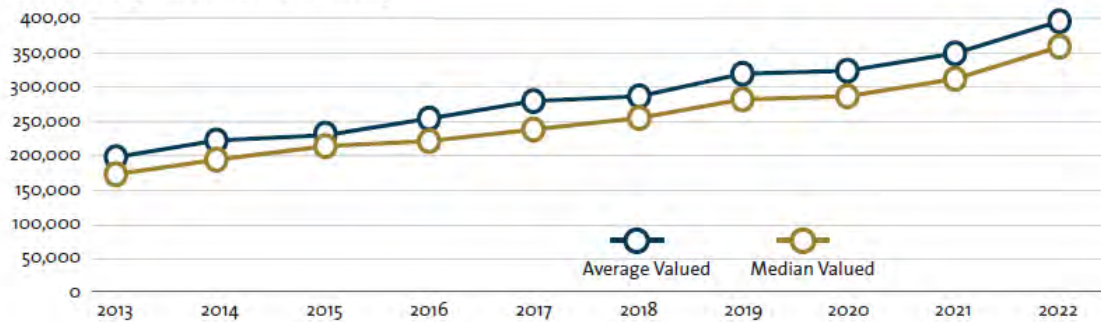
One of the most difficult concepts of the Minnesota Property Tax System is the proportionate share of the property tax levy. Some states set a mill rate which when applied to the home value creates a property tax similar to a sales tax. In Minnesota, taxing jurisdictions such as Cities, Counties, and School Districts set an annual total property tax levy (or total tax dollar amount) and each individual property's market value determines their proportionate amount that they will pay of the tax levy. Therefore, if residential property values increase more than commercial values, residential property values will take on more of the share of the tax levy in that year. Values increased 15.9% for the median value home from \$307,200 to \$355,900 for the 2023 tax levy and commercial properties increased by 4.6%

Single Family Residential

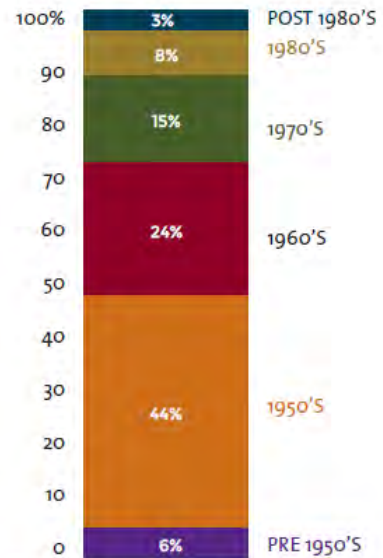
Average and Median Value History				
Assessment Year	Average Value	% Chg	Median Value	% Chg
2022	389,500	16.8%	355,900	15.9%
2021	333,600	6.5%	307,200	7.3%
2020	313,100	0.3%	286,400	0.9%
2019	312,200	9.1%	283,900	10.5%
2018	286,200	4.9%	256,900	4.3%
2017	272,800	7.2%	246,400	9.1%
2016	254,400	2.3%	225,900	2.8%
2015	248,700	6.3%	219,700	6.3%
2014	234,000	9.1%	206,700	9.9%
2013	214,400	-3.1%	188,000	-3.3%
2007 (Previous peak)	280,700	0.9	247,900	1.3

The Average and Median Value homes are 38.8% and 43.6% higher than the previous peak of 2007.

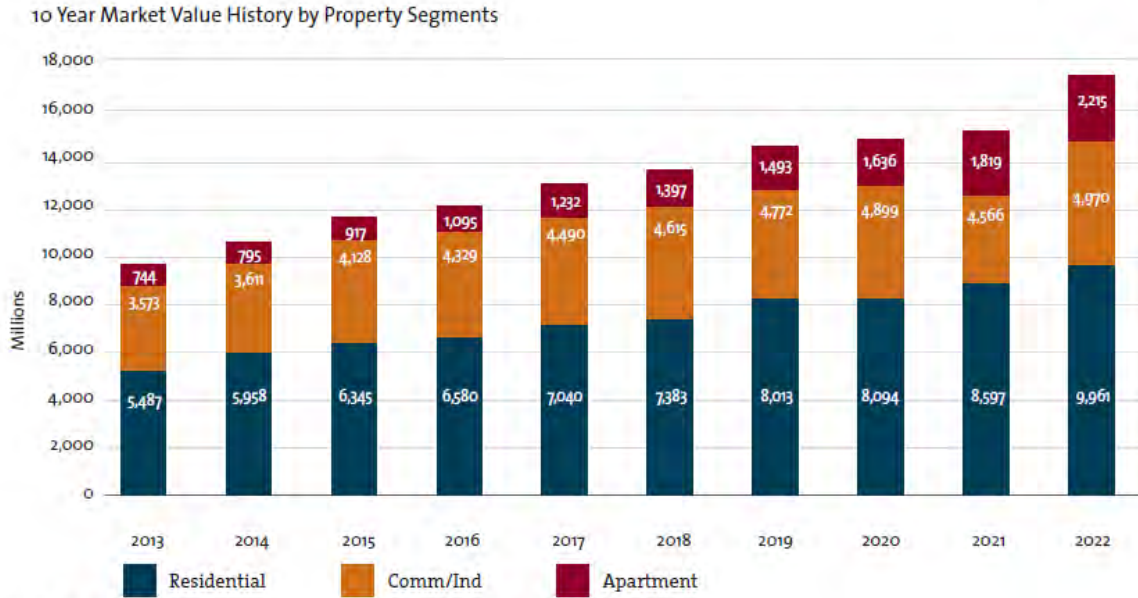
10 Year Average and Median Value History



SINGLE FAMILY HOUSING STOCK BREAKDOWN



This chart shows that 74% of the City's housing stock was built prior to 1970 and 89% prior to 1990.



Property Tax Levy Components

The dollars levied in 2023 by tax levy category as compared to the 2022 tax levy are illustrated in the following table:

	2022 Tax Levy	2023 Tax Levy	Tax Levy \$ Change	Tax Levy % Change
General Revenues:				
General Fund	\$58,228,169	\$63,991,380	\$5,763,211	8.44%
Communications	\$295,000	\$400,000	\$105,000	0.15%
Forestry / Diseased Trees (Solid Waste Fund)	\$185,000	\$185,000	\$0	
Fire Pension	\$1,050,000	\$1,000,000	(\$50,000)	-0.07%
Aquatics	\$515,000	\$465,000	(\$50,000)	-0.07%
Art Center	\$1,000,000	\$1,000,000	\$0	
Golf	\$161,343	\$161,343	\$0	
Ice Garden	\$80,000	\$125,000	\$45,000	0.07%
Strategic Priorities	\$600,000	\$0	(\$600,000)	-0.88%
Tax Abatement	\$300,000	\$300,000	\$0	
Total General Revenues	\$62,414,512	\$67,627,723	\$5,213,211	7.63%
Debt Service	\$5,882,215	\$6,918,155	\$1,035,940	1.52%
Total Tax Levy	\$68,296,727	\$74,545,878	\$6,249,151	9.15%



FINANCIAL STRUCTURE,
POLICY AND PROCESS

financial
structure,
policy and
process

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2023

Fund Descriptions and Structure

Fund Accounting

The accounts of the City are organized by funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that contain revenues, expenses, assets, liabilities, and fund balance. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are expended.

In accordance with Generally Accepted Accounting Principles (GAAP), City funds are grouped as either Governmental or Proprietary. The City has four types of Governmental funds - the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Funds. Proprietary funds involve business-like interactions. The City has two types of Proprietary funds – Enterprise Funds and Internal Service Funds.

Governmental Funds

General Fund - The general fund is the basic operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. (Debt Service funds are not included in the annual budget process. Bond sales are brought separately to the City Council for approval).

Capital Funds - Capital funds are used to account for financial resources to be used for the acquisition or construction of major capital projects that are not financed by the proprietary funds. (Capital funds are not included in the annual budget process. The Council separately approves the annual Capital Improvement Plan (CIP) document and capital construction projects are individually brought to the City Council for approval).

Proprietary Funds

Enterprise Funds - Enterprise funds are stand-alone business-type activities that provide goods or services to the public for fees that allow it to be substantially self-supporting. Enterprise funds are predominantly supported via fees, however tax support is neither prohibited nor unusual.

Internal Service Funds - Internal Service funds are used to account for activities that provides goods and services to other funds, departments, or component units on a cost

reimbursement basis. They “charge out” to each benefiting department and then use the funds received to pay for the item or service they provide. They allow departmental budgets to more accurately reflect the true cost of providing a particular public service. Internal Service Funds also allow for major expenses – such as employee benefits, vehicles, and computers to be managed over time, so that large purchases or significant cost increases are less likely to cause a spike in the budget for a particular year.

Budgeted Fund Structure



Budgeted Fund Descriptions

General Fund:

1. The General Fund is the basic operating fund of the City. The main source of revenue for the General Fund is property tax. It contains the following department activities:
 - Administration
 - City Council
 - Legal
 - Finance
 - Police
 - Fire
 - Community Development
 - Community Services
 - Parks and Recreation
 - Public Works

Special Revenue Funds:

2. Cemetery

The Bloomington Cemetery was established in 1858. It offers burial options within the City with preferred pricing for those that meet eligibility requirements.

3. Communications

Communications is a full-service shop that uses multiple communication vehicles devoted to educating and informing the community. This Division cablecasts and webcasts City Council and other meetings, produces news magazine shows and videos, maintains the City's websites and social media, operates public access television, and generates the monthly newsletter. The Communications Division is funded by franchise and PEG (Public-Education-Government) fees received from cable companies who provide cable service in the City.

4. Creative Placemaking

Revenue is transferred from the South Loop Capital Improvement Fund and Port Authority to the Creative Placemaking Fund. Creative Placemaking works to build vibrant, distinctive, and sustainable communities through the arts. It engages artists and stakeholders in building social fabric and local economies while making physical, place-based improvements, leveraging the distinctive character and creative and cultural resources of each place.

5. DWI (Driving While Intoxicated) Forfeiture

The DWI fund accumulates proceeds from the sale of vehicles seized in DWI arrests and forfeited in accordance with State law and through court order. Police costs for enforcement and a portion of Legal costs are accounted for in this fund.

6. Enhanced 911

The Enhanced 911 Special Revenue Fund receives funding from the 911 service fees charged to telephone customers. The funds are used for implementation, operation, maintenance, enhancement, and expansion of 911 service, including acquisition of necessary equipment.

7. Federal DOJ (Department of Justice) Drug Forfeiture

The Federal Department of Justice (DOJ) Drug Forfeiture Special Revenue Fund separately tracks equitable sharing drug forfeiture funds from the DOJ Equitable Sharing Program. Expenditures in this fund must comply with the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* published by the U.S. Department of Justice and the U.S. Department of the Treasury. DOJ forfeitures are kept in a separate fund and bank account from other City funds in compliance with U.S. Department of Justice guidelines.

8. Federal Treasury Drug Forfeiture DOT

The Federal Department of Treasury (DOT) Drug Forfeiture Special Revenue separately tracks equitable sharing drug forfeiture funds from the DOT Equitable Sharing Program. Expenditures in this fund must comply with the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* published by the U.S. Department of Justice and the U.S. Department of the Treasury. DOT forfeitures are kept in a separate fund and bank account from other City funds in compliance with U.S. Department of Treasury guidelines.

9. Fire Pension

The Fire Pension Fund accumulates revenue to pay annual Fire Pension obligations. The City of Bloomington has a Paid-On-Call Fire Department. After 20 years of service, Paid-On-Call firefighters are eligible to receive a pension from the Bloomington Fire Department Relief Association (BFDRA). Each year, an independent actuary calculates the fire pension liability due to the BFDRA two years in the future.

10. Park Grants

The Park Grants Special Revenue Fund receives “Lottery-in-lieu-of-sales tax” revenues from the State’s Environment and Natural Resources Fund along with “Legacy” revenues from the State’s Parks and Trails Fund. These revenues are restricted to use for operational and maintenance costs associated with the Hyland-Bush-Anderson lakes Regional Park Reserve. Other park grants are also accounted for in this fund.

11. Police Grants

The Police Grant Special Revenue Fund contains grants that the Police Department pursues from both Federal and State sources as a means of enhancing enforcement efforts, community outreach and engagement, response to homeland security and/or terrorism, and on-going training in these areas.

12. South Loop Revolving Development Services

The South Loop Revolving Development Services Special Revenue Fund is supported by a 65 percent building permit surcharge in the South Loop District. This purpose of this fund is to expedite development in the South Loop District.

13. State Drug Forfeiture

This State Drug Forfeiture Special Revenue Fund accumulates proceeds from the sale of assets (proceeds or instrumentality of criminal enterprises) seized in drug related arrests under State laws. The funds must be used for law enforcement purposes.

Enterprise Funds:

14. Aquatics

The Aquatics Enterprise Fund includes the Bloomington Family Aquatic Center and Bush Lake Beach. The Bloomington Family Aquatic Center is an eight lane, 50-meter lap pool with a zero-depth entry. The facility also has two looping water slides and a concessions operation. Bush Lake Beach is a key component of the Hyland-Bush-Anderson Lakes Regional Park Reserve that provides outdoor recreation opportunities. The paid parking lot off of East Bush Lake Road provides access to a designated swimming area, indoor restrooms, fishing docks, a playground, volleyball court, picnic shelter, and access to several walking and hiking trails.

15. Center for the Arts

This Enterprise Fund accounts for the revenues and expenses of the Bloomington Center for the Arts (BCA) which provides high quality arts and cultural experiences for residents, patrons, and participants. With venues such as the Schneider and Black Box Theaters, and painting and clay classrooms, the Center for the Arts is a magnet for people looking for enriching experiences in the arts.

16. Golf Courses

The Golf Enterprise Fund includes the Dwan Golf Course which is an award-winning 18-hole regulation length golf course that is home to a wide variety of weekly leagues and groups. The other City-owned golf course, Hyland Greens, is managed by Three Rivers Park District. It is a smaller golf course and has a driving range.

17. Ice Garden

The Ice Garden Fund accounts for the operations of the Bloomington Ice Garden or "BIG". BIG has three rinks (one of them Olympic sized) with a total seating capacity of 2,500 as well as dry land training facilities. The rinks are used primarily for youth and high school hockey and figure skating. The rinks also offer public skating as well as open hockey. Skating lessons are offered for both youth and adults by professionally trained instructors.

18. Contractual Police Services

The Contractual Police Service Fund accounts for the expenses and related revenues for Police Contractual Overtime (COT). The Bloomington Police Department provides contractual services to businesses that are holding special events or functions that require police assistance beyond that which would normally be provided. The businesses receiving contractual police assistance are billed directly from the City for the cost of the police overtime plus related fringe benefits and overhead.

19. Solid Waste Utility

The Solid Waste Utility Fund accounts for the City-wide garbage, recycling, organics, and yard waste program; the Curbside Cleanup program; forestry and removal of diseased trees (such as Emerald Ash Borer infested trees); clean-ups after major storm events, and private property Environmental Health abatements.

20. Storm Water Utility

The Storm Water Utility Fund provides for the operations, maintenance, and improvements to the storm sewer system through a storm utility fee charged to property owners. The fee is intended to recover costs associated with providing storm water utility service to residents and commercial establishments in a fair and equitable manner. The objective is to protect structures and the public from storm water damage caused by surface water runoff.

21. Wastewater Utility

The Wastewater Utility Fund accounts for the City-owned wastewater collection system and the interceptor and treatment charges from the Metropolitan Council Environmental Services (MCES). The objective of the Wastewater Utility is to provide sanitary service capacity and sufficient maintenance to minimize system blockages and infiltration/inflow.

22. Water Utility

The Water Utility Fund accounts for the revenues and costs related to the operation, maintenance, and renewal of the City-owned water system. The City strives to provide an uninterrupted supply of water, which meets or exceeds all federal and state quality standards, at a rate that ensures long-term sustainability of the water system.

Internal Service Funds

23. Accrued Benefits

The Accrued Benefits Fund pays and records the liabilities associated with employee accrued time off for vacation, personal leave, and compensatory time. The possibility of the City going out of existence and needing to fully fund this account to pay all the employee accrued time off at one time is remote however the goal of this fund is to have enough cash to fully fund the accrued liability.

24. Employee Benefits

The Employee Benefits Fund brings in a set, per-employee fee from each Department's operating budget and uses that revenue to fund the core benefits package provided to each full-time employee. This includes the employer-share of medical, dental, life, and disability insurance premiums, as well as tuition reimbursement and health club reimbursement benefits.

25. Facilities Maintenance

The Facilities Maintenance Fund is an Internal Service fund that pays for the costs related to capital repair and maintenance of City buildings, park structures, fire stations, and cemetery property. Revenues are from internal department charges.

26. Fleet Maintenance

The Fleet Maintenance Fund pays for the costs related to the operations, maintenance, repair, and replacement of City vehicles and equipment. Departments are charged for vehicles used by their department. Part of the internal fee is to pay for operations; the other part is allocated for the replacement of the equipment.

27. Information Technology (IT)

The Information Technology Fund contains the City's IT Department. The IT Department provides the City with computer hardware and software and coordinates the networking and communications of systems in accordance with the City's Information Technology Strategic plan.

28. Public Safety Technology and Equipment

The Public Safety Technology and Equipment Fund has the following Public Safety activities: Radios, Mobile Digital Computers (MDC's), Police Small Equipment, Fire Small Equipment, and Fire Large Equipment.

29. Self-Insurance

The Self-Insurance Fund pays all costs related to the administration of the City's self-insured workers' compensation program, including costs associated with hiring a Third-Party Administrator and reinsurance premiums assessed by the Workers Compensation Reinsurance Association as required by law. In addition, this fund pays the insurance premiums for the City's property/casualty insurance program, made up of municipal liability, auto, and property coverage obtained through the League of Minnesota Cities Insurance Trust (LMCIT), as well as all claims payments and expenses incurred by LMCIT on the City's behalf subject to each policy's deductible.

30. Support Services

The Support Services Fund includes the City's Print Shop, Mailroom, and Information Desk functions. There is one full time employee in the Print Shop, two part-time employees at the Information Desk, and two part-time employees in the Mailroom. These activities are supported by user fees to departments.

Department / Fund Relationship

This matrix shows the relationship between departments and funds. For example, the Police Department has authorized appropriations in the General Fund, Police Contractual Services Enterprise Fund, the Public Safety Technology and Equipment Internal Service Fund and several Special Revenue Funds.

Fund	Department										
	Administration	City Council	Community Development	Community Services	Finance	Fire	Information Technology	Legal	Parks & Recreation	Police	Public Works
General Fund	X	X	X	X	X	X		X	X	X	X
Enterprise Funds											
Aquatics									X		
Center for the Arts									X		
Golf Courses									X		
Ice Garden									X		
Police Contractual Services										X	
Solid Waste Utility											X
Storm Water Utility											X
Wastewater Utility											X
Water Utility											X
Internal Service Funds											
Fleet Maintenance											X
Public Safety Tech. & Equip.						X				X	
Self Insurance					X						
Employee Benefits	X										
Accrued Benefits	X										
Support Services				X							
Information Technology							X				
Facilities Maintenance											X
Special Revenue Funds											
Cemetery	X										
Communications				X							
Creative Placemaking			X								
DWI Forfeiture								X		X	
Enhanced 911										X	
Federal Drug Forf. DOJ										X	
Federal Drug Forf. Treasury										X	
Fire Pension						X					
Park Grants									X		
Police Grants										X	
South Loop Revolving Dev.			X								
State Drug Forfeiture										X	

Basis of Accounting and Basis of Budgeting

Basis of Accounting

The City's basis of Accounting is consistent with Generally Accepted Accounting Principles (GAAP). For the Governmental Funds such as the General Fund and Special Revenue Funds, a modified accrual basis of accounting is used which means that revenues considered to be both measurable and available for funding current appropriations are recognized when earned. "Measurable" means the amount of the transaction can be determined and "available" means that it is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenues that are susceptible to accrual include property taxes (excluding delinquent taxes received over 60 days after year-end), special assessments, intergovernmental revenues, charges for services, and interest on investments. Revenues that are not susceptible to accrual include fees and miscellaneous revenues that are only recorded as received because they are not measurable until collected. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due.

Also, in accordance with GAAP, Proprietary Funds such as the Enterprise Funds and Internal Service Funds use the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. For example, unbilled utility service receivables are recorded at year-end in the Utility Enterprise Funds.

Basis of Budgeting

For the General Fund and Special Revenue Funds, the City uses the same modified accrual basis of budgeting as the basis of accounting.

For the Enterprise and Internal Service Funds, the City uses the full accrual basis of accounting with the following exceptions to ensure that there are adequate liquid assets (cash on hand or assets that can be readily converted to cash) available for short-term and long-term expenses:

- **Capital Outlay** - The Budgetary Basis for Enterprise and Internal Funds includes expenses for capital outlay, which are not considered expenses in the full accrual basis of accounting. In full accrual basis accounting, capital is put on the balance sheet as an asset and then recognized as depreciation expense over the life of the asset.

- **Depreciation and Amortization** - The Budgetary Basis for Enterprise and Internal Funds does not include depreciation or amortization which are considered expenses on the accrual basis of accounting, but not for budget since these items do not require a cash outlay.
- **Bond Proceeds and Debt Service Payments** – The Enterprise and Internal Fund budgets reflect bond proceeds as revenue when the actual cash is received from selling bonds and recognize the expense for principal debt service payments when the payments are made. For full accrual basis accounting, bond proceeds are not recorded as a revenue, but instead they are recorded as a long-term liability and debt service payments are not recorded as an expense, but as a reduction of the long-term liability.

Funds with Budget Basis vs Accounting Basis Differences

	Capital Outlay (Budgeted)	Depreciation Expense (Not Budgeted)	Bond Proceeds (Budgeted)	Debt Service Payments (Budgeted)
Enterprise Funds				
Aquatics	X	X		
Center for the Arts	X	X		
Golf Courses	X	X		
Ice Garden	X	X	X	X
Solid Waste Utility	X	X		
Stormwater Utility	X	X	X	X
Wastewater Utility	X	X		
Water Utility	X	X	X	X
Internal Service Funds				
Facilities Maintenance	X	X		
Fleet Maintenance	X	X		
Information Technology	X	X		
Public Safety Tech. & Equip.	X	X		
Support Services	X	X		

Budget Process

The City of Bloomington follows a calendar fiscal year. The 2023 budget was developed for 30 funds that include the General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. Debt Service Funds and Capital Project Funds are not included in the annual budget process. Rather, bond sales for debt service are brought separately to the City Council for approval. Also, the City Council separately approves the annual Capital Improvement Plan (CIP) document which is a ten-year summary of potential capital projects. Capital projects are then individually brought to the City Council for approval.

Recap of the Process to Create the 2023 Budget

Reflection on Last Year's Process – January and February 2022

The Budget Manager had individual meetings with City Councilmembers to discuss the past year's budget process to determine what went well, what things need to be changed, and how to best engage the public. The consensus was to take the approach of going out into the community and meeting residents where they are at in order to obtain feedback about the City budget, priorities for services, and spending.

March 2022

The Budget Manager had a budget check in with the leadership team and presented the plan for the 2022 budget process and the public engagement plan to the City Council. Internal service fund charges and General Fund chargebacks were analyzed and defined. Events were selected to have budget tables and those dates were posted on the City's budget web page.

<https://www.bloomingtonmn.gov/fin/city-budget>

April 2022

The Budget Manager and Assistant Finance Manager ran detailed salary and benefit projections in the financial software based on union contracts, non-union compensation plans, and information from Human Resources and these were also pre-loaded into the 2023 budget.

May 2022

The Budget Manager and City Manager held a "Budget Kick-Off" session for City staff to review the budget calendar and deadlines as well as instructions and guidance for entering budget requests. The event was recorded, and the recording was posted on the Budget Page of the City's internal website for future reference. Departments had from mid-May to early June to enter budget requests into the financial software. The Finance Manager, Assistant Finance Manager, and the Accountants were assigned to different Departments to assist the Budget Manager in analyzing budget requests.

On May 16, 2022, there was a budget update and discussion at the City Council meeting.

On May 21, 2022, the Budget Manager and Police Accountant had a budget table at the Police Open House.

June – July 2022

Department budget meetings occurred in June and July to analyze requests and identify challenges and opportunities and review performance measures. Those meetings included the Department Head, City Manager, and Assistant City Manager. Also present, were Division Managers, Budget Manager, Chief Financial Officer, and the assigned member from the Budget Team.

On June 21, 2022, the Budget Manager had a budget table at the Normandale Bandshell where there was a Continental Ballet performance.

On July 14, 2022, the Fire Chief, Chief Equity and Inclusion Officer, Finance Office Coordinator, and Budget Manager had a budget table at the Normandale Bandshell Blockbuster concert where the 90's cover band "Flannel" performed. They debuted a new budget game where residents could use plastic coins that represented taxes and decide how much to allocate to different City services.

August 2022

On August 2, 2022, the Budget Manager joined one of the Bloomington Police Officers and traveled to several National Night Out parties to speak to residents about the budget and spending on City services.

On August 12, 2022, the Budget Manager and CFO had a budget table at the "On the One" Music festival.

September 2022 - Preliminary Tax Levy 10.00%

The City Council approved a preliminary 2022 tax levy increase of 10.00% at the September 12 Council meeting. The main factors driving the increase were an investment in Police and Fire.

October 2022 – (Non-Property Tax) Special Revenue Budgets Approved

At the October 3, 2022 City Council meeting, 10 Special Revenue Funds (6 Police Funds, Park Grants, South Loop Development, and Creative Placemaking) and 1 Enterprise Fund (Police Contractual Overtime) 2023 Budget Requests were approved.

November 2022 – Utility Rates Hearing and Budgets & Internal Service Fund Budgets

The Budget Manager presented the 2023 Utility Rates and budgets at the Utility Rate Public Hearing on November 13, 2022 and the City Council approved the four Utility Fund (Water, Wastewater, Stormwater, and Solid Waste) 2023 Budgets. The Council also approved all the Internal Service Fund budgets.

December Final Budgets Approved – Truth in Taxation Hearing and Final Tax Levy 9.15%



The Truth in Taxation Public Hearing was held during the December 5, 2022 City Council meeting and the City Council approved a final 2023 property tax levy that was 9.15% more than the 2022 property tax levy. Other 2023 fund budgets approved included Communications, Fire Pension, Golf, Ice Garden, Aquatics, and the Center for the Arts. The 2023 Tax Levies and budgets for the HRA and Port Authority were also approved on December 5, 2022.


Alterations to the Original Budget

Per the Bloomington City Charter, the City Manager can approve transfers of sums within the major expense classifications in a Department or Division. All other budget alterations must be approved by City Council resolution.

2023 Budget Process Calendar

Month	Residents	City Staff	City Council
January		<p>Work on prior year Annual Budget Book Document – must publish 90 days after final City Council approval.</p> <p>Submit prior year Summary Budget report to the Minnesota Office of the State Auditor.</p>	
February		<p>Continue work on prior year Annual Budget Book Document.</p>	<p>Finance Staff meets individually with City Council members to receive feedback on last year’s budget process and discuss enhancements and new ideas for upcoming budget process.</p>
March		<p>Create budget public engagement plan.</p> <p>Budget discussion with Executive Leadership Team (ELT).</p> <p>Analyze Internal Service Fund charges and General Fund chargebacks.</p>	<p>Present and discuss budget process, public engagement plan, and Assessing information at Council meeting.</p>
April		<p>Process salary and benefit projections.</p> <p>Upload preloaded expenses and conceptual budget amounts into financial software.</p> <p>Analyze Internal Service Fund charges and General Fund chargebacks.</p> <p>Publish budget engagement event dates on budget web page.</p>	

Month	Residents	City Staff	City Council
May	May 21, 2022: Budget table at Police Department Open House 	Budget check-in with Executive Leadership team City-wide budget kick-off	May 16, 2022: Budget update and discussion at City Council meeting
June	June 21, 2022: Budget table at Normandale Bandshell – Ballet Performance	Departments enter budget requests in financial software. Budget team member works with their assigned departments to review and analyze budget requests.	
July	July 14, 2022: Budget table at Normandale Bandshell – Blockbuster Concert 	Department budget meetings with City Manager, Assistant City Manager, CFO, and Budget Manager.	
August	August 2, 2022: Budget Manager joins Police Officer traveling to National Night Out parties to talk to residents about the budget. August 12, 2022: Budget table at “On the One” Music Festival August 17, 2022: Town Hall Forum with Mayor Busse		August 22, 2022: Special City Council meeting to discuss preliminary tax levy and general fund budget
September	September 17, 2022: Budget table at Farmer’s Market  September 26, 2022: Town Hall Forum with Councilmember Martin		September 12, 2022: Council approves 10% increase for preliminary tax levy at Council meeting.

Month	Residents	City Staff	City Council																		
October	<p>October 6, 2022: Town Hall forum with Councilmember Martin</p> <p>October 15, 2022: Budget table at Fire Department Open House</p> <p>October 20, 2022: Town Hall forum with</p>  <p>Councilmember Dallessandro</p>	<p>Create TNT (Truth-in-Taxation) flyer for Preliminary Tax Notices and submit to County</p>	<p>October 3, 2022: Non-property tax budget requests at City Council Meeting</p> <p>October 17, 2022: Utility fund budget requests at Council meeting</p> <p>October 24, 2022: Department budget discussion at Council meeting</p>																		
November	<p>November 13, 2022: 2023 Utility rates public hearing at Council meeting.</p>	<table border="1"> <thead> <tr> <th>Utility</th> <th>2023 Rate Change</th> </tr> </thead> <tbody> <tr> <td>Water</td> <td>7.5%</td> </tr> <tr> <td>Wastewater</td> <td>3.0%</td> </tr> <tr> <td>Stormwater</td> <td>5.5%</td> </tr> <tr> <td>Garbage*</td> <td>4.6%</td> </tr> <tr> <td>Recycling</td> <td>3.0%</td> </tr> <tr> <td>Bulky Item Management</td> <td>-16.0%</td> </tr> <tr> <td>Organics</td> <td>0.0%</td> </tr> <tr> <td colspan="2"><small>*average of small, medium, & large carts</small></td> </tr> </tbody> </table>	Utility	2023 Rate Change	Water	7.5%	Wastewater	3.0%	Stormwater	5.5%	Garbage*	4.6%	Recycling	3.0%	Bulky Item Management	-16.0%	Organics	0.0%	<small>*average of small, medium, & large carts</small>		<p>November 13, 2022: 2023 Utility rates final approval and Department Budget Discussions at Council meeting</p> <p>November 21, 2022: Special Council meeting to finish Department Budget Discussions and discuss final 2023 tax levy and general fund budget</p>
Utility	2023 Rate Change																				
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December	<p>December 1, 2022: Town Hall Forum with Councilmember Nelson</p> <p>December 5, 2022: Truth-in-Taxation Public Hearing at City Council meeting</p>	<p>Certify final tax levy with County after approved by City Council.</p> <p>Begin work on 2023 Annual Budget Book Document – due 90 days from December 5, 2022.</p>	<p>December 5, 2022: Final Budget and Tax Levy discussion and approval</p>																		

FINANCIAL MANAGEMENT POLICIES

The complete listing of the City of Bloomington's Financial Management Policies is available on the City's Finance Department website – blm.mn/fin

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ORGANIZATIONAL MISSION

A professional, productive, learning organization that builds and renews the community by providing quality services at an affordable price.

PREAMBLE

- A. **Purpose:** The City of Bloomington has an important responsibility to its citizens to plan the adequate funding of services desired by the public, including the provision and maintenance of public facilities, prudent financial management and accurate accounting for public funds. The City strives to ensure that it is capable of adequately funding and providing local government services needed by the community. The City will maintain or improve its infrastructure on a systematic basis to encourage its citizens to maintain quality neighborhoods with rising property values and long-term affordable taxes and fees.
- B. **Objectives:** In order to achieve this purpose, the following objectives are established for the City's fiscal performance:
1. To protect the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.
 2. To enhance the City Council's policy-making ability by providing accurate information on the full costs of current operations, new proposals and capital requests.
 3. To assist sound management of the City government by providing accurate and timely information on the City's financial condition.
 4. To provide sound principles to guide the decisions of the City Council and City staff which have fiscal impacts.
 5. To set forth operational principles which promote long-term cost effectiveness while providing services desired by the public with minimal financial risk.
 6. To employ revenue policies and forecasting tools to identify and prevent undue or unbalanced reliance on certain revenues (especially property taxes) to distribute the costs of municipal services fairly and to provide adequate funds to operate desired programs, as determined by the Council.
 7. To provide and improve essential public facilities and prevent deterioration of the City's infrastructure in order to assist in long-term cost effective provision of City services.
 8. To protect and enhance the City's credit rating and prevent default on any municipal debt obligations.
 9. To ensure the legal use and protection of all City funds through a good system of financial and accounting controls.
 10. To maintain a Risk Management Program that will minimize the impact of legal liabilities, natural disasters or other emergencies through the following activities:
 - Loss Awareness – Proactive teamwork and training Citywide to increase awareness and enhance safety and comply with or exceed OSHA regulations.
 - Loss Prevention - Prevent negative occurrences.

- Loss Control - Reduce or mitigate expenses of a negative occurrence. Loss Financing - Provide a means to finance losses.
 - Loss Information Management - Collect and analyze relevant data to make prudent loss prevention, loss control and loss financing decisions.
11. To record transactions in a manner which matches current revenues to current expenditures (full cost including benefits and depreciation).
 12. To report year-end financial information in accordance with generally accepted accounting principles (GAAP) and in accordance with recommended best practices as promulgated by the Government Finance Officers Association (GFOA).

External Auditor Independence Policy

In accordance with the Government Accountability Office, the authority on local government audits, in all matters relating to audit work, the external auditor shall be free both in fact and appearance from personal external and organizational impairments to independence.

- The city's external audit organization shall not be responsible for designing, developing and/or installing the City's accounting system or its operating system where this system generates information used in preparing financial statements of the City of Bloomington.
- External auditors shall not develop a performance measurement system or any other system relied upon in developing financial statements.
- City external auditors may prepare draft financial statements, schedules or perform other duties as long as they are based on management's direction and the work results in a recommendation to management.
- Decisions based on the external auditor's recommendations must be approved by City management.
- External auditors shall provide routine advise to the City of Bloomington and to management to assist them in activities such as establishing internal controls or implementing audit recommendations and can answer the technical questions and provide training, however, they may not direct or unduly influence management with those decisions.

Any non-audit work related to tax rulings, arbitrage, attestation, compilation, sales tax audits, counted value audits and financial report assistance proposed by the auditors, or for which the City wishes to hire them exceeding \$100,000 must be approved by the City Council prior to hiring them.

(Revised 5/20/2002, 1/23/2012)

Budgetary and Financial Control Policy

- A. General budgetary and financial control is to be centralized in one department whose functions shall include, but not be limited to, the following:
- (1) Budget compilation
 - (2) Budget monitoring
 - (3) Central purchasing (see Purchasing Policy and P-Card Policy)
 - (4) Income and expenditure projections
 - (5) Capital improvement financing
 - (6) Risk management (see Risk Management Policy and Self-Insurance Reserve Policy)
 - (7) Screening of Conduit Debt applications (see Conduit Debt Policy)
 - (8) Cash and investment management
 - (9) Monitoring financial data for warning signals or trends
 - (10) Preparation of financial summary reports for key funds at least quarterly
 - (11) Maintain a detailed inventory listing of all material fixed assets so as to adequately ensure proper accounting of assets.
 - (12) "Project Financial Analysis" to be presented as part of any proposal to the Council in connection with any new or expanded operating or capital improvement programs and other projects. The objective of the financial analysis is to provide the best possible estimate of expenditures, revenues, and staffing impacts of a proposed project. The financial analysis should be factual, informative, and concise which should enable the Council to make intelligent and informed decisions.
 - (13) Payroll
 - (14) Accounts Receivable
 - (15) Receipts, Collections, and Customer Billing
 - (16) Accounts Payable
- B. The City will maintain a program for the investment of funds consistent with the City's Investment Policy.
- C. The City will strive to maintain an undesignated and unreserved General Fund Balance in the range of 35%-40% of the General Fund revenues and/or expenditure of a balanced budget for the following year. Currently, the General Fund, Fund Balance is at 35%. Annually, the goal is to increase the Fund Balance ratio by 1.00% until the Fund Balance reaches the 40% ceiling. If the City has more than the required annual Fund Balance level, after each incremental 1.00% increase, any excess may be used as the City Council designates.

- D. The City will also review, and update the schedule of fund balances, reserves, and working capital in all other operating funds of the City and determine adequacy of those money balances, using specified guidelines and criteria in conjunction with the budgets set annually.
- E. The City will monitor the performance of the Bloomington Fire Department Relief Association pension fund through its City representatives.
- F. Department Directors will be responsible for administration of their respective Department Budgets and are to submit requests for any required budget adjustments, such as supplemental appropriations, to the Budget Manager, Chief Financial Officer or the City Manager before the program incurs cost overruns for the annual budget period.
- G. Primary responsibility in the management of budgeted funds lies with the Department Directors. Such management includes, but is not limited to, reviewing expenditures before authorization, reviewing monthly financial reports to detect errors and assess progress, and staying within expenditure budget authorization. All costs incurred must be reasonable and necessary. Department Directors shall be responsible for contacting the Chief Financial Officer or Budget Manager should there be any questions regarding financial management or if the issue or concern is related to internal controls. The Chief Financial Officer and Budget Manager will monitor overall budget operating progress routinely throughout the year. The city manager must strictly enforce the provisions of the budget. The city manager cannot approve any order upon the city chief financial officer for any expenditure unless an appropriation has been made in the budget resolution, nor for any expenditure covered by the budget resolution unless there is a sufficient unexpended balance. No officer or employee of the city can place any order or make any purchase as defined in City Charter Sections 6.07 and 6.08 except for a purpose and up to the amount authorized in the budget resolution.
- H. The City will not use short-term borrowing, internal or external, to balance the operating budget for any fund.
- I. The City will not sell assets or use one-time accounting principle changes to balance the budget for any fund.
- J. The City will develop two-year budgets in even numbered years. In odd numbered years, the previously developed budget for the following year will be fine-tuned, as necessary. Each year the City will certify only the following year's budget and levy to Hennepin County.
- K. The City will provide ample time and opportunity for public input into its Budget setting deliberations each year.
- L. The City will establish and maintain the highest standard of accounting practices, in conformity with Generally Accepted Accounting Principles (GAAP) and with recommended best practices as promulgated by the Government Finance Officers Association (GFOA).
- M. The City will arrange for an annual audit of all funds and account types by independent certified public accountants qualified and licensed to issue such reports.
- N. The City will strive to obtain each year the annual GFOA Certificate of Achievement for Excellence in Financial Reporting.
- O. Regular monthly reports will present a summary of financial activity by major type of funds as compared to budget. Department Directors will review monthly reports comparing actual revenues and expenditures to the budgeted amounts. Any negative variance in any revenue or spending

category for their department as a whole projected to exceed \$100,000 by year-end will be reported in writing to the Chief Financial Officer and the City Manager.

- P. The City will strive to obtain each year the GFOA Distinguished Budget Award.
- Q. The City integrates performance measurement and productivity indicators to measure operational performance where practical. Performance data for individual departments are included on the budget document. Performance data should be directly related to the stated goals and objectives of the unit and focus on results and accomplishments rather than inputs. Performance measures should provide a meaningful way to assess the effectiveness and efficiency of each operational unit.
- R. The City will strive to obtain each year the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting.
- S. The City will adopt a balanced General Fund budget where revenues offset expenditures without the use of reserves.

(Revised 1/23/2012; 12/1/2014; 1/2/18)

Forfeited Funds Policy

- A. The City receives property and money through law enforcement seizures under Federal Law 21USCS Section 881(e) and Minnesota Statutes, Sections 609.531-609.5317. 169A.63.
- B. The City will use proceeds from these seizures as defined in State law and Department of Justice guidelines. Forfeited property and cash will be used:
 - (1) Only for law enforcement purposes, or;
 - (2) Only as a supplement to budgeted funds, or;
 - (3) Not as a source to supplant ordinary operating expenses.
- C. The City will establish procedures to ensure the safekeeping of forfeited property and funds until such time as they are used for approved purposes.
- D. The City will use forfeited funds for appropriate Police and City Attorney purposes. (This list is not exhaustive, but serves to describe many appropriate uses.)
 - 1. Vehicles
 - (a) Forfeited automobiles may be used to supplement the police fleet, but not to replace existing budgeted vehicles.
 - (b) Unused vehicles will be stored, sold according to City policy, and the proceeds used according to this policy.
 - 2. Other Property
 - (a) May be used in ongoing Police and City Attorney operations.
 - (b) Will be sold if no police use is imminent and cash proceeds used according to this policy.
 - 3. Cash
 - (a) A Forfeited Funds activity budget will be presented for approval to the City Council with the regular City budget each year.
 - (b) Unbudgeted proposed purchases will be presented as a budget adjustment to the City Council for approval.
 - 4. Examples of Appropriate Uses of Cash
 - (a) Vehicles may be rented which do not supplant vehicles normally provided through City funds. Such vehicles are in addition to the regular fleet.
 - (b) Equipment may be purchased providing it is not part of the regular budget.
 - (c) Overtime may be paid providing it is unanticipated in the rest of the Police and City Attorney budgets.
 - (d) Training costs in addition to those in the regular budget may be paid.
 - 5. Examples of Inappropriate Uses
 - (a) Purchasing any item(s) with forfeited funds, which were already approved in the regular budget.
 - (b) Paying regular salaries or benefits for Drug Forfeiture funds, but permitted for DWI Forfeiture fund as part of program operation.
 - (c) Purchasing anything for other City departments unless for a law enforcement purpose.
 - (d) Capital purchases previously approved for purchase with City funds.

(Revised 1/23/2012)

Investment Policy

I. Investment Policy Statement of Purpose

This policy has been developed to serve as a reference point for the management of City assets. It is the policy of the City to invest public funds in a manner which provides for the following in order of importance: Safety; Liquidity; and Yield (return on investment) that conforms to all federal, state and local regulations governing the investment of public funds. All investments purchased by the City are expected to be held until maturity. The City will invest in securities that match the City's operational, short-term and longer term core reserve needs. The City will have two types of portfolios for reporting purposes:

- Short-Term – No less than 85 percent of the total portfolio will be under 5 years to maturity
- Long-Term – No more than 15 percent of the portfolio will be greater than 5 years to maturity

In accordance with this policy, a separate written procedures manual has been developed for the appropriate balance of risk and return for each of the funds under the City's control. The City Manager will approve periodic changes to the procedures manual.

II. Scope

This Investment Policy applies to all financial assets of the City. All cash and investments are pooled together to achieve economies of scale for each entity. These funds are accounted for in the Comprehensive Annual Financial Report and include all City, Port Authority and HRA funds:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Debt Service Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds

III. Prudence

Investments shall be made with judgment and care under circumstances existing at the time the investment is made. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The prudent person standard requires that a fiduciary exercise discretion and average intelligence in making investments that would be generally acceptable as sound. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse situations. Investment procedures developed for the Finance Department must be complied with by those with access to and management responsibilities for City investments.

IV. Objective

The primary objective of the City of Bloomington's investment activities shall be:

A. Safety - Safety of principal is of critical importance to the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

1. Credit Risk - the risk of loss due to failure of the security issuer or backer will be minimized by:

- Limiting investments to the types of securities listed in Section IX of this investment policy.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business in accordance with Section VIII.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.

2. Interest Rate Risk – the risk that the market value of securities in the portfolio will fall due to changes in market interest rates will be minimized to:

- Provide for liquidity by reviewing cash flow requirements and make investments to meet the shorter cash flow needs, thereby avoiding the need to sell securities in the open market prior to maturity.
- Manage the average maturity of the short-term portfolio to be consistent with the risk profile of the City, not to exceed 3.5 years.
- Manage the average maturity of the long-term portfolio to be consistent with the risk profile of the City, not to exceed 7.5 years. An exception to this average maturity would be any Component Unit bonds purchased by the City with a longer duration.

B. Liquidity - The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements as reasonably anticipated. The portfolio will be structured so that the liquid component, a minimum of five percent of total investments, of the portfolio will be invested only in short-term securities maturing in less than thirty days. Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Furthermore, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.

C. Yield/Return on Investment - The City's investment portfolio shall be designed with the objective of attaining a market rate of return. The core of investments is limited to low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.

- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

V. Delegation of Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements. Authority to manage the City’s investment program is derived from the following:

- Minnesota Statutes 118A, Municipal Funds
- Bloomington City Charter Section 7.11, Funds to be Kept

Management responsibility for the investment program is hereby delegated by the City Manager to the Chief Financial Officer (CFO), who shall establish written procedures for the operations of the Investment Program consistent with this Investment Policy. The CFO, with assistance from finance department staff, shall:

- Monitor performance of the investment portfolio;
- Ensure funds are invested in accordance with the policy;
- Analyze, recommend and implement policy and operational procedures that will enhance the City's investment program;
- Ensure that proper internal controls are developed to safeguard investment assets.

Procedures should include reference to: safekeeping [see Procedures 1.D], delivery versus payment (DVP) [see Procedures 4.B.1.e], and investment accounting. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the CFO. The CFO shall be responsible for all investment transactions and shall establish a system of controls to regulate the activities of subordinates.

VI. Ethics and Conflicts of Interest

The City Manager, CFO, Port Authority, HRA and Finance staff involved in the investment process shall refrain from conducting personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment staff shall annually disclose to the City Clerk any material financial interests as required by state statute on an annual Statement of Economic Interest form. Investment staff shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

VII. Investment Committee

An Investment Committee shall meet at least semi-annually or as needed to review the performance of investments and review the investment strategy. The Investment Committee shall be made up of the following individuals:

- Chief Financial Officer

- Finance Manager
- Assistant Finance Manager (optional)
- Cash Management Accountant
- Housing and Redevelopment Authority Representative
- Port Authority Representative

Notes of the Investment Committee meetings shall be maintained based on the City's retention schedule and a copy forwarded to the City Manager after each meeting.

VIII. Financial Service Providers

The Investment Committee will maintain a list of financial institutions authorized to provide investment services. Public deposit shall be made in a qualified public depository as established by state laws. The purchase of all investments must be from qualified financial service providers via established bid procedures. The City does not consider information advice from brokers on bond proceeds.

Financial service providers who desire to become qualified bidders for investment transactions must supply the Investment Committee with the following upon request:

- Audited Financial Statements
- Completed Broker/Dealer Certificate
- Certification of Having Read City's Investment Policy
- Depository Contracts
- Credit Report
- Proof of FINRA (Financial Industry Regulatory Authority) membership
- Proof of State Registration
- Evidence of Adequate Insurance Coverage

IX. Authorized and Suitable Investments

Based on the investment objectives as defined in section IV of this policy, the City will limit its investments to the following types of securities:

- A. **Money Market Funds** may be held with next day withdrawal capacity to provide for daily liquidity requirements. These money markets must be AA. They may only invest in securities with a final maturity no longer than 13 months and for which the Investment Committee has obtained and reviewed the fund prospectus.
- B. **Savings/demand deposits.** A financial institution that is qualified as a "depository" of public funds of government entities. The City may hold balances in qualified bank deposits. Funds may be held in savings accounts at approved depository banks. If balances are greater than the FDIC limit, collateral of 110 percent will be held for the excess balances. Non-interest bearing deposits will be held at a minimum. However, the interest bearing demand deposit programs that banks provide for next day access to funds will be utilized.

- C. **Banker's acceptances. Short term debt instruments issued by firms guaranteed by commercial banks.** Purchased on the secondary market, these should be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all the organizations. Maximum maturity will be 270 days.
- D. **Commercial paper.** Short term unsecured debt which has been issued by a United States corporation or their Canadian subsidiaries and is not a limited liability corporation (LLC) to fund their day to day operational needs. Maturities typically range from one day to 270 days. The City may only buy paper that meets the Minnesota Statute 118A with the exception that no Asset Backed or Structured Investment Vehicle (SIV) commercial paper is allowed. Only commercial paper with two of the three highest quality ratings of A1, P1, F1 and the underlying issuer of the commercial paper must have a long-term debt rating of AA to be utilized.
- E. **U.S. Treasury obligations** including bonds, notes, Treasury bills, or other securities which are direct obligations of the United States. Instruments sold and issued by the U.S. government carry the full faith guarantee of the U.S. government. These instruments provide the highest quality available to purchase and are highly liquid.
- F. **U.S. Agency Government Sponsored Enterprises (GSEs)** are instrumentalities, or organizations created by an act of Congress. GSE securities have the implied guarantee of the U.S. government and are privileged to certain access to capital and support of government programs. The issuers are generally considered to have the second highest credit quality in the fixed income markets and provide higher yields than U. S. treasury obligations. The ratings on all the agencies in which the City can invest are the highest available and include the following specific issuers:
1. FHLB: The Federal Home Loan Bank System (FHLB) was created by Congress in 1932 and acts as a source of funds for its nearly 8,000 member banks. FHLB does not purchase home mortgages to the same extent as Freddie Mac and Fannie Mae, but primarily lends money to homeowners through its member financial institutions. FHLB System members include commercial banks, thrifts, credit unions and insurance companies. Each member is a shareholder in one of the 12 regional Federal Home Loan Banks; each regional bank is an individual corporate entity, which must meet strict management and capitalization criteria befitting its GSE status. The FHLB System is regulated by the Federal Housing Finance Board (FHFB) and the Office of Finance (OF).
 2. FHLMC: The Federal Home Loan Mortgage Corporation encompasses Freddie Mac; it is housing GSE created by Congress in 1970 to provide liquidity and stability in the home mortgage market, thereby increasing the flow of funds available to mortgage borrowers. In order to accomplish this goal, Freddie Mac does not make individual mortgage loans to consumers. Rather, Freddie Mac purchases mortgages from lenders, thereby allowing them to lend the proceeds to more homebuyers. Freddie Mac is regulated by the

Secretary of Housing and Urban Development (HUD) and by the Office of Federal Housing Enterprise Oversight (OFHEO).

3. FFCB: The Federal Farm Credit Bureau is an agency of the Federal government set up to supply credit to various classes of institutions and individuals such as farmers and farm cooperatives.
 4. FNMA: The Federal National Mortgage Association chartered under the Federal National Mortgage Association Act in 1938 is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal.
 5. Other issuers: There are other GSE issuers; however, they issue fewer securities and are less active in the marketplace. Therefore, yields typically are slightly higher but they provide less liquidity. The City may purchase other GSE names but will limit the amount held in the portfolio.
- G. **Municipal Securities** are registered securities of state/county/local and other governmental agencies. Bonds of the state/county/local and other governmental agencies which have at the time of investment one of the three highest credit ratings of nationally recognized rating agency are allowable investments. They must have a taxing power rating of A, AA or AAA. The City will typically buy only AA or better to provide for quality investments in the portfolio. Any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service is allowed. Tax exempt or taxable bonds qualify as long as they meet the rating standards.
- H. **Repurchase agreements** consisting of collateral allowable in Minnesota Statute, Chapter 118A, and reverse repurchase agreements may be entered into with any of the following entities:
1. A financial institution qualified as a "depository" of public funds of the government entity;
 2. Any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
 3. A primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or
 4. A securities broker-dealer licensed pursuant to Minnesota Statute, Chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt. Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in Minnesota Statute, Chapter 118A.

- I. **Guaranteed investment contracts.** Specific project monies may be invested in agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

Each type of security listed above in Sections E, F and G may have various structures such as non-callable, callable and variable rate debt.

- Non-Callable – A debt instrument issued for the purpose of raising capital by borrowing. They typically pay semi-annual coupons and have a stated final maturity.
- Callable – Debt in which the issuer has the right to redeem prior to its maturity date, under certain conditions.
- Variable – Debt in which the issuer has the right to reset the coupon rate based on specified market conditions and terms.

X. **Securities Lending Agreements**

Securities lending agreements, including custody agreements, may be entered into with a financial institution meeting the qualifications of Minnesota Statute 118A and further restricted within this investment policy. Securities lending transactions may be entered into with entities meeting the qualifications and the collateral for such transactions and shall be restricted to the securities described in Minnesota Statute 118A. Any future security lending contract would be subject to City Council approval.

XI. **Prohibited Investments and Transactions**

Prohibited investments include inverse floaters, range notes, interest only strips derived from a pool of mortgages (collateralized mortgage obligations), and any security that could result in zero interest accrual if held to maturity.

Specifically restricts:

- A. Obligations whose coupon payments are determined largely or entirely by an embedded range accumulation option. For example, range notes; these securities are used primarily to enhance interest rates when an investor is confident in a forecast.
- B. Obligations whose payment represents the principal stream cash flow from underlying mortgage backed securities collateral. For example, Collateralized Mortgage Obligations (CMO).
- C. Obligations that the interest rate and principal repayment adjusts opposite to the changes in the market. For example, inverse floaters.
- D. Obligations that under certain environments may pay no interest. For example, principal only securities.

- E. Obligations that have a maturity that will extend longer than five years under certain rate environments. These include mortgage-backed securities that are defined as high risk or in certificates of deposit secured by letters of credit issued by federal home loan banks.
- F. Obligations that are derivatives, financial instruments in which the value depends on, or is derived from, the value of one or more underlying assets, indexes, or asset values. And any other transaction that violates City policy or State law.

XII. Collateralizations

Collateralization will be required on the following types of investments:

- Certificates of Deposit
- Demand Deposits
- Repurchase Agreements (for investments held beyond seven days)

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. The underlying securities will be subject to periodic (monthly) market valuations to ensure there is no market exposure.

Collateral is limited to the following U. S. government securities:

Treasury Issues

Treasury Bills

Treasury Notes

Treasury Bonds

Agency Notes, Bonds, and Letters of Credit

Federal National Mortgage Association

Federal Home Loan Bank

Federal Farm Credit Bank

Federal Home Loan Mortgage Corporation

Mortgage-Backed Securities

No mortgage-backed securities are allowed

For cash deposits on hand, clearly marked evidence of ownership (safekeeping receipt) must be supplied and retained. Collateralization shall be in the form of specific securities with an active secondary market for the City held by an independent third party. The only exceptions are Federal Depository Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) and pre-approved insurance coverage. The City may collateralize its repurchase agreements using longer- dated investments not to exceed 5 years to maturity.

XIII. Safekeeping and Custody

Securities purchased shall be held in a segregated account for the City's benefit at a third party trustee as safekeeping agent. The investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the City listing the specific instrument, issuer, coupon,

maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The financial service provider which executes the transaction on the City's behalf shall deliver all securities on a delivery versus payment method (DVP) to the designated third party. Delivery versus payment (DVP) is a way of controlling the risk to which securities market participants are exposed. Delivery of securities (i.e. the change in their ownership) is done simultaneously with payment. This means that neither the buyer nor the seller is exposed to the risk that the other will default.

Investments, contracts, and agreements may be held in safekeeping with:

- any Federal Reserve bank
- any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased

The City's ownership of all securities should be evidenced by written acknowledgments identifying the securities by:

- The names of issuers
- The maturity dates
- The interest rates
- Any serial numbers or other distinguishing marks

The City may not invest in securities that are uninsured. Securities will be held in the City's designated accounts under their street names.

XIV. Investment Credit Rating Degradation

Credit updates should be completed on all non-insured general obligations (GOs), bankers acceptances and commercial paper with a credit rating that has declined. Credit analysis is necessary to determine if a particular investment is eligible for the City to own as part of prudent portfolio management, as determined on any date that the security is held within the portfolio. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Investment Committee shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Investment Committee will apply the general objectives of safety, liquidity, and yield to make the decision.

XV. Diversification

The City will substantially reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, institution, or class of securities.

Diversification strategies will be implemented with the following constraints:

<u>ISSUER TYPE</u>	<u>% of TOTAL PORTFOLIO</u>
Money Market Funds	50%
Savings/Demand deposits	20%

Bankers Acceptances	10%
Commercial Paper	20%
US Treasury Obligations	100%
GSE-Agency Securities	100%
Municipal Securities:	55%
Non Component Units	20%
With Component Units	35%
Repurchase Agreements	10%
Guaranteed Investment Contracts	By Project

Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase or maturity of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

Given the smaller portfolio of the Housing and Redevelopment Authority and the Port Authority, the above restrictions will be waived on any portfolio with specific project needs.

XVI. Maximum Maturities

Fund Specific:

- A minimum of five percent of the portfolio will mature under 30 days.
- 85% of total funds will be invested to 5 years and less, and 15% of funds will be laddered out to a maximum of 10 years.
- Total weighted average maturity of total funds will not exceed 3.5 years for the 5 years and less portion.
- Maturities will be diversified to avoid undue concentration of assets in a specific sector.
- An exception to maximum maturity is in reserve funds (per bond indentures), which may be invested to a maturity date that coincides as nearly as practicable with the expected use of the funds.
- Another exception would be the City’s purchase of Component Unit bonds with a longer duration, (up to 20 years) with the approval of the City Council.

XVII. Internal Control

The CFO is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments. The internal controls are addressed in the procedures manual.

The City will engage an external auditor for an annual independent review to assure compliance with policies and procedures.

XVIII. Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The City will have at least 98% of its cash funds earning interest or on deposit to reduce bank fees. The investment portfolio will be structured to meet specific criteria addressing safety, liquidity and yield. The City's reporting system will provide information concerning cash position, investment performance, and percentage of the portfolio that is invested by security issuers and maturity structure.

XIX. Market Yield/Benchmark

The City's investment strategy is conservative. The Investment Committee, based on appropriate current indexes and yields reported by similar entities with similar restrictions on investments, will periodically review whether market yields are being achieved.

XX. Responsibilities of External Investment Managers

The City may enter into contracts with third-party investment advisory firms when their services are deemed to be beneficial to the City. The advisor must comply with this Investment Policy and may have authority to transact investments on behalf of the City. The advisor may only act on a non- discretionary basis if they are hired to provide transactional services on behalf of the City.

XXI. Reporting

The CFO is charged with the responsibility of preparing a periodic investment report. This includes a management summary that provides an analysis of the status of the current investment portfolio, the individual transactions executed over the last period, and a detailed listing of portfolio securities held at the end of the period. The report summarizes data on investments by type, maturity, and call date with associated book values, portfolio percentages, and market values. The report also includes a comparison of City yields to U.S. Treasury benchmarks and other information as requested by the Investment Committee.

XXII. Investment Policy Adoption

The City's Investment Policy shall be adopted by resolution by the City Council, Housing and Redevelopment Authority Board and the Port Authority Board. The Policy shall be reviewed on a bi- annual basis by the Investment Committee and any modifications made thereto must be approved by the City Council. The Investment Policy will be consolidated within the Financial Management Policy.

(Revised 3/3/1997, 1/19/1999, 3/19/2007, 9/14/2009, 12/1/2014)

Capital Improvement Program Policy

Policy Statement:

The Capital Improvement Plan (CIP) is a planning tool based on long-range physical planning and financial projections that forecast the City of Bloomington (City), the Bloomington Port Authority (Port), and Housing and Redevelopment Authority for the City of Bloomington (HRA) capital needs over a ten-year period as building blocks to help achieve the City's strategic vision and mission. The CIP includes a detailed description of every Capital Project over \$50,000 anticipated to be initiated during the ten-year period.

The CIP continues to evolve as project planning needs to respond to strategic community direction. Changes in economic conditions or other project related issues may alter timelines. Funding mechanisms change and projects become more or less feasible based on such funding changes. City management continuously looks for opportunities for efficiency which often change the projected needs for capital.

The CIP neither appropriates funds nor authorizes projects. The City Council must act to initiate each project over \$175,000. The City Manager may initiate projects for less than \$175,000. Projects will only be initiated when sources of funding are available as budgeted.

Authority:

MINNESOTA STATUTES, SECTION 475.521

Subd 3 (a) A municipality may adopt a capital improvement plan. The plan must cover at least a five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement. In preparing the capital improvement plan, the governing body must consider for each project and for the overall plan:

- (1) the condition of the municipality's existing infrastructure, including the projected need for repair or replacement;
- (2) the likely demand for the improvement;
- (3) the estimated cost of the improvement;
- (4) the available public resources;
- (5) the level of overlapping debt in the municipality;
- (6) the relative benefits and costs of alternative uses of the funds;
- (7) operating costs of the proposed improvements; and
- (8) alternatives for providing services most efficiently through shared facilities with other municipalities or local government units.

(b) The capital improvement plan and annual amendments to it must be approved by the governing body after public hearing.

Policy:

- A. The City will develop a multi-year plan for capital improvements and update it annually. The capital amounts that are in operating budgets (General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds) will be approved by the City Council during the annual budget process. Amounts for future capital improvements will be incorporated into each fund's long-term budget model consistent with the Capital Improvement Plan.
- B. The City will develop a realistic and predictable program of capital spending with the projected fiscal capability to finance such projects. The capital spending program shall factor in projected tax capacity, debt retirement and projected general tax levies, avoiding sharp changes in the tax levy or bonded indebtedness.
- C. The City will identify the estimated cost and potential funding sources for each capital project proposal before it is submitted to the Council for approval and in that process will determine the most effective financing method for the proposed project. All construction projects shall include at least a ten percent contingency prior to receiving bids and at least five percent upon acceptance of the bid.
- D. The City will make all capital improvements in accordance with the adopted capital improvement program, or as it is amended by the Council. Capital purchases shall follow the procurement policy for appropriate dollar levels of authorization.
- E. The City will coordinate development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
- F. The City will use inter-governmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and City priorities, and that have operating and maintenance costs that have been included in operating budget forecasts. Intergovernmental loans will be short-term (less than three years) and utilize funds that are not required for operations during the period of the loan.
- G. The City will maintain all its assets at a level adequate to protect the City's and its citizens' capital investment and to minimize future maintenance and replacement costs.
- H. Equipment and building replacement shall be accounted for in an internal service fund with annual charges to operating funds to reflect depreciation based on the useful life of assets. Funds accumulated in these funds shall be used to purchase replacement assets.

(Revised 1/2/2018, 10/11/2021)

Conduit Debt Policy

General

The City of Bloomington is granted the power to issue conduit revenue bonds and other conduit revenue obligations under Minnesota Statutes, Section 469.152-469.165, as amended, and Minnesota Statutes, Chapter 462C, as amended (the "Conduit Bonds Acts"). The Bloomington City Council, being aware that such financing may prevent the emergence of blighted land, excessive unemployment and the need for redevelopment financing from the State and Federal governments, has expressed its support for the use of such financing but has reserved the right to approve or reject projects on a case-by-case basis. The following criteria have, therefore, been developed as a guide for review of applications:

Criteria

- a. The project is to be compatible with the overall development plans and objectives of the City and of the neighborhood in which the project is located.
- b. New businesses locating in Bloomington must show relatively substantial new employment and tax base being generated by the project.
- c. Locating in areas of the City that the City wishes to develop, redevelop, or which in any way complements any development plans or policy of the City, will constitute a prime purpose under these guidelines. It is also the City's intent to assist in business expansions or relocations within the City where it can be shown that such would have a substantial, favorable impact on employment or tax base, or both.
- d. It is the City's intent to assist new or existing businesses in the acquisition of existing facilities, where such acquisition will maintain the stability of the tax base, or of employment, or both, and provided that not less than 15% of the portion of the cost of acquiring the existing facility financed with the net proceeds of the conduit bonds is to be used for rehabilitation of the existing facility.
- e. The project must not put a burden on existing City services or utilities beyond that which can be reasonably and economically accommodated.
- f. The applicant (and/or the lessee in the case of property to be leased) must have a good financial standing, show a substantial net worth, or equity in the project, or both, and have an acceptable earnings history or pro forma. Projects are to show in the application for financing an owner equity or other collateral (such as a bank Letter of Credit, a Bankers Acceptance, Pledge of a Certificate of Deposit, insurance company guarantee, or similar security) which will be satisfactory to the end-lender or rating agency, all determined with reference to total project costs, and applicant is to file with the City, if requested, a final statement of total costs and project equity, certified to by an authorized officer or partner, or the individual applicant, said statement to be filed at time of requesting the Final Resolution.
- g. The credit rating and method of offering conduit* bonds or notes of the City are important considerations. The City will not entertain applications for such financings unless (i) the debt is rated in the "A" category (or better) by a nationally recognized rating agency or (ii) the debt is sold in a private placement. Debt will be considered sold in a private placement (i) if no advertising or solicitation of the general public occurs, and (ii) if the bonds are initially sold to not more than ten purchasers (not including any underwriter or placement agent as a purchaser) and (iii) the City receives written certification from each initial purchaser (or each underwriter or placement agent based on its reasonable belief) that: (a) such

purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and the risks of the debt, and (b) such purchaser is not purchasing for more than one account or with a view to distributing the debt.

In addition, for a private placement either (a) all bonds or notes (except for one bond or note) must always remain in minimum denominations of not less than \$100,000, or (b) investment letters from not only each initial purchaser, but from any subsequent purchaser must be obtained which contains the above described certifications from the purchasers. Any offering material for a private placement must prominently state in effect that: "THE CITY OF BLOOMINGTON HAS NOT ASSUMED ANY RESPONSIBILITY TO REVIEW THIS OFFERING MATERIAL AND HAS NO RESPONSIBILITY FOR ITS ACCURACY OR COMPLETENESS. THE CITY HAS NO FINANCIAL OBLIGATION OF ANY NATURE WITH RESPECT TO THE OFFERED BONDS."

Finally, to qualify as a private placement the financing documents must require annual financial statements from the benefited private party (or the ultimate provider of credit) to be delivered to each investor (or a trustee).

*The term "conduit" refers to any type of City revenue obligation the proceeds of which are loaned to a private party and for which the City has no financial obligation.

- h. Applications for acquisition of or replacement of machinery and equipment will be discouraged unless in conjunction with a totally new business in Bloomington, a physical plant expansion of an existing business, or where it is shown that the equipment acquisition is essential to the continued operation of the business in Bloomington. Also, it is the City's intent to assist where possible in the acquisition of pollution control equipment for any new or existing business being required to meet mandated standards.
- i. A further permitted use under these guidelines are projects, whether profit or nonprofit, engaged in providing health care services, including hospitals, nursing homes, and related medical facilities, but only when the following findings can be made:
 - (1) Number of new jobs and related payroll is relatively significant.
 - (2) The project would provide a facility or service, or expansion thereof considered desirable or necessary from a community services standpoint.
 - (3) The project application also meets requirements of paragraph a, e, f and g of these guidelines.

Procedures

- a. The applicant shall make an application for financing on forms available from the Finance Department of the City of Bloomington. The completed application is to be returned to the Chief Financial Officer, accompanied by the processing fee, whereupon the application will be forwarded to the City Council with a Staff recommendation. Specific findings shall be made and recited regarding the criteria as well as satisfaction of public purposes of the Conduit Bonds Acts.
- b. The application cannot be considered by the City until tentative City Code findings and requirements have been made with respect to zoning, building plans, platting, streets and utility services.

- c. The applicant shall submit a timetable for completion of the project as part of the application and any apparent major deviation from that timetable will automatically cause the application to be brought back to the City Council for review. This timetable must relate to the State timetable for entitlement and pool allocations. The financing must be completed within the calendar year for which application is made.
- d. The applicant is to select qualified financial consultants and/or underwriters, as well as legal counsel, to prepare all necessary documents and materials. The City may rely on the opinion of such experts and the application shall be accompanied by a financial analysis (pro forma income statement, debt service coverage, mortgage terms, etc.) by the underwriter as to the economic feasibility of the project and the underwriter's ability to market the financing. Financial material submitted is to also include most recent fiscal year-end, audited, financial statements of the applicant and/or of any major lessee tenant, if readily available.
- e. Further, in the case of the tax exempt mortgage placements, the applicant will be required to furnish the City, before passage of the Final Resolution, a comfort letter (but not necessarily a letter of commitment) from the lending institution, to the effect that said lending institution has reviewed the economic feasibility of the project, including the financial responsibility of the guarantors and find that, in their professional judgment, it is an economically viable project.
- f. The applicant shall furnish along with the application, a description of the project, plat plan, rendering of proposed building, etc., and a brief description of the applicant company, all in such form as shall be required at the time of application. Such of this data as necessary may be furnished to members of the City Council for background information.
- g. If an allocation of bonding authority is required under Minnesota Statutes, Chapter 474A, as amended ("Chapter 47 4A", the applicant shall be required to pay any required application fee and provide any required application deposit as specified in Chapter 474A, without regard to whether the application fee or application deposit will be refunded.
- h. The applicant shall covenant in the applicable conduit bond documents to comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Treasury Regulations, including, but not limited to: (i) the arbitrage and rebate requirements of Section 148 of the Code; and (ii) the qualified bonds provisions of Sections 141(e), 142, 143, 144, and 145 of the Code. The applicant shall be the party responsible for monitoring the conduit bonds for compliance with such requirements and to remediate nonqualified bonds in accordance with the requirements of the Code and applicable Treasury Regulations. The applicant shall be the party responsible for monitoring compliance with the requirements of Section 148 of the Code.
- i. The applicant shall covenant in the applicable conduit bond documents to reimburse the City for all costs paid or incurred by the City (including the fees of attorneys, financial advisors, accountants, and other advisors) as a result of the City's response to or compliance with an audit, inspection, or compliance check (random or otherwise), by the Internal Revenue Service, the Minnesota Department of Revenue, the Minnesota Office of the State Auditor, or any other governmental agency with respect to the conduit bonds or the project financed with the proceeds of the conduit bonds.

Administrative

- a. The City Council reserves the right to deny any application for financing at any stage of the proceedings prior to adopting the final resolution authorizing issuance of the industrial development financing. The City Council may waive any provision of this Conduit Bonds Policy if the City Council determines that such waiver is in the best interests of the City.
- b. The City is to be reimbursed, and held harmless, for and from any out-of-pocket costs related to the actual or proposed issuance of conduit revenue bonds. In addition, a nonrefundable processing fee of \$5,000 must be submitted with the application. Upon closing, an administrative fee of 0.75% of par is due and payable to the City.

In the case of a refinancing, the administrative fee shall be calculated at 50% of the above schedule. The City will be reimbursed for any technical changes to a bond issue previously issued to be calculated at 25% of the above schedule.

Applications for Host Approval will include a nonrefundable administrative processing fee of \$5,000.

- c. All applications and supporting materials and documents shall remain the property of the City. Note that all such materials may be subject to disclosure and/or public review under applicable provisions of State law.
- d. The Finance Department shall, report all conduit debt issues in the Comprehensive Annual Financial Report in accordance with Generally Accepted Accounting Principles and shall report any material events with regard to all conduit debt issued by the City, and still outstanding, to the City Council.

(Adopted by City Council - 4/10/78, Revised complete Policy and Criteria - 6/12/78, Sections 1c., 1g. and 1h. amended - 4/09/79, Sections 1b., 1c., 1f., 1g. and 2e. amended - 11/19/79, Section 1i. added - 10/15/80, Section 1f. and 1g. amended - 4/27/81, Section 1f. amended - 8/02/82, Section 1f. amended - 7/25/83, Section 1d. amended, 1j. added, 2d. amended, 2h. added and Section 4 added - 7/30/84, Section 1g., 2b., 2g. and 3d. amended - 4/13/92, Section 3b. - amended 3/15/93, Revised complete Policy 5/17/2010, Section 2h and 2i amended – September 12, 2011; Amended Administrative Section b – 11/18/2019; amended administrative section b – 11/08/2021, fee effective 01/01/2022)

Debt Management Policy

I. Introduction

The City of Bloomington, the Housing and Redevelopment Authority in and for the City of Bloomington (the “HRA”), and the Port Authority of the City of Bloomington (the “Port”) (collectively the “City”) has significant capital improvement program (the “CIP”) requirements, both for the funding of new facilities, the renovation and replacement of existing assets, and other qualified capital purposes such as but not limited to land acquisition, construction, equipment, and other capital requirements as may arise from time to time.

This Debt Management Policy provides guidance for the issuance of bonds and other forms of indebtedness and contingent liabilities (the “Debt Policy”). Contingent liabilities are generally defined as the Bloomington Fire Department Relief Association required pension contributions, and Public Employee Retirement Association (“PERA”), Other Postemployment Benefits (“OPEB”), debt with pledged City levies or taxes where other revenues are the primary source of payment, and interfund loans.

While the issuance of debt is an appropriate method of financing capital projects and major equipment acquisitions, such issuance shall be carefully monitored to preserve the City’s credit strength and to provide the necessary flexibility to fund future capital needs. In addition, the issuance of debt shall be closely aligned with the cash flow requirements of the projects being financed. The City provides funding for its capital program from a variety of resources, including debt which is payable from property tax levies, utility revenues, utility fees, sales taxes, or other such identified revenues. Debt may be double barreled (meaning the debt is secured by multiple revenue sources) with a primary repayment source and a tax levy as a backup.

This Debt Policy shall govern, except as otherwise covered by the City Charter and City Code, the issuance and management of all debt and lease financings funded in the capital markets. While adherence to the Debt Policy is required in applicable circumstances, the City recognizes that changes in the capital markets as well as unforeseen circumstances may from time to time produce situations that are not covered by the Debt Policy and may require modifications or exceptions to achieve City goals. As appropriate, the Chief Financial Officer shall seek City Manager or City Council, or both, direction and approval for such modifications or exceptions.

The City recognizes that one of the attributes of sound financial management is a comprehensive debt management policy. Adherence to a debt management policy signals to residents, credit rating agencies, and the capital markets that a government entity is well managed and will meet its financial obligations in a timely manner. It is an important tool in ensuring that the City maintains appropriate resources and funding capacity to meet both present and future capital needs as well as long term contingent liabilities. The development of a debt management policy is a recommended best practice by the Government Finance Officers Association.

II. Purpose

The purpose of the City's Debt Policy is to ensure that all financings are completed in a manner such that the City:

- Achieves the lowest cost of capital;
- Preserves the City's high credit triple A ratings;
- Maximizes access to the capital debt markets;
- Preserves financial flexibility;
- Aligns debt repayment to the available cash flows;
- Manages interest rate risk exposure; and
- Limits exposure to third party credit and financial risk.

With respect to managing interest rate risk and the overall cost of capital, the City, in addition to the issuance of long-term fixed rate debt in favorable interest rate environments, may make use of several variable rate instruments and tools to manage its borrowing costs and access to the capital debt markets. While these types of structures and products provide opportunities to lower the cost of borrowing, they also introduce types of risks not found in the fixed rate market that require more intensive and ongoing oversight. To ensure that if the City uses these structures and products in the future prudently and effectively, this policy also provides a framework outlining purposes, procedures and limitations that addresses:

- The management of interest rate risk with respect to the City's debt portfolio;
- The use of variable interest rate debt;
- The use of third-party liquidity facilities; and
- The future use and management of derivative products.

This Debt Policy is for the benefit of the City and no provision of this Debt Policy shall give to any person other than the City any benefit, right, remedy or claim. The City may, at any time and without notice of any sort, amend or supplement the policy in such a manner as approved by the City Council and acknowledged by the Port Authority Board and HRA Board.

III. Application

This Debt Policy shall apply to any debt issued by the City and its related entities, the HRA and the Port. Indebtedness shall include all long-term general obligation and revenue secured debt. The City's Finance Department will be responsible for ensuring adherence to the Debt Policy.

IV. Considerations for Debt Issuance

A. Authorization and Approval

The City is permitted to issue fixed rate obligations, variable rate obligations and to enter into interest rate swaps pursuant to a variety of state statutes. Such debt may be general obligations of the City or revenue debt secured by a specifically identified resources. All long-term debt issuance shall be

approved by the appropriate governing body City, Port, or HRA and in cases where debt is issued by the HRA or Port, the City must also approve the issuance.

The City typically issues debt obligations once or twice a year to fund various capital projects. Generally speaking, the proceeds of the debt obligations issued fund necessary capital projects that are completed over a short term (e.g., 12-24 months) and may reimburse current capital activities. As bond proceeds are depleted, new debt can be issued to provide funding for additional projects. This capital cash-flow borrowing approach is intended to help safeguard against over issuance and unnecessary interest costs. In addition, it encourages a rate of spend-down that is consistent with arbitrage temporary periods and the exceptions to rebate.

The City may also consider borrowing on a “project” basis, where debt is issued upfront to pay for a particular capital project with a multi-year spend-down. This approach may be implemented to lock-in known long-term interest rates, minimize cost of issuance, and facilitate repayment from a specific City entity (such as an enterprise).

B. Guidelines for Funding the Capital Improvement Program with Debt

Capital program and general obligation debt issuance should be managed so that the property tax levy remains relatively consistent from year to year, contingencies and unforeseen emergencies can be addressed. The overall calculated debt service levy should not exceed 15 percent (15%) of the total annual property tax levy of the City, unless debt issuance is necessary for significant City facilities (e.g. Fire Stations and Public Works Garage).

Bonding should not be used to fund (i) on-going operations, (ii) projects smaller than \$50,000, the threshold for projects to be included in the CIP document, and (iii) projects for which the life expectancy of the project does not exceed the average maturity of the bonds.

To maintain its AAA ratings, the City generally considers the following guidelines when deciding how much additional long-term City general obligation debt to issue in the ten-year CIP period:

Overall Debt Per Capita:

Total net general obligation debt net of utilities supported debt, tax increment supported debt, and any debt supported by other pledged revenues like special assessments shall not exceed seventy-five percent (75%) of the per capita debt limit for the current year. Per Capita Debt Limit is calculated using 3% of the estimated market value of all properties in the City divided by the population.

C. Credit Rating Objectives

As of 2022, the City has the highest possible long-term credit ratings for its general obligation bonds from three of the major rating agencies: Fitch Ratings (AAA), Moody’s Investors Service (Aaa), and Standard & Poor’s Ratings (AAA). The HRA and Port’s bonds could be similarly rated if the City’s General Obligation (“GO”) tax levy is pledged. Revenue Bonds are rated based on the strength of the revenues pledged for that bond issue. Annual appropriation bonds are usually one or two notches below the City’s GO rating to reflect that ability of the City to non-appropriate. Bank Loans typically do not require a rating but is dependent on the transaction and the lender.

These ratings enable the City to borrow at the lowest interest cost and are a reflection of the City's strong management, favorable economy, financial control practices, high liquidity and reasonable debt levels. The City's Chief Financial Officer shall determine the number and firms that will provide credit ratings on each issue of City debt. The Chief Financial Officer will regularly brief rating agency analysts on information relevant to their credit analysis, as well as proactively inform the agencies of material changes in financial condition and/or developing events that may influence outstanding or future ratings. The City shall strive to maintain its strong financial management practices and resultant high ratings.

V. Debt Issuance and Management

A. Types of Debt Permitted

To the extent authorized by state and federal law, the City may issue the types of debt outlined below.

i. Tax Status – The City should generally issue debt on a tax-exempt basis whenever permissible under federal tax law. However, the City should compare tax-exempt obligations versus taxable obligations to provide flexibility in financing various types of capital improvements.

ii. Fixed Rate Debt - The City may issue debt with a rate of interest that is fixed at the time of issuance in the following forms:

- General obligation bonds;
- Limited tax bonds;
- Revenue bonds; and
- Other forms as allowed by federal and state laws.

iii. Variable Rate Debt - The City may issue debt with a rate of interest that varies and that is set via a periodic remarketing of the securities by a remarketing agent or according to a pre-determined formula based on a spread to an interest rate index. This debt may be issued in the following forms:

- General obligation bonds;
- Limited tax bonds;
- Revenue bonds;
- Commercial paper;
- Floating rate notes; and
- Other forms as allowed by federal and state laws.

iv. Use and Allocation of Fixed and Variable Rate Debt - The City will make determinations and allocations among the different types and modes of debt based on cost/benefit and risk factors, including but not limited to the following:

- Interest cost and market conditions;
- Self-liquidity costs and capacity as discussed elsewhere in this Policy;
- Cost and availability of third-party liquidity;
- Exposure and/or concentration to third-party credit and financial risk;

- Integration of fixed rate and alternative modes of variable rate debt within the framework of this Policy; and
- Risk to taxpayers (debt funded 100% by ad valorem taxation should look to a stable repayment where revenue streams may benefit from variability).

See Section VI. **Variable Rate Debt Exposure and Liquidity** for standards relating to the use of variable rate debt, limitations on variable rate exposure and the use of liquidity facilities.

B. Structuring Considerations

i. Term and Repayment - Principal payment schedules will not exceed the average economic life of the asset being financed, the limits of state and/or federal law, or related bond covenants. Principal and interest payments will be structured within the revenues available for debt service. With respect to refunding debt issued solely to achieve economic savings, the final maturity should not exceed the final maturity of the debt being refunded.

ii. Debt Service Payment Structure - In general, City debt should be structured to produce level annual debt service payments. Debt service for non-property tax supported debt should be structured to match the revenue stream used for repayment.

iii. Coupon Structure - City debt can be structured using original issue discount, par or original issue premium coupons or any combination thereof within any limitations in statute or the resolution authorizing a bond issue. The permitting couponing structure will be determined in consultation with the City's municipal advisor.

iv. Optional Redemption Provisions - All City debt issues will include an option for the City to redeem the outstanding principal after a specific date at a price at or above par. Exceptions will be shorter term obligations (typically less than 10 years) for which inclusion of an optional redemption feature may have an adverse impact on the interest rate or marketability of the debt. The optional redemption provisions will be determined in consultation with the City's municipal advisor and should consider, among other market factors, the following:

- Special requirements of the City due to program or business conditions; and
- The earliest date at which bonds may be redeemed at the lowest price which does not have a material adverse impact on the price or marketability of the bonds.

v. Serial and Term Bonds - City debt may be structured with serial or term bonds or any combination thereof. All terms bonds shall be subject to mandatory annual sinking fund redemptions.

vi. Credit Enhancement - Normally, due to the high ratings on City general obligation debt, credit enhancement in the form of third party guarantees ensuring timely payment of debt service will not be cost effective. Such credit enhancement may be beneficial on certain revenue secured obligations, variable rate debt, or other specially secured debt. If finance staff determines that credit enhancement may be financially beneficial, providers of such enhancement will typically be selected by competitive proposal.

C. Method of Sale

Debt issues of the City may be sold by competitive, negotiated, or private placement sale methods unless otherwise limited by state law. The selected method of sale will be the option that is expected to result in the lowest cost and most favorable terms given the debt structure used, market conditions and prior experience.

The City will use the competitive sale method unless there are compelling reasons which indicate that a negotiated sales or private placement would have a more favorable result. Circumstances that might cause consideration of a negotiated sale or private placement include:

- A need for special premarketing efforts, such as for a new credit structure;
- A below investment grade or no credit rating;
- A complex security structure or other transaction features;
- Factors that are expected to result in a lack of competitive bids; or
- A proprietary or innovative financing concept brought to the City.

For example, market conventions for variable rate transactions, including bonding for the City's Affordable Housing Trust Fund, are such that a negotiated sale is typically pursued. The City has a separate policy specifically for conduit bonds.

D. Refundings and Restructurings

The City and its municipal advisor will monitor its outstanding debt in relation to existing conditions in the capital markets. The City will consider refunding outstanding debt on either a current or advance (if the IRS provides for the ability to use advance refundings in the future) basis in order to (i) achieve debt service savings, (ii) restructure outstanding principal, and/or (iii) eliminate burdensome bond covenants. Due to federal tax law changes effective in January 2018, tax-exempt advance refundings are no longer permitted although taxable advance refundings and the use of other financial products that provide similar results of a tax-exempt advance refunding are still allowed.

Advance refundings undertaken to achieve debt service savings should demonstrate savings sufficient to meet, at a minimum, the state law requirement that net present value savings equal at least three percent (3%) of refunded interest. The manner in which debt service savings are realized (upfront or on an annual basis) should be determined based upon the financial needs of the City. In most instances upfront savings will be used to reduce property levy support (one time), while an annual savings structure will be used to reduce ongoing revenue or appropriation requirements.

Refundings involving a restructuring of principal will be considered if there is no expected adverse impact on credit ratings or credit perception of the issue, or if the City can achieve a more favorable matching of revenues or other pledged resources to debt service payments. When restructuring principal, the City will seek to minimize the amount of refunding debt to be issued, along with possible interest savings as mentioned above. Therefore, savings should be sufficient to offset potential reduced future refunding flexibility.

Refundings undertaken to accomplish a change of legal covenants or to make pledged revenues available for other purposes should be considered only after an evaluation of the economic effects to

the City as measured by the net present value of savings inclusive of cash contributions and/or debt service reserve fund earnings, if any. Such economic effects include:

- Limitations imposed by the Internal Revenue Code;
- Use of reserves;
- Future financing capacity;
- Future marketability of City debt; and
- Credit ratings which may be related to the specific circumstances of the refunding.

Debt service reserve funds that are released as a result of a refunding shall typically be used as a source of funds for that transaction, but in all cases shall not be used to pay operating expenses.

E. Debt Service Reserve Funds

Debt service reserve funds funded from proceeds of bonds or available cash may be created to provide an additional source of security for City revenue bonds. Since such reserve funds are subject to arbitrage rebate regulations, they should only be used when necessary to market a specific type of debt, achieve a desired credit rating or provide a source of liquidity for a debt issue. Such reserves will be pledged to the bondholders.

In certain cases, the City may establish an internal debt fund held by the City to provide a contingency reserve that is not pledged to bondholders. This is typically done in cases where a third party is providing part of the funds used for repayment and the bonds are tax-exempt.

F. Investment of Proceeds

Proceeds of debt issues will be invested in accordance with state law, the City's investment policy and any specific requirements contained in bond indentures or resolutions. Investments will be managed to maximize interest earned, subject to legal covenants, liquidity requirements and tax law limitations.

G. Rating Agency Coordination

The Chief Financial Officer will be responsible, on behalf of the City, the HRA, and the Port, for the communication of information to the rating agencies, keeping the rating agencies informed of significant developments throughout the year, and for the scheduling of rating agency calls or visits, or both.

H. Selection and Use of Professional Service Providers

The City will maintain ongoing agreements with certain professionals related to the issuance and management of its debt portfolio.

It will be the practice of the City to retain an independent, registered municipal advisor to provide services related to the structuring, rating, and issuance of all debt issues of the City. To ensure that there will be no conflict of interest, municipal advisors will not be permitted to underwrite debt issues of the City for which they provide municipal advisory services. Municipal advisors will be selected through a competitive process.

The Finance Department staff will work with the City Attorney's Office to select and retain bond counsel. Bond counsel's role is to render opinions on the validity, enforceability, and tax-exempt status of City

debt issues, prepare all necessary resolutions, agreements and other legal documents, advise on all relevant state law issues, advise on all federal tax matters, as well as debt issuance matters generally. Bond counsel will be selected through a competitive process.

The Chief Financial Officer shall periodically solicit for providers of other services necessary to carry out the debt issuance activities of the City, including but not limited to underwriters, remarketing agents, dealers, liquidity providers, paying agents (the City is the paying agent on outstanding debt), escrow agents, verification agents and trustees.

The criteria for selection of all professional service providers will consider factors such as experience and qualifications, depth of staff, availability and location, and costs. Periodic reviews of the fees, quality of service and performance of such firms shall be completed by staff.

Annually, the City Council, the HRA Board, and the Port Authority Board will designate the City's Municipal Advisor and Bond Counsel.

VI. Variable Rate Debt Exposure and Liquidity

A. Rationale for Use of Variable Rate Debt

Variable rate debt may be utilized as part of a strategy to achieve the following objectives:

- Reduce borrowing costs by creating an exposure to short-term interest rates as compared to historically higher long-term fixed interest rates, especially when long-term fixed rates are high;
- Mitigate the interest rate risk of the City's asset and liability profile by creating short-term interest rate debt exposure to balance short-term interest rate exposure of the City's investment portfolio;
- Maintain the integrity of the City's investment portfolio by utilizing short-term taxable debt to bridge the low points of the City's cash flow, if economically beneficial; and
- Diversify the City's debt portfolio by introducing debt instruments that have a historically different investor base and risk profile.

B. Limitation on Variable Rate Exposure and Interest Rate Risk Management

The amount of the City's variable rate exposure shall be limited to no more than 10% of the total outstanding principal of all outstanding general obligation bonds. The variable rate exposure risk may not exceed 25% of the total outstanding principal of all outstanding non-general obligation bonds.

State statutes requires that debt service for all general obligation bonds payable from unlimited ad valorem property taxes be levied at 105% of the amount due in each year. In addition, certain sales taxes used to pay for statutorily authorized purposes may accumulate funds that can only be used for those limited purposes. The City shall budget conservatively for variable rate interest payments and may utilize the excess interest and/or other legally available funds to periodically prepay outstanding variable rate principal when beneficial.

C. Liquidity Facilities for Variable Rate Debt

Third-Party Liquidity Facilities – The use of third-party liquidity providers should be carefully considered due to the additional risks associated with such products, including exposure to the providers and renewal risk. Where the use of third-party providers is useful or appropriate, the City will consider the following factors in selecting a provider:

- Type of liquidity facility – Different forms of liquidity should be evaluated in order to balance the protection offered against the costs associated with each. These forms may include, but are not limited to, standby bond purchase agreements, direct pay letters of credit and lines of credit.
- Provider credit ratings – The City shall generally seek out liquidity providers that have the highest short-term ratings.
- Agreements between the provider and the City – The City should seek providers willing to accept contractual provisions most favorable to the City, such as term, interest rate and repayment/reimbursement provisions, default and termination events, and pass-through costs from the provider.
- Provider trading values – The City shall seek information from its municipal advisor and other market participants, as appropriate, on anticipated trading levels and general market acceptance of bonds secured by various providers.
- Costs – All costs associated with a proposed liquidity facility, including commitment fees, standby fees, draw fees, legal fees and interest rates charged when a draw occurs will be considered.
- Term of the facility – The City shall generally select the provider offering the longest term of a facility when all other factors are equal.

VII. General Provisions

A. Arbitrage Rebate Compliance

The City will comply with all arbitrage rebate requirements as established by the Internal Revenue Service. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax laws, and rebating positive arbitrage earnings, if any, to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding bonds. The City may use outside professionals, including its bond counsel and municipal advisor, to assist in preparing such reports, completing the necessary forms and making payments, if any.

B. Primary and Continuing Market Disclosure

Official statements, offering memoranda, financial reports, and other financial disclosure materials, including continuing disclosure will be prepared and disseminated in a timely fashion and in accordance with relevant bond documents, regulatory requirements, and industry best practices. The City has adopted internal policies and procedures with respect to its disclosure activities.

C. Post-Issuance Compliance

The City has adopted a Post Issuance Compliance Policy designed to assist in ensuring compliance with federal tax laws over the term of each series of tax-exempt bonds.

D. Dodd-Frank and Related Regulatory Compliance

The City shall implement this policy in compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and its related regulatory reforms. To this end, the City shall engage one or more registered municipal advisors to provide advice with respect to debt issuance activities. Such engagement will include the evaluation of proposals made to the City by third parties. The City will make a representation to the appropriate third party that its municipal advisor is serving as an Independent Registered Municipal Advisor (an “IRMA”) and that the City will independently evaluate and take into account the advice of its municipal advisor in the review of such proposals.

E. Policy Review and Revision

The City shall periodically review and update this policy at least every five years to ensure that the Debt Policy meets all statutory, regulatory, or other requirements, as well as the City’s fundamental objectives of prudent debt and interest rate risk management. The changes and updates made shall be approved by the City Council prior to taking effect as part of the policy.

Effective Date: 11/28/22

Reviewed: 11-2022

Revised: 11-2022

(05-2002, Revised 11-2022)

Policy should be updated every 5 years.

Post-Issuance Compliance Policy for Tax-Exempt Governmental Bonds

The City of Bloomington (the “City”) issues tax-exempt governmental bonds to finance capital improvements. As an issuer of tax-exempt governmental bonds, the City is required: (i) by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds; (ii) by the terms of Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, to satisfy certain record retention requirements with respect to its tax-exempt governmental bonds; and (iii) by the terms of Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”), to satisfy certain continuing disclosure obligations with respect to its governmental bonds (whether tax-exempt or taxable). This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the City to ensure that the City complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations. Occasionally the Housing and Redevelopment Authority in and for the City of Bloomington, Minnesota (the “HRA”) and the Port Authority of the City of Bloomington, Minnesota (the “Port Authority”) issue governmental bonds to finance capital improvements. The term “City” as used in this Policy includes the HRA and the Port Authority with respect to their issuances of governmental bonds.

1. Effective Date and Term. The effective date of this Policy is the date of approval by the City Council of the City (September 12, 2011) and shall remain in effect until superseded or terminated by action of the City Council of the City. This Policy amends and restates the Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds adopted by the City Council of the City on June 22, 2009.
2. Responsible Parties. The Chief Financial Officer of the City shall be the party primarily responsible for ensuring that the City successfully carries out its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations. The Chief Financial Officer will be assisted by the staff of the Finance Department of the City and by other City staff and officials when appropriate. The Chief Financial Officer of the City will also be assisted in carrying out post-issuance compliance requirements by the following organizations:
 - a. Bond Counsel (the law firm primarily responsible for providing bond counsel services for the City);
 - b. Municipal Advisor (the organization primarily responsible for providing municipal advisor services to the City);
 - c. Paying Agent (the person, organization, or City officer primarily responsible for providing paying agent services for the City); and
 - d. Rebate Analyst (the organization primarily responsible for providing rebate analyst services for the City).

The Chief Financial Officer shall be responsible for assigning post-issuance compliance responsibilities to members of the Finance Department, other staff of the City, Bond Counsel, Municipal Advisor, Paying Agent, and Rebate Analyst. The Chief Financial Officer shall utilize such

other professional service organizations as are necessary to ensure compliance with the post-issuance compliance requirements of the City. The Chief Financial Officer shall provide training and educational resources to City staff who are responsible for ensuring compliance with any portion of the post-issuance compliance requirements of this Policy.

3. Post-Issuance Compliance Actions. The Chief Financial Officer shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the City with respect to each issue of tax-exempt governmental bonds issued by the City:
 - a. The Chief Financial Officer shall prepare a transcript of principal documents (this action will be the primary responsibility of Bond Counsel).
 - b. The Chief Financial Officer shall file with the Internal Revenue Service (the "IRS"), within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, or successor form ("Form 8038-G") (this action will be the primary responsibility of Bond Counsel).
 - c. The Chief Financial Officer shall prepare an "allocation memorandum" for each issue of tax-exempt governmental bonds in accordance with the provisions of Treasury Regulations, Section 1.148-6(d)(1), that accounts for the allocation of the proceeds of the tax-exempt bonds to expenditures not later than the earlier of:
 - (i) eighteen (18) months after the later of (A) the date the expenditure is paid, or (B) the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or
 - (ii) the date sixty (60) days after the earlier of (A) the fifth anniversary of the issue date of the tax-exempt bond issue, or (B) the date sixty (60) days after the retirement of the tax-exempt bond issue.

Preparation of the allocation memorandum will be the primary responsibility of the Chief Financial Officer (in consultation with the Municipal Advisor and Bond Counsel).

- d. The Chief Financial Officer, in consultation with Bond Counsel, shall identify proceeds of tax-exempt governmental bonds that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted. (e) In consultation with Bond Counsel, the Chief Financial Officer shall determine whether the City is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of tax-exempt governmental bonds. In consultation with Bond Counsel, the Chief Financial Officer shall determine, with respect to each issue of tax-exempt governmental bonds of the City, whether the City is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Chief Financial Officer shall contact the Rebate Analyst (and, if appropriate, Bond Counsel) prior to the fifth anniversary of the date of issuance of each issue of tax-exempt governmental bonds of the City and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such tax-exempt governmental bonds. If a rebate

payment is required to be paid by the City, the Chief Financial Officer shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, or successor form ("Form 8038-T"), and submit such Form 8038-T to the IRS with the required rebate payment. If the City is authorized to recover a rebate payment previously paid, the Chief Financial Officer shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, or successor form ("Form 8038-R"), with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

4. Procedures for Monitoring, Verification, and Inspections. The Chief Financial Officer shall institute such procedures as the Chief Financial Officer shall deem necessary and appropriate to monitor the use of the proceeds of tax-exempt governmental bonds issued by the City, to verify that certain post-issuance compliance actions have been taken by the City, and to provide for the inspection of the facilities financed with the proceeds of such bonds. At a minimum, the Chief Financial Officer shall establish the following procedures:
 - a. The Chief Financial Officer shall monitor the use of the proceeds of tax-exempt governmental bonds to: (i) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e); (ii) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d); (iii) ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted; and (iv) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.
 - b. The Chief Financial Officer shall monitor the use of all bond-financed facilities in order to: (i) determine whether private business uses of bond-financed facilities have exceeded the de minimus limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and (ii) determine whether private security or payments that exceed the de minimus limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities. The Chief Financial Officer shall provide training and educational resources to any City staff who have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to bond-financed facilities.
 - c. The Chief Financial Officer shall undertake the following with respect to each outstanding issue of tax-exempt governmental bonds of the City: (i) an annual review of the books and records maintained by the City with respect to such bonds; and (ii) an annual physical inspection of the facilities financed with the proceeds of such bonds, conducted by the Chief Financial Officer with the assistance with any City staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.

5. Record Retention Requirements. The Chief Financial Officer shall collect and retain the following records with respect to each issue of tax-exempt governmental bonds of the City and with respect to the facilities financed with the proceeds of such bonds: (i) audited financial statements of the City; (ii) appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds; (iii) publications, brochures, and newspaper articles related to the bond financing; (iv) trustee or paying agent statements; (v) records of all investments and the gains (or losses) from such investments; (vi) paying agent or trustee statements regarding investments and investment earnings; (vii) reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds; (viii) allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures); (ix) contracts entered into for the construction, renovation, or purchase of bond-financed facilities; (x) an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property; (xi) records of the purchases and sales of bond-financed assets; (xii) private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds; (xvi) relevant correspondence, including letters, faxes or emails, relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue; (xviii) bidding of financial products for investment securities; (xix) copies of all Form 8038-Gs, Form 8038-Ts, and Form 8038-Rs filed with the IRS and any other forms or documents filed with the IRS; (xx) the transcript prepared with respect to such tax-exempt governmental bonds, including but not limited to (a) official statements, private placement documents, or other offering documents, (b) minutes and resolutions, orders, or ordinances or other similar authorization for the issuance of such bonds, and (c) certification of the issue price of such bonds; and (xxi) documents related to government grants associated with the construction, renovation, or purchase of bond-financed facilities.

The records collected by the Chief Financial Officer shall be stored in any format deemed appropriate by the Chief Financial Officer and shall be retained for a period equal to the life of the tax-exempt governmental bonds with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds) plus three (3) years. The Chief Financial Officer shall also collect and retain reports of any IRS examination of the City or any of its bond financings.

6. Remedies. In consultation with Bond Counsel, the Chief Financial Officer shall become acquainted with the remedial actions (including redemption or defeasance) under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the de minimis limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, the Chief Financial Officer shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement

Program described in Internal Revenue Manual, Part 7.2, to be utilized as a means for an issuer to correct any post-issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.

7. Continuing Disclosure Obligations. In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the City has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant to a continuing disclosure certificate or similar document (the “Continuing Disclosure Document”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the City that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the City to assist the underwriters of the City’s bonds in meeting their obligations under Rule 15c2-12. The continuing disclosure obligations of the City are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Chief Financial Officer is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.
8. Other Post-Issuance Actions. If, in consultation with Bond Counsel, Municipal Advisor, Paying Agent, Rebate Analyst, the City Manager, the City Attorney, or the City Council, the Chief Financial Officer determines that any additional action not identified in this Policy must be taken by the Chief Financial Officer to ensure the continuing tax-exempt status of any issue of governmental bonds of the City or to ensure the continuing compliance by the City with applicable federal and state securities laws, the Chief Financial Officer shall take such action if the Chief Financial Officer has the authority to do so. If, after consultation with Bond Counsel, Municipal Advisor, Paying Agent, Rebate Analyst, the City Manager, the City Attorney, or the City Council, the Chief Financial Officer and the City Manager determine that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the City or to ensure continuing compliance with applicable federal and state securities laws, the City Manager shall recommend to the City Council that this Policy be so amended or supplemented.
9. Taxable Governmental Bonds. Most of the provisions of this Policy, other than the provisions of Section 7, are not applicable to governmental bonds the interest on which is includable in gross income for federal income tax purposes. On the other hand, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental bonds then, for purposes of this Policy, the Chief Financial Officer shall treat the issue of taxable governmental bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Chief Financial Officer shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing tax-exempt governmental bonds to refund an issue of taxable governmental bonds.
10. Qualified 501(c)(3) Bonds. If the City issues bonds to finance a facility to be owned by the City but which may be used, in whole or in

substantial part, by a nongovernmental organization that is exempt from federal income taxation under Section 501(a) of the Code as a result of the application of Section 501(c)(3) of the Code (a “501(c)(3) Organization”), the City may elect to issue the bonds as “qualified 501(c)(3) bonds” the interest on which is exempt from federal income taxation under Sections 103 and 145 of the Code and applicable Treasury Regulations. Although such qualified 501(c)(3) bonds are not governmental bonds, at the election of the Chief Financial Officer, for purposes of this Policy, the Chief Financial Officer shall treat such issue of qualified 501(c)(3) bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such qualified 501(c)(3) bonds to the extent deemed necessary or appropriate by the Finance Officer.

(Policy Adopted by the City Council June 22, 2009. Revised and Restated September 12, 2011, with amendments to sections 1, 5-7, and 9-10. Revised January 27, 2020)

Abatement District Policy

The City of Bloomington is authorized by Minnesota Statutes Sections 469.1812 to 469.1815 (the “Abatement Act”) to grant an abatement of taxes imposed by the City of Bloomington on a parcel of property, or defer the payment of the taxes and abate the interest and penalty that would otherwise apply if:

- A. It expects the benefits to the City of Bloomington of the proposed abatement agreement to at least equal the costs to the City of Bloomington of the proposed agreement or intends the abatement to phase in a property tax increase; and
- B. It finds that doing so is in the public interest because it will:
 - 1. Increase or preserve tax base;
 - 2. Provide employment opportunities in the City of Bloomington;
 - 3. Provide or help acquire or construct public facilities;
 - 4. Help develop or renew blighted areas;
 - 5. Help provide access to services for residents of the City of Bloomington;
 - 6. Finance or provide public infrastructure; or
 - 7. Phase in a property tax increase on the parcel resulting from the increase of 50 percent or more in one year on the estimated market value of the parcel other than increase attributable to improvement of the parcel.
- C. The total amount of property taxes abated by the City of Bloomington in any one year may not exceed the greater of ten percent of the net tax capacity of the City for taxes payable in the year in which the abatement applies or \$200,000 if levy is less than \$2,000,000.
- D. Any new abatement district or new tax increment district shall not exceed the monetary limitations set forth in Section 4 of the City’s Tax Increment Policy.
- E. The City of Bloomington will consider all proposals eligible for abatement districts before adopting an abatement district for any project. The City may grant an abatement for a period no longer than fifteen years. The duration may increase to twenty years in the event either the school district or the county chooses to decline the abatement or if 90 days pass after the school district or the county receive the City’s abatement request and no response is provided.
- F. The Business Subsidy Law, M.S. Sections 116J.993 to 116J.995 as amended requires local government agencies to adopt criteria for awarding business subsidies grants of \$25,000 or more or loans of \$75,000 or more. Unless an exception to the Business Subsidy Law applies, tax abatement will be considered a business subsidy.
- G. The proceeds of bonds secured with abatements may be used to (1) pay for public improvements that benefit the property, (2) acquire and convey land or other property as provided in Section 469.1814, subd. 5 of the Abatement Act, (3) to reimburse the property owner for the cost of improvements made to the property, or (4) to pay the cost of issuance of the bonds.

- H. Data Practices Law. The City is a governmental body and is subject to the requirements of Minnesota Statutes Chapter 13 (the “Minnesota Government Data Practices Act”). Some of the data provided by the applicant to the City as part of the application for tax abatement may be required to be disclosed if requested pursuant to the Minnesota Government Data Practices Act.
- I. Amendments to Abatement Act. The references to the Abatement Act in this Abatement District Policy shall include any and all amendments to the Abatement Act that are made after this Policy is adopted.

(Revised 5/20/2002, 11/19/2007, 01/27/2020)

Tax Increment Policy

For the purpose of this Policy, the term “City” or “City of Bloomington” includes the City of Bloomington, the Housing and Redevelopment Authority in and for the City of Bloomington (HRA), and the Port Authority for the City of Bloomington (Port Authority).

The City of Bloomington is granted the power to utilize Tax Increment Financing (TIF) pursuant to the Minnesota Tax Increment Financing Act, Minnesota State Statutes 469.174 through 469.1794. The fundamental purpose of TIF is to encourage desirable development or redevelopment that would otherwise not occur but for the assistance provided through TIF.

Policy Purpose: To establish the City of Bloomington’s position relating to the use of Tax Increment Financing for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a framework for the review and processing of TIF applications in an equitable and consistent manner.

Objectives: Tax increment financing uses the increased property taxes generated by new real estate development within a tax increment district to pay for certain eligible costs associated with the development. As a matter of adopted policy, the City will consider using TIF to assist private development projects that will achieve one or more of the following objectives:

- To create opportunities for affordable housing, with an array of housing choices that meet the needs of current residents, and attract new residents to the City.
- Projects that improve the quality of life in the City by providing a desirable good or service and address an unmet demand in the community.
- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- Projects that provide value in the forms of needed transportation and other utility infrastructure improvement that would be completed in conjunction with the project.
- To facilitate the development process and to achieve development on sites which would not otherwise be developed but for the use of TIF.
- To support neighborhood retail services, commercial nodes, and employment.
- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, sustainability, and decreasing capital and/or operating costs of local government.
- To remove blight and/or encourage redevelopment of commercial and industrial areas in the City that will result in high quality redevelopment and private reinvestment.
- To encourage additional private development in the area, directly or indirectly, through “spin off” development.
- To offset increased costs of redevelopment (such as, contaminated site clean-up) over and above the costs normally incurred in development.
- To promote development consistent with the City’s Comprehensive Plan.

General TIF Policies

1. The City Council is the coordinating governmental unit in the City of Bloomington for the review and fiscal control of all tax increment financing within the City.
2. Each proposed project must satisfy at least one of the objectives set forth above.
3. Tax increment financed projects, and all other capital projects, of the Port Authority and the HRA shall be included in the City's 5-Year Capital Improvement Program each year for prioritizing.
4. The City will not approve any new tax increment district if the resulting total projected captured increment tax capacity (net of the City's estimated contribution to the fiscal disparities pool) of all tax increment districts and abatement districts in the City (including the proposed district, but excluding TIF Project Numbers 1359 and 1369) exceeds 15.0 % of the total projected net tax capacity of all taxable property (including the proposed district) in the City (termed "Tax Capacity Used for Local Rate" by Hennepin County Taxpayer Services). Further, to allow for flexibility in the future this 15.0% shall be considered allocated between the City and the component governmental units within the ranges expressed below:

City	0.0% to 5.0%
Port Authority	0.0% to 5.0%
HRA	0.0% to 5.0%
Total	0.0% to 15.00%

Any proposed alteration of this allocation can only be changed by a super majority (5/6 vote) of a committee comprised of the City's Chief Financial Officer, Port Authority Administrator, Housing & Redevelopment Administrator, City Manager, Community Development Director and the City Attorney.

5. The City will not consider tax increment financing requests for retail, service, industrial, hotel or office development projects that lie outside City approved redevelopment, development, or economic development districts.
6. Types of tax increment financing:
 1. Tax increment financing will not, unless approved by a 5/7 vote of all members of the City Council, be guaranteed or backed by the full faith, credit, and taxing power of the City, but instead will be payable solely from the related tax increment revenue.
 2. General obligation backed, or tax levy supplemented, tax increment financing is to be used only in those cases where it is found, by a 5/7 vote of all members of the City Council, that:
 - i. Such G.O. backed financing will not, in the opinion of the Council, place an undue burden on:
 - Tax rates

- Relative debt load (as expressed in terms of per capita debt, or as a percentage of debt to Assessor's Market Value), and
 - ii. No other, better, financing alternative exists, and
 - iii. There is a very significant rate of return relative to the risk taken or if it is found that there are overriding socioeconomic considerations which are significant to the City overall, as determined by the City Council.
7. As required by State law, each tax increment financing (TIF) proposal will be reviewed with Hennepin County and the Bloomington School District (ISD #271), or any other affected school district, prior to implementation. Response from these agencies received within 30 days of notification, if any, shall be forwarded to the City Council prior to approval of the plan. The City will take into consideration any official county request to fund county road costs resulting from the tax increment plan. If funds for the project are not sufficient to cover such expenditures, the TIF plan would not proceed.
 8. The City reserves the right to approve or reject the use of TIF, the amount of TIF, and the total term, on a case by case basis, taking into consideration established policies, project criteria, and demand on services in relation to the potential benefits from the project.
 9. The applicant will pay for all legal and consultant costs associated with the preparation, processing, review and actual use of TIF. The applicant will submit to the City a deposit equal to the total estimated costs for legal and consultant fees. The City will draw upon these funds to pay all related expenses.
 10. The applicant will also pay to the City a separate non-refundable application fee to reimburse staff costs and cover all other City related costs associated with the processing of the TIF request.
 11. Projects utilizing TIF are responsible for paying their share of Fiscal Disparities contributions from the project.
 12. The City's consultant shall prepare the TIF plan and the applicant will provide to the City and its consultant all information necessary to conduct a financial analysis of the proposed project.
 13. The applicant will be required to comply with the City's Business Subsidy Policy.

Application Process

1. Applicant submits the completed application along with a non-refundable initial application fee. The applicant will work with City staff to assure all appropriate information is supplied.
2. City staff reviews the application and completes the Application Review Worksheet.
3. Results of the Application Review Worksheet are submitted to the appropriate governing authorities for preliminary approval of the proposal.

4. If preliminary approval is granted, the applicant shall submit a deposit for legal and consultant costs. Additional deposits from the applicant may be required to pay all fees and expenses incurred by the City.
5. The process of negotiating a contract for private development commences between the City, Port Authority, and/or the HRA.
6. The Tax Increment Financing Plan, along with all necessary notices, resolutions, and certificates are prepared by City staff and/or consultant(s) and sent to the county and the school board.
7. Public Hearing notices are published.
8. Public hearing(s) on the proposed project are held.
9. The City Council grants final approval or denial of the proposal.
10. If the HRA or Port Authority are involved, the applicable board of the HRA or Port Authority must also provide approval of the proposal.

Data Practices Law

The City is a governmental body and is subject to the requirements of Minn. Stat. Chapter 13 (the "Minnesota Government Data Practices Act"). Some of the data provided by the applicant to the City as part of the application for a Tax Increment Financing may be required to be disclosed if requested pursuant to the Minnesota Government Data Practices Act.

Amendments to Tax Increment Financing Act

The references to the Tax Increment Financing Act in this Tax Increment Policy shall include any and all amendments to the Tax Increment Financing Act that are made after this policy is adopted.

(Revised 6/10/1991, 3/16/1992, 3/14/1996, 12/4/17, 1/27/2020)

Fund Balance Year-End Classification Policy (Per GASB 54)

PURPOSE: The Government Finance Officers Association's (GFOA's) guiding principle for classifying the various components of fund balance is to indicate the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

Following governmental accounting standards, the City has three basic categories: governmental funds, proprietary funds, and fiduciary funds. This fund balance classification policy applies only to the governmental categories.

GOVERNMENTAL FUNDS

In 2009, the Governmental Accounting Standards Board (GASB) issued a new standard, GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard has altered the categories and terminology used to describe the components of fund balance in the governmental funds (but it does not apply to the proprietary or fiduciary funds). This standard is effective for Bloomington beginning December 2011.

The City's governmental funds include the following fund types:

- A. General Fund
- B. Special Revenue Funds
- C. Debt Service Funds
- D. Capital Projects Funds

Definitions (as they apply to Governmental Funds under GASB 54):

Fund balance – the difference between assets and liabilities reported in a governmental fund.

Nonspendable fund balance – amounts that are not in a spendable form (e.g., prepaid items and inventories of supplies). Resources that must be maintained intact pursuant to legal or contractual requirements are also considered nonspendable.

Restricted fund balance – amounts subject to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Unrestricted fund balance – the total of committed fund balance, assigned fund balance, and unassigned fund balance, as described below.

Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (City Council). Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally. The City Council must take action on these commitments before year end.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the government body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance – amounts that are available for any purpose in the general fund. Only the general fund can report a positive amount of unassigned fund balance.

A. General Fund

The General Fund is established to account for all revenues and expenditures which are not required to be accounted for in other funds. Revenue sources include property taxes, license and permit fees, fines and forfeits, program revenues, intergovernmental revenues, investment interest earnings, and transfers. The General Fund's resources finance a wide range of functions including the operations of general government, public safety, and public works.

The General Fund will have committed fund balances at year end for purchase order encumbrances and budget carryovers. The General Fund may have a portion of its fund balance classified as nonspendable if there are long term receivables, inventories, or prepaid items on the balance sheet.

The General Fund is the only fund that can have any unassigned fund balance. The working capital balance of the general fund will fall into the unassigned fund balance classification.

B. Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Governmental accounting standards require that substantial inflows of revenues into a special revenue fund be either restricted or committed in order for the fund to be considered a special revenue fund. The City has eight different special revenue funds as follows:

1. **Community Development Block Grant (CDBG)** – this normally has a zero fund balance at year end, and if there were to be a balance it would be considered restricted based upon grant requirements.
2. **Public Health** – these grant funds are considered restricted based on grant requirements.
3. **Public Safety** – these grant funds are mostly considered restricted based on grant requirements and state statutes regarding police pensions; one area of this fund would be considered committed by the City Council for future fire pension obligations.
4. **Communications** – this fund is both restricted and committed by franchise agreements. The Public Education in Government (PEG) revenues (4302) are restricted per the franchise agreement. The cable TV franchise fees (4301) are committed per City Council.
5. **South Loop Revolving Development District** - this fund balance is considered committed. The committed revenue source is permit surcharges.
6. **Energy Efficient Block Grant** – this fund is restricted based on grant requirements.
7. **Cemetery Trust** – this is considered restricted based on state statute.
8. **Park Grants** – these funds are considered restricted by state and Metropolitan Council grant agreements.

C. Debt Service Funds

Debt service fund balances are considered restricted; they are resources that are being accumulated for payments of principal and interest maturing in current and future years. All of the City of Bloomington debt service funds are considered restricted.

D. Capital Project Funds

Capital project fund balances are considered restricted or committed; they are resources that are being accumulated for current and future projects. Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. In Bloomington, capital project funds are split into three categories:

1. **Capital Projects** – this category has balances that are considered both restricted and committed. The Carlton TIF District and the South Loop Industrial Development District I are both restricted through enabling legislation. The Art Center capital project fund is restricted per bond covenants. The Park Development and Strategic Priorities funds are both committed by the City Council for future projects. The Escrow Trust fund will be considered assigned.
2. **Improvement Construction** - these funds are considered restricted either through bond covenants or enabling legislation.
3. **State Aid Construction** - these funds are considered restricted by Minnesota Department of Transportation agreements.

Order of Fund Balance Spend-down

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use resources in the following order: (1) committed, (2) assigned, and (3) unassigned.

Carryovers and Encumbrances

For each year end, the City Council approves purchase order encumbrances and budget carryovers. Both the encumbrances and the budget carryovers will be considered committed fund balances upon approval by the City Council.

(Adopted by City Council 12/19/2011)

Grant Administration Policy

Introduction

The purpose of the Grant Administration Policy is to develop, implement, and maintain meaningful grant oversight and coordination for the City of Bloomington (the “City”), the Port Authority (the “Port”), and the Housing and Redevelopment Agency (the “HRA”) thereby increasing grant-related revenue, limiting exposure to grant-related legal liability, and improving the efficiency and impact of programs and services funded through grants. To simplify the reference to the City, Port, and HRA within this policy, hereafter they will be referred to collectively as the “The City,” unless specific emphasis is required.

The Grant Administration Policy is intended to provide a uniform method of applying for and managing grants. Procedures represent an implementation of policy and should evolve over time as new tools emerge, new processes are designed, and risks change due to environmental changes. Employees throughout the City take on the role of a Grant Program Administrator for a specific grant when they apply for a grant and use those funds. They are the main department or division contact for that specific grant.

The Office of Management and Budget’s (OMB) “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” require all recipients and sub-recipients of Federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Written policies and procedures are part of necessary internal controls and are required as a precondition to receiving grant funds. This policy is intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case is this policy intended to supersede or limit Federal or State laws or regulations, or the provisions of individual grant agreements.

Key Resources for Grant Management

OMB Uniform Grant Guidance – Guidance provided by the Federal government that is updated yearly. Such updates are reviewed by the City as they become available, and policies and procedures will be revised accordingly when necessary. An example of the May 2022 version can be found at: www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement_PDF_Rev_05.11.22.pdf

The Code of Federal Regulations (CFR) - The codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government. It is divided into fifty titles representing broad areas subject to Federal regulation. The **Electronic Code of Federal Regulations (eCFR)** is a continuously updated online version of the CFR and provides enhanced features that are not part of the published CFR: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

City of Bloomington Employment Rules & Policies – All City employees working on grants will comply with the rules in the City’s Employment Rules & Policies, such as the Employee Code of Ethics and Code of Conduct: <https://portal.bloomingtonmn.gov/hr/employmentrules/SitePages/Home.aspx>

City of Bloomington Purchasing Guidelines – All grant purchases will comply with the City of Bloomington’s Purchasing Guidelines:
<https://portal.bloomingtonmn.gov/Finance/Budget/Documents/Forms/AllItems.aspx/Accounting/Purchasing/Documents/Forms/AllItems.aspx>

City of Bloomington Grant Administration Procedure Manual – All employees engaged in grant activities will reference the Grant Administration Procedures Manual for guidance on executing required grant policies. <https://portal.bloomingtonmn.gov/Finance/Budget/Documents/Forms/AllItems.aspx>

Policy Statements

- **Hierarchy of Authority.** Following the guidance provided in the grant award documentation is the primary resource. In the event of conflicting guidance on the administration of Federal awards, the City has deemed Federal guidance to be most authoritative, followed by other State guidance and then local agency guidance.
- **Revisions.** The City is required to establish and document policies and procedures to ensure compliance with the provisions of Federal and State regulations and the provisions of grant agreements. Grant policy and procedures revisions will be reviewed and updated as necessary, but not less than once every five years.
- **Training.** City personnel will be provided necessary finance, procurement, and grant training. Procedures related to the policies within this document will be detailed in a separate Grant Administration Procedure Manual.
- **Compliance Failures.** Compliance failures, whether noted internally or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future. If discipline is deemed appropriate, the discipline outlined in the City’s Employment Rules & Policies will be followed.
- **Contractual Requirements.** The City will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.
- **External Financial Audit.** The City will contract annually with an independent Certified Public Accountant firm for the purposes of conducting the City’s external financial audit. To the extent that the City has expended Federal awards more than the applicable Federal Single Audit limit (currently \$750,000), the City will have a Federal Single Audit performed in accordance with the Uniform Grant Guidance, Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart F, Audits.
- **Retention Policy.** Accounting and financial records (including journal entries, timesheets, invoices, audit reports, and similar documents) shall be retained as required by contractual or regulatory requirements. The City has adopted a records retention schedule as its official guide

for records storage, filing, and destruction of accounting and financial records. If the grant specifically requires a longer records retention policy, that grant requirement supersedes the City's retention policy requirements.

- **Federal Suspension and Debarment List.** Department and division Grant Program Administrators will be responsible for verifying that any vendor paid with Federal grant dollars is not on the Federal suspension and debarment list.
- **Federal Capital Purchases.** Inventory of Federal capital purchases will be maintained by the Finance Department, and all items will be tracked annually.
- **Publicity Statements.** All department and division Grant Program Administrators will adhere to the funder's guidelines for publicity statements in coordination with the City's Communication Division. Proper acknowledgement will be given to the funder.
- **Minority and Women's Business Enterprises.** In accordance with the Code of Federal Regulations, all department and division Grant Program Administrators will take all necessary affirmative steps to ensure that minority businesses and women's business enterprises, and labor surplus area firms are used when possible.
- **Preference for materials purchased in the United States.** In accordance with the Code of Federal Regulations, as appropriate and to the greatest extent practicable under the Federal grant award, there should be a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

Authorization to Apply for Grant Funds

The City Council will authorize grant application submissions, award acceptance, and required budget adjustments for the City. The Port Authority Commission will approve authorization for Port grant application submissions, award acceptance, and required budget adjustments. The HRA Board will approve authorization for HRA grant application submissions, award acceptance, and required budget adjustments. This is necessary to:

- Ensure grant funds are aligned with strategic priorities;
- Highlight any requirements for matching funds;
- Allow for Council, Commission, or Board consideration of the sustainability of the project or program after the grant period ends;
- Consider staff capacity to effectively manage the project or program; and
- Bring awareness to the City Council, Commission members, Board members, and public of grant applications.

Formula grants, recurring Federal funds, and State aids are not required to follow this pre-application authorization. However, when a department or division receives these funds, they will create and submit a resolution for the City Council, Port Authority Commission, or HRA Board to accept the award and approve any required budget adjustments. These types of funding include, but are not limited to, Housing Choice Voucher Program Section 8 funding, WIC (Woman, Infants, and Children) program funding, and CDBG (Community Development Block Grant) program funding.

Award Notification, Review, and Acceptance

- Within five (5) calendar days of receipt of the grant award, the department or division's Grant Program Administrator must forward a copy of the award notification, the grant agreement or contract, and any memoranda of understanding to the City's Legal Department.
- The City's Legal Department shall conduct a legal review of all grant agreements to assess the terms and conditions of the agreements and ensure the City's interests and obligations are identified.
- If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting department or division must contact the granting entity and seek to resolve the issue.
- If the legal review identifies no potential legal issues stemming from the terms and conditions of the agreement, the Legal department will forward the Grant Award agreement for signatures to the Mayor, City Manager, and City Attorney.

Post-Award (Grant Execution and Reporting)

- No grant funds shall be disbursed until the award letter has been received from the awarding agency, and a fully executed agreement has been signed by the City/HRA/Port, as applicable, and the granting entity.
- Grant funds awarded to the City shall not be used to supplant an existing expense so that current funds can be diverted to another use unless such use of grant funds is explicitly identified as allowable in writing by the granting entity in the grant award.
- All revenue resulting from a grant-funded project or program shall adhere to the City's policies and procedures and be managed and maintained as established in the award letter, grant agreement, contract, special conditions, or other documents generated by the granting entity.
- All procurement activity associated with grant-funded projects or programs shall follow the procedures outlined in City's Purchasing Procedures Manual.
- All property acquired through grant funds shall be subject to the City's Purchasing Policy, Statewide procurement requirements, as well as any restrictions and/or requirements set forth within the terms of the grant, including any applicable Federal rules or regulations.
- Department and division Grant Program Administrators are ultimately responsible for adherence to the conditions outlined in the approved grant award/contract to ensure that allowable expenditures are incurred.
- Department and division Grant Program Administrators are responsible for monitoring all grant related activities and expenditures to ensure compliance with the grant.
- Department and division Grant Program Administrators are responsible for the oversight and monitoring of any sub-recipients or sub-awardees.

Grant Closeout Policy

- Upon completion of the grant period of performance, the department or division Grant Program Administrator must prepare a memorandum to the Grant Coordinator Accountant identifying the name of the grant, the project number and description of the final disposition of the funds and required activities to be attached in the Grant Master module in the financial software.
- If the grant is at risk of not being fully expended within six months prior to the end of the grant cycle, the department or division Grant Program Administrator and the Grant Coordinator Accountant will develop a plan.
- Upon review of the closeout memorandum and addressing any discrepancies, the Grant Coordinator Accountant will confirm grant closeout and update the status in the Grant Master module of the financial software.

Special Tests and Provisions

To ensure compliance with these requirements, the Grant Coordinator Accountant will be assigned the responsibility of identifying financial-related compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation. Program-related compliance requirements will be the responsibility of the department or division administering the grant.

Effective Date: 12/19/22

Reviewed: 12-2022

Revised: 12-2022

(Originated 12-2022)

Policy should be updated every 5 years.

Purchasing Policy

Purpose

To establish a consistent City-wide policy for the acquisition of goods, services, repairs, construction, joint power agreements, and in-kind agreements for all Departments, Boards, Commissions and Agencies of the City, except Boards or Agencies which are required to follow their own statutory or regulatory provisions (for example, Housing and Redevelopment Authority, Port Authority, etc.), in a manner that is in compliance with the Bloomington City Charter, Bloomington City Code, and applicable State and Federal laws governing municipal contracting and the expenditure of public funds.

To establish a consistent City-wide policy for contracts to protect the City from liability and ensure that contractors perform their duties properly. Well-drafted contracts are essential to protecting the City and enforcing its rights. The absence of a contract or an unenforceable contract could easily result in costly litigation and embarrassment for the City.

Policy

To ensure that the goods and services required by the City are obtained using established procedures that comply with all legal requirements for public purpose expenditures while promoting fair and open competition to ensure public confidence in the procurement process, ensure fair and equitable treatment of vendors who transact business with the City, and provide safeguards for the maintenance of a procurement system of quality and integrity.

Responsibility

The City Manager is the chief purchasing agent for the City. Responsibility for administering established Purchasing Policies and Procedures has been delegated to the Finance Department.

Central Purchasing Authority (“Purchasing”), as established by the Bloomington City Council, has responsibility for the following functions:

- a) Purchase of all materials, supplies, equipment, repairs and construction required by all Departments, Boards, Commissions, and Agencies of the City, except as hereinafter set forth, where funding has been approved during the annual budget process.
- b) Coordination of all plans and specifications for such materials, supplies, equipment, repairs and construction with input from the user department.
- c) Review and analysis of the purchasing activity of all City departments to obtain the best possible value from the combined volume purchasing of like commodities and services.
- d) Monitoring of procedures for the retaining of professional services by all Departments, Boards, Commissions, or Agencies.
- e) Coordination and oversight of the disposal of surplus, obsolete, or unused supplies, materials, or equipment.
- f) Training on purchasing procedures and regulations, monitoring compliance, and reporting any violations.
- g) Serving as a central contact for vendors and maintaining a central file of available vendors interested in doing business with the City.

An exception to utilizing Central Purchasing through the Finance Department is extended to the Engineering Division within the Public Works Department specifically limited to street and sewer construction/improvement projects that are subject to competitive bidding under Minnesota Statutes §429.

Procedures

Specific procurement requirements are addressed in the Purchasing Procedures.

Professional Services

Contracting for professional services, such as those provided by engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or other professional training, when competitive bidding is not required, shall be the primary responsibility of the Departments, but with Purchasing oversight and compliance with established contract procedures.

Non-Monetary Contracts

Contracts with no monetary requirements including joint powers and in-kind agreements must be approved and signed by the City Manager if the agreement is for duration of less than one year. Contracts with no monetary requirements that are of duration longer than one year must be approved by the City Council and signed by the Mayor.

Emergency Purchases

Minnesota Statute §12.37 gives the City the ability to declare an emergency situation for a limited period of time. During such an emergency, the City is not required to use the typically mandated procedures for purchasing and contracts.

Emergency purchases require approval by the City Manager, Chief Financial Officer and, when necessary because of the dollar amount, formal City Council action. An emergency purchase is defined as one where an immediate response is required to protect the health, welfare or safety of the public or public property.

Conflicts of Interest

Minnesota State Statutes §471.87 and §471.88 prohibit the purchase of goods and services wherever a conflict of interest may exist.

City of Bloomington Personnel Rules require employees to disclose to their immediate supervisor any personal financial interest in the selling or buying of goods or services for the City of Bloomington. No purchase orders, contracts or service agreements shall be given to an employee of the City or to a partnership or corporation of which an employee is a major stockholder or principal. No employee shall enter into the relationship with a vendor where the employee's actions are, or could reasonably be viewed as, not in the best interests of the City. If any employee becomes involved in a possible conflict situation, the employee shall disclose the nature of the possible conflict to his or her supervisor and to the City Manager. The City Manager shall promptly notify the individual in writing of an approval or disapproval of the activity. If disapproved, the employee shall remove himself or herself from the conflict situation.

Gifts and Gratuities

The City's Employment Rules prohibit employees from soliciting or accepting a gift or gratuity from any interested person who has a direct financial or economic interest in a decision that a City employee is authorized to make. Employees responsible for making purchasing decisions for the City may not accept, directly or indirectly, any gifts, favors, privileges, or employment from current or prospective City vendors.

Compliance

No agent or employee shall have the authority to bind the City to any contract or procurement except as provided by the City Charter (Section 7.07). Any procurement transaction made on behalf of the City which is not in compliance with established policies and procedures shall be deemed unauthorized. Any person making an unauthorized purchase may be liable for payment, restitution and/or further disciplinary action. Any obligation incurred by any City employee for any purpose not authorized in the budget or for any amount in excess of the amount authorized is considered a personal obligation of the person incurring the expenditure.

(Revised 5/20/2002, 9/12/2011)

Revenue Policy

- A. The City will endeavor to maintain a diversified and stable revenue system to shelter it from annual fluctuations in any one revenue source.
- B. The City will conservatively estimate and budget for its annual revenues by an objective, analytical process. All existing and potential revenue sources will be re-examined annually.
- C. The total expenditures sum appropriated shall be less than the total estimated revenue by a safe margin. (See Section 7.06 of the City Charter.) It is the policy of the City that this "safe margin" be no less than 2.5% of the proposed budget and will be shown as "Contingency" in the budget.
- D. The City will maintain sound appraisal procedures to keep taxable property values current and a physical review of each parcel will be made at least every five years in accordance with Minnesota Statute 273.08.
- E. The City will seek a balanced tax base through support of a sound mix of residential, commercial, and industrial development.
- F. The City will establish all user charges and fees for General Fund program activities at a level related to the full cost of providing the services, or as adjusted for particular program goals. On-going, the City will review the full cost of activities supported by user fees to identify the impact of inflation and other cost increases and will review these fees along with the resulting net property tax costs with the City Council at budget time. Sensitivity to market rates will also be considered in setting fees.
- G. The City will set fees and user charges for each enterprise fund such as water, wastewater or revenue facilities at a level that fully supports the total direct and indirect cost of the activity, including depreciation of capital assets and debt service, to maintain a positive cash flow and provide adequate working capital. Replacement (or bonding for replacement) of enterprise infrastructure will be paid for from accumulated (or annual) earnings of the particular system.

A transfer of equity from an enterprise fund to the General Fund should only be done on a one-time exception basis, for example, to fund an unusual, extraordinary expense. Equity transfers must be approved in advance by the City Council. Recreation type enterprise funds shall be considered on a combined basis for purposes of this policy and evaluation of financial performance. In no event shall such equity transfers be made in consecutive years.

FINANCIAL MANAGEMENT POLICIES ADOPTION

The Financial Management Policies shall be adopted by resolution by the City Council. The policies shall be reviewed by the Finance and Accounting staff on an ongoing basis and any modifications made thereto must be approved by the City Council.

Adopted by City Council August 31, 1987; Adopted by Bloomington Housing and Redevelopment Authority and Bloomington Port Authority November 10, 2009.

Policy	Origination Date	Last Reviewed	Last Revised
Abatement District Policy	5/20/2002	9/1/2021	1/27/2020
Budgetary and Financial Control Policy	1/23/2012		1/2/2018
Business Subsidy Policy	11/19/2007	9/1/2021	11/18/2019
Capital Improvement Program Policy		9/1/2021	10/11/2021
Conduit Debt Policy	4/10/1978	9/1/2021	11/8/2021
Credit Card Service Fee Policy	11/14/2022	11/14/2022	11/14/2022
Debt Management Policy	5/20/2002	11/28/2022	11/28/2022
External Auditor Independence Policy	5/20/2002		1/23/2012
Forfeited Funds Policy			1/23/2012
Fund Balance Year-End Classification Policy			12/19/2011
Grant Administration Policy	12/19/2022	12/19/2022	12/19/2022
Investment Policy	3/3/1997		12/1/2014
Mileage Reimbursement Policy		11/14/2022	1/1/2023
Post-Issuance Compliance Policy for Tax-Exempt Govt. Bonds	6/22/2009	9/1/2021	1/27/2020
Public Purpose Expenditure Policy		10/17/2022	10/17/2022
Purchasing Policy	5/20/2002		9/12/2011
Revenue Policy	8/31/1987		1/23/2006
Risk Management Policy			1/19/2006
Self-Insurance Reserve Policy	1/23/2012		1/23/2012
Tax Increment Policy	6/10/1991	9/1/2021	1/27/2020
Travel Policy	11/1/1980	11/14/2022	1/1/2023
Uniform Grant Guidance Policy	2/22/2021	2/22/2021	2/22/2021
Utility Collection Policy	10/21/2013		10/21/2013



financial summaries

FINANCIAL SUMMARIES



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annual budget 2023

Summary of Budgeted Funds (General, Special Revenue, Enterprise, Internal Service)

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 60,780,801	\$ 61,786,140	\$ 67,528,558
Delinquent Taxes & Abatements	\$ (875,372)	\$ (796,103)	\$ (831,295)
Utility Fees	\$ 46,055,297	\$ 45,607,157	\$ 49,759,364
Departmental Charges	\$ 42,848,754	\$ 36,610,612	\$ 39,068,953
Lodging and Admissions Taxes	\$ 6,338,152	\$ 9,591,826	\$ 9,526,435
Bond Proceeds	\$ 52,507	\$ 52,507	\$ -
Program Income	\$ 6,489,092	\$ 7,567,908	\$ 8,217,069
Permits and Licenses	\$ 6,472,296	\$ 8,613,003	\$ 7,160,450
Transfers from Other Funds	\$ 10,019,472	\$ 14,088,639	\$ 7,858,559
Intergovernmental	\$ 7,484,937	\$ 8,217,674	\$ 7,112,693
Other Revenues	\$ 2,621,059	\$ 3,348,218	\$ 2,624,755
Franchise & PEG Fees	\$ 1,302,125	\$ 1,235,181	\$ 1,300,000
Interest Income	\$ (764,242)	\$ (4,925,407)	\$ 917,812
Fines & Forfeitures	\$ 445,686	\$ 389,888	\$ 420,000
Special Assessments	\$ 645,575	\$ 613,871	\$ 342,105
Total Revenues	\$ 189,916,139	\$ 192,001,114	\$ 201,005,458
Expenses			
Salaries and Benefits	\$ 73,633,786	\$ 85,336,497	\$ 94,313,788
Materials, Supplies, & Services	\$ 54,363,549	\$ 62,488,891	\$ 68,921,711
Capital Outlay	\$ 9,590,380	\$ 19,913,014	\$ 19,756,168
Debt	\$ 1,943,598	\$ 1,324,232	\$ 1,334,933
Transfers to Other Funds & Contingency	\$ 9,198,215	\$ 7,683,440	\$ 2,580,745
Internal Service Fund Charges	\$ 33,636,745	\$ 27,719,576	\$ 29,719,942
General Fund Chargebacks	\$ (9,216,774)	\$ (10,158,196)	\$ (10,751,574)
Budgeted Estimated Unspent			\$ (1,380,434)
Total Expenses	\$ 173,149,499	\$ 194,307,454	\$ 204,495,279

Property Tax Recap	2021	2022	2023
<u>Property Tax Amounts in Capital and Debt Service Funds</u>			
Strategic Priorities Capital Fund	\$ -	\$ 600,000	\$ -
Tax Abatement Capital Fund	\$ 300,000	\$ 300,000	\$ 300,000
Debt Service Funds	\$ 5,388,034	\$ 5,610,587	\$ 6,717,320
	\$ 5,688,034	\$ 6,510,587	\$ 7,017,320
<u>Property Tax Amounts in Budgeted Funds</u>	\$ 60,780,801	\$ 61,786,140	\$ 67,528,558
Total Property Tax	\$ 66,468,834	\$ 68,296,727	\$ 74,545,878

Total General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 56,782,093	\$ 57,471,203	\$ 63,160,085
Delinquent Taxes & Abatements	(182,457)	88,677	
Lodging and Admissions Tax	6,338,152	9,591,826	9,526,435
Permits and Licenses	6,021,565	8,082,461	6,810,450
Intergovernmental	5,821,918	6,173,202	5,719,627
Program Income	1,938,901	1,832,643	2,147,633
Fines	359,334	317,773	350,000
Interest Income	(359,734)	(1,910,740)	150,000
Other Revenues	1,439,991	1,309,888	1,097,040
Transfers from Other Funds	5,003,002	9,412,801	5,200,441
Total Revenues	83,162,765	92,369,734	94,161,711
Expenses			
Salaries and Benefits	55,382,061	63,447,221	70,869,724
Materials, Supplies, & Services	29,603,302	29,406,453	32,837,510
Capital Outlay	47,424	836,483	289,858
Transfer to Other Funds & Contingency	3,790,700	6,359,500	2,296,627
Charged to Other Funds	(9,162,553)	(10,079,232)	(10,751,574)
Budgeted Estimated Unspent			(1,380,434)
Total Expenses	79,660,934	89,970,425	94,161,711
Working Capital			
Net Change	3,501,831	2,399,309	-
Working Capital at Beginning of Year	39,064,038	42,565,869	44,965,178
Working Capital at End of Year	\$ 42,565,869	\$ 44,965,178	\$ 44,965,178
Working Capital Goal	\$ 36,232,902	\$ 43,834,347	\$ 43,834,347

Special Revenue Funds

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Fire Pension	\$ 1,699,667	\$ 2,146,883	\$ 1,784,100
Communications	1,770,781	1,814,547	1,997,518
Creative Placemaking	507,659	401,162	630,000
South Loop Revolving Development	37,262	223,596	390,432
Cemetery	207,874	176,423	205,215
Park Grants	57,092	129,765	92,200
Enhanced 911	167,974	224,816	225,165
DWI Forfeiture	55,865	33,750	36,000
State Drug Forfeiture	23,046	7,812	5,500
Federal Dept. of Justice Drug Forfeiture	26,081	25,683	30,000
Federal Treasury Drug Forfeiture	2,046	2,062	-
Police Grants	565,988	598,679	-
Total Revenues	\$ 5,121,335	\$ 5,785,178	\$ 5,396,130
Expenditures			
Fire Pension	\$ 1,879,113	\$ 1,061,152	\$ 776,741
Communications	1,925,591	1,917,843	2,060,384
Creative Placemaking	544,907	258,923	813,777
South Loop Revolving Development	28,491	38,785	190,000
Cemetery	207,747	244,310	225,085
Park Grants	57,625	139,876	216,469
Enhanced 911	147,896	168,733	183,501
DWI Forfeiture	35,787	29,161	53,792
State Drug Forfeiture	106,409	93,364	30,000
Federal Dept. of Justice Drug Forfeiture	16,317	247,306	35,000
Federal Treasury Drug Forfeiture	16,960	68,395	120
Police Grants	565,988	598,679	-
Total Expenditures	\$ 5,532,831	\$ 4,866,527	\$ 4,584,869

Enterprise Funds Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Water Utility Fund	\$ 19,005,613	\$ 20,059,898	\$ 21,390,115
Wastewater Utility Fund	13,800,640	13,618,797	13,993,129
Solid Waste Utility Fund	8,408,942	9,712,386	10,726,302
Storm Water Utility Fund	7,231,887	6,933,264	7,679,487
Golf Courses Fund	1,980,646	1,970,522	1,963,950
Ice Garden Fund	1,589,506	1,976,326	2,096,435
Aquatics Fund	890,699	863,609	784,800
Center for the Arts Fund	2,024,199	1,154,660	1,132,317
Contractual Police Services Fund	796,831	1,141,590	932,529
Total Revenues	\$ 55,728,962	\$ 57,431,053	\$ 60,699,064
Expenses			
Water Utility Fund	\$ 15,044,674	\$ 17,379,460	\$ 20,557,901
Wastewater Utility Fund	11,782,776	12,176,963	14,239,351
Solid Waste Utility Fund	8,550,708	10,243,975	9,901,165
Storm Water Utility Fund	6,273,432	9,951,276	9,415,616
Golf Courses Fund	1,705,107	1,740,922	1,896,001
Ice Garden Fund	1,696,825	1,943,077	2,255,318
Aquatics Fund	672,039	781,790	1,014,334
Center for the Arts Fund	1,076,031	1,722,611	1,443,251
Contractual Police Services Fund	796,832	1,141,589	932,529
Total Expenses	\$ 47,598,424	\$ 57,081,663	\$ 61,655,466

Internal Service Funds Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Facilities Fund	\$ 13,317,519	\$ 6,903,120	\$ 6,630,044
Employee Benefits Fund	10,571,068	11,311,710	12,017,054
Fleet Maintenance Fund	7,813,374	7,455,899	7,710,521
Information Technology Fund	6,101,469	6,227,833	7,300,968
Benefit Accrual Fund	1,912,235	1,648,133	2,183,374
Self Insurance Fund	2,215,414	2,571,587	2,251,939
Public Safety Technology & Equipment Fund	3,155,337	1,311,969	2,149,958
Support Services Fund	494,041	487,973	504,695
Total Revenues	\$ 45,580,457	\$ 37,918,224	\$ 40,748,553
Expenses			
Facilities Fund	\$ 13,091,729	\$ 10,943,937	\$ 7,357,663
Employee Benefits Fund	10,216,124	10,870,607	11,973,981
Fleet Maintenance Fund	8,662,074	7,124,011	8,997,101
Information Technology Fund	5,816,417	6,387,976	8,002,917
Benefit Accrual Fund	2,956,869	2,778,210	2,255,000
Self Insurance Fund	2,160,806	1,998,093	2,582,466
Public Safety Technology & Equipment Fund	1,880,391	1,636,060	2,399,398
Support Services Fund	459,495	478,281	524,706
Total Expenses	\$ 45,243,905	\$ 42,217,175	\$ 44,093,232

Fund Balances - Governmental Funds

Fund balance is defined as the difference between a fund’s assets and liabilities. Adequate fund balance enhances the City’s financial position and bond ratings. It also provides cash for operations prior to receipt of tax revenues. Cities in Minnesota receive their largest sources of revenue, property tax, only twice each year. Fund balances are used for day-to-day cash flow for the following six months of operations until the next property tax distribution. Fund balances are required to be categorized as one of five different components on the Annual Comprehensive Finance Report:

Fund Balance Restricted Components:

Non-spendable: Dollars that cannot be spent because they are not in a spendable form, or they are legally or contractually required to remain intact.

Restricted: Dollars on which there are constraints placed regarding their use. External constraints include those imposed by creditors, grantors, or laws of other governments. Other constraints might be those imposed by law.

Fund Balance Unrestricted Components:

Unrestricted-Committed: Dollars that must be kept for specific purposes as determined by formal action of the decision-making authority.

Unrestricted-Assigned: Dollars that the City intends to use for a specific purpose but they are not committed.

Unrestricted-Unassigned: Dollars that do not fall into any of the other classifications.

Governmental Funds	Estimated Ending 2022 Fund Balance	2023 Budgeted Revenues	2023 Budgeted Expenses	2023 Budgeted Net Change	Projected Ending 2023 Fund Balance	% Change
General Fund	\$ 45,197,088	\$ 94,161,711	\$ (94,161,711)	\$ -	\$ 45,197,088	0.00%
Fire Pension	5,472,039	1,784,100	(776,741)	1,007,359	6,479,398	18.41%
Communications	277,420	1,997,518	(2,060,384)	(62,866)	214,554	-22.66%
Creative Placemaking	740,245	630,000	(813,777)	(183,777)	556,468	-24.83%
South Loop Revolving Development	589,873	390,432	(190,000)	200,432	790,305	33.98%
Cemetery	382,861	205,215	(225,085)	(19,870)	362,991	-5.19%
Park Grants	70,170	92,200	(216,469)	(124,269)	(54,099)	-177.10%
Enhanced 911	93,180	225,165	(183,501)	41,664	134,844	44.71%
DWI Forfeiture	470,056	36,000	(53,792)	(17,792)	452,264	-3.79%
State Drug Forfeiture	103,760	5,500	(30,000)	(24,500)	79,260	-23.61%
Federal Dept. of Justice Drug Forfeiture	73,970	30,000	(35,000)	(5,000)	68,970	-6.76%
Federal Treasury Drug Forfeiture	2,327	-	(120)	(120)	2,207	-5.16%
Police Grants	-	-	-	-	-	0.00%
	\$ 53,472,989	\$ 99,557,841	\$ (98,746,580)	\$ 811,261	\$ 54,284,250	1.52%

% Changes greater than 10% highlighted are explained below

Fire Pension Fund - The increase follows the objective of the Fire Pension Fund to build an adequate reserve for future pension obligations without causing property tax volatility. For 2023 the pension is funded over 120% and therefore does not require additional funding other than the pass through of State Aid.

Communications Fund - Communications had a plan to spend down working capital in 2023.

Creative Placemaking Fund - The Creative Placemaking Fund will be receiving additional money from the Port Authority in 2023 to expand Creative Placemaking projects beyond the South Loop District into other areas of Bloomington.

South Loop Revolving Development – 2023 budget includes professional services expense for a pedestrian study of the 24th Avenue Corridor and a South Loop Development Plan update.

Park Grants Fund – Planned spend down of previously accumulated “Lottery-in-Lieu-of-Taxes” revenue received from the State’s Environment and Natural Resources Fund along with “Legacy” revenues from the State’s Parks and Trails Fund. These revenues are restricted to use for operational and maintenance costs associated with the Hyland-Bush-Anderson lakes Regional Park Reserve.

Enhanced 911 – The State increased the monthly aid for Enhanced 911 midway through 2021 and it will continue to be at the higher levels in 2023.

State Drug Forfeiture – Planned spend down of previously accumulated State Forfeiture fund on allowable Police expenses.

Working Capital

Working Capital balance is defined as the difference between a fund’s current assets and current liabilities. It is a measure of operational liquidity in order to meet short-term financial obligations as well as saving for future long-term purchases. It also ensures that there are liquid funds available for unexpected or emergency events.

All budgeted funds’ Working Capital balances are analyzed during the budget process to ensure that the requested budget will keep the Working Capital balance near the goal required for the fund - not only in the budget year, but also projected into the future in long-range budget models. The General Fund Financial Summary located earlier in this Financial Summaries section includes the beginning, ending, and net change in Working Capital at the bottom of the summary. All the Special Revenue, Enterprise, and Internal Service Funds also include beginning, ending, and the net change in Working Capital in their Financial Summaries.

2023 Budgeted Revenue Sources

Budgeted Revenues

The largest budgeted revenue sources are Property Taxes, Utility Fees, Lodging and Admission Taxes, Program Income, Intergovernmental revenues such as grants and State aids, and Permits and Licenses. These revenues comprise 96.9% of the City’s overall revenue budget.

Revenue Source	2023 Budget	% of Overall Budgeted Revenue
Property Taxes	\$67,528,558	43.8%
Utility Fees	49,759,364	32.3%
Lodging and Admission Taxes	9,526,435	6.2%
Program Income	8,217,069	5.3%
Intergovernmental	7,112,693	4.6%
Permits and Licenses	7,160,450	4.7%
Other Revenues	4,773,377	3.1%
Total Revenues	\$154,077,946	100%

(Not including Internal Service Fund revenue of \$39,068,953 or transfers from other funds of \$7,858,559)

Property Taxes – 95% of the budgeted \$67,528,558 in property taxes are expended in the General Fund to support taxpayer services such as Police, Fire, Public Works, Parks and Recreation, Community Services, and Community Development. The remaining 5% of budgeted property taxes support the Bloomington Family Aquatic Center, Bush Lake Beach, Ice Garden, Dwan Golf Course, the Bloomington Center for the Arts, the Fire Pension Fund, the Communications Fund, and removal and replacement of diseased trees in the Solid Waste Fund. Additional property taxes of \$7 million were levied for Capital Project Funds and Debt Service Funds that are separate from the City’s annual operating budget.

The City Council sets a preliminary tax levy that is due to the County by the end of September. The preliminary tax levy for 2023 was a 10.5% increase from the 2022 tax levy. The City Council then approves a final tax levy in December after a property tax public hearing that is required by State statute. The final tax levy for 2023 was a 9.15% increase from the 2022 tax levy. The City receives the distribution of property taxes from the County twice a year, in January and July.

Utility Fees – The City has utility services for water, sewer, stormwater mitigation, and garbage and recycling. Rates are determined by calculating the amount of funding needed to cover operations and future capital costs.

The City Council approved the following 2023 rate changes after a public hearing on November 14, 2022:

Utility	2023 Rate Change
Water	7.5%
Wastewater	3.0%
Stormwater	5.5%
Garbage*	4.6%
Recycling	3.0%
Bulky Item Management	-16.0%
Organics	0.0%
<i>*average of small, medium, & large carts</i>	

Water Utility

Recent local weather patterns and conservation efforts have influenced overall water use, current water fund reserves, and annual budgeting estimates. Wetter than normal summer seasons have had a significantly lowered water usage which has lowered revenues. The City Council approved a water utility rate increase of 7.5% for 2023 after a public hearing on November 14, 2022. The increase was necessary to cover annual operational and maintenance costs, while building capital reserves for asset renewal.

Wastewater Utility

A large portion of annual operational expenses for the wastewater utility are for the treatment charges from the Metropolitan Council Environmental Services (MCES). A 3% rate increase for 2023 was approved after a public hearing on November 14, 2022. The current rates and working capital balance were adequate to cover annual operational and maintenance costs, while building capital reserves for asset renewal.

Stormwater Utility

A stormwater utility fee is charged to property owners to recover costs associated with providing storm water utility service to protect structures and the public from storm water damage caused by surface water runoff. Construction projects strive to improve and renew existing infrastructure as well as build resiliency within the existing storm sewer system. A combination of funds on hand, bond proceeds, and future rate increases are proposed to fund these projects. A 5.5% rate increase for 2023 was approved by the City Council on November 14, 2022. This increase will allow the storm

utility to continue funding maintenance construction and activity and maintain compliance with State and Federal regulations.

Solid Waste Utility (Garbage, Recycling, and Organics)

In October 2016, Bloomington began managing garbage and recycling for approximately 22,000 households that previously had individual contracts with residential haulers. The haulers formed a consortium that handles collection and customer service for these households. In March 2022, the new service of Organics Recycling began. Like regular recycling, an organics rate is paid by all residents with City garbage service, but residents must sign up for a cart to participate. In 2023, the bulky item management program changed to an every other year curbside cleanup with an annual community drop off event offered in alternate years.

Program Income – Program income is received from fee-supported services such as green fees, pool admissions, sport team fees, and public health fees. Fees are reviewed annually and increased to match the cost of service when necessary. The annual fee schedule is approved by the City Council. Revenues are projected on historical averages with considerations of rate increases and changes to program offerings.

Permits and License Fees – Permits and license fees of \$7,160,450 account for 4.7% of total budgeted revenues. The City Clerk's Office issues licenses as required by the City Code. Licenses for business, liquor, gambling, pets, taxicabs, and rental housing are all examples of licenses issued by the City. The Building and Inspection Division in Community Development issues permits for building, roofing, siding, decks, electrical, mechanical, plumbing, fire prevention, and special events. Permit revenues have been trending higher than budget in recent years.

Lodging and Admission Taxes – A 7% lodging tax is collected from hotel and motel lodging accommodations and related services. 3% of the lodging tax supports the General Fund. 2% supports the South Loop Capital Fund and 2% supports the Bloomington Visitors and Convention Bureau. A 3% admissions tax is collected on entertainment events in the City that includes ticket sales to theaters, amusement parks, and cover charges to night clubs, bars, and restaurants. The full 3% admission tax supports the General Fund. During the pandemic, this revenue source declined dramatically. However, 2021 admission tax levels are back to 2019 pre-pandemic levels and lodging tax revenues have also increased considerably and are projected to be at 92% of 2019 revenues.

Intergovernmental – A major source of intergovernmental revenue in the General Fund is from State aid for the Police pension expenses of \$1.1 million. There is also over \$726,000 received from the State for the Paid-On-Call Volunteer Firefighter's pension that is budgeted in the Fire Pension Special Revenue Fund. Most of the intergovernmental revenue in the budget is for the Public Health Division. There is a total of \$4.5 million budgeted in the General Fund for the Public Health division for intergovernmental revenue for the many grants that fund a large portion of their operations.

Long-Range Financial Plans

The City utilizes long-range financial budget models to detect any future structural funding problems as early as possible. Long-range financial models ensure there is sufficient working capital to support current services and future capital needs. If trends show that working capital is decreasing below required goals, decisions can be made now to find additional revenues, identify reductions in operating expenses, modify future capital investments, and/or reduce or eliminate programs or services. Long-range models are also used to provide financial context for significant policy decisions that would impact future tax levies.

Key Assumptions in General Fund Long-Range Model

Lodging and Admission Taxes

In 2020 and 2021, the biggest impact on the budget was the significant decline modeled for lodging and admission taxes due to the negative impact on the hospitality and entertainment industry caused by the COVID-19 pandemic. 2021 lodging taxes were budgeted at \$4.4 million less than the 2020 budget and 2021 admission taxes were budgeted at almost \$1 million less than the 2020 budget. Fortunately, 2021 and 2022 actual lodging and admission taxes were higher than budgeted. A continued moderate increase of these revenues was forecasted for the 2023 budget. In the long-range model, the lodging and admission taxes are not expected to reach pre-pandemic levels until 2024 or 2025 based on industry analysis and trends but are anticipated to come back faster than originally forecasted.

Property tax revenues

Property Taxes are the primary source to fund several activities in the City including Public Safety, Public Works, Parks and Recreation, Public Health, and Community Development. An annual property tax levy increase is modeled in future years to cover reasonable downturn scenarios and inflation. This increase will likely be reduced as future budgets are refined through appropriation reductions or revenue increases.

Permits and Business licenses

Permits and business license revenue has been conservatively estimated. However, building permits can fluctuate significantly depending on the reinvestments made by property owners to upgrade existing properties and invest in significant new projects and the strength of the building market.

Program income

Program income is generated by various programs throughout the City. Program income and the corresponding expenditures declined significantly in 2020 due to most of the

Parks and Recreation programs being cancelled because of the pandemic. They have come back slowly over the past two years, with modest increases budgeted for 2023.

Appropriations

Appropriation needs are developed by Department Heads and Division Managers after pre-loaded expenses such as salaries, benefits, and internal charges are loaded in budgets. On average, salaries and benefits make up approximately 75% of General Fund expenses. Overall, appropriations in long-term models are projected to increase annually at an average rate of 3%.

Salaries

Salaries are projected to increase by an estimated cost of living plus incentives for performance and step increases. 2023 salary budgets included an average increase of 3%. Later years of budget forecasts include wage increases of 2.5-3.5% for modeling purposes only. Part-time hourly rates for temporarily seasonal positions in Parks and Recreation and Public Works increased significantly in order to compete with the current labor market.

Health Insurance

The City finalized a 6.9% rate increase in health insurance premiums for the second year of a three-year agreement with the Minnesota Health Consortium (MHC)/Medica that included caps on future rate increases, access to fitness, wellness, and other well-being programs, and cash incentives for employee wellness programs. The increase was less than forecasted and below the previously negotiated rate cap of 7.5%. Forecasts use an average of 8% annual increases in long-term models.

Contingency

A contingency of at least 2.5% of the current year's budgeted expenditures, is included in the General Fund model. An estimated unspent amount is included to offset the budget by an amount historically under spent in the General Fund. This is typically due to savings incurred when full-time positions are vacant.

Structural Balance

The General Fund long-term model reflects conservative estimates of revenue and estimates of expenditures based on trends, industry forecasts, and future service level plans. Each year in the long-range budget model shows a balanced budget. Each year the model is updated to include changes in inflation, community growth, program choices, and levels of service. The subsequent modeling provides a financial context to understand funding requirements to maintain quality services. The out-years will be tempered with possible levy limits, program choices, and levels of service.

Budget gaps identified in future years are closed at least a year before budget adoption using cost reduction and/or revenue enhancement methods.

This General Fund model is part of a larger model the City developed to deal with downturns. There are a number of alternatives for increasing revenues and decreasing expenditures that the City will continue to consider. The City has demonstrated successfully how to apply these to work through downturns and to phase out their usage in the upturn to restore fund balances where appropriate. One of the main principles used is conservative budget management is to keep expenditure increases in line with inflation.

General Fund Long-Range Model Years 2023-2027

	2023	2024	2025	2026	2027
	Budget	Conceptual	Projected	Projected	Projected
Property Tax Levy	63,991,380	\$69,774,330	\$72,457,520	\$76,408,598	\$79,353,174
Less Delinquent Taxes & Abatements	(831,295)	(907,066)	(941,948)	(980,564)	(1,018,353)
Admissions Tax	1,692,989	1,692,989	1,692,989	1,709,919	1,727,018
Lodging Tax	7,833,446	7,974,258	8,612,928	8,699,057	8,786,048
Business Licenses	1,877,850	1,885,850	1,904,709	1,923,756	1,942,993
Permits	4,932,600	4,094,600	4,176,492	4,260,022	4,345,222
Fines	350,000	350,000	350,000	350,000	350,000
Program Income	2,147,633	2,162,863	2,184,492	2,206,337	2,228,400
Intergovernmental Revenue	5,719,627	5,084,627	5,135,473	5,186,828	5,238,696
Interest	150,000	150,000	150,000	150,000	150,000
Transfers from Franchise Fees PMP Sealcoating	1,392,430	1,434,203	1,477,229	1,521,546	1,567,192
Transfers from Franchise Fees for Trails	170,000	170,000	170,000	170,000	170,000
Transfers from South Loop to Police	2,037,011	2,098,121	2,006,065	1,906,247	1,798,434
Transfers from Police COT for Admin	15,000	15,000	15,000	15,000	15,000
Transfers from Strategic Priorities - Tax Stabilization	1,100,000	1,100,000	1,100,000		
Transfers from CARES / ARP Fund	486,000	464,000.00			
Transfers Other					
Miscellaneous Revenue	1,097,040	1,042,973	1,053,403	1,063,937	1,074,576
REVENUES	94,161,711	98,586,748	101,544,350	104,590,681	107,728,401
City Council	559,493	568,926	585,994	603,574	621,681
Administration	3,347,821	3,601,415	3,709,458	3,820,741	3,935,364
Legal	2,448,029	2,501,187	2,576,222	2,653,509	2,733,114
Finance	1,647,670	1,731,521	1,783,467	1,836,971	1,892,080
Police	31,433,150	32,817,571	33,802,099	34,816,162	35,860,646
Fire	8,856,084	9,950,237	10,248,744	10,556,206	10,872,892
Community Development	10,730,974	11,273,316	11,611,516	11,959,861	12,318,657
Community Services	8,966,282	8,664,135	8,924,059	9,191,780	9,467,534
Parks and Recreation	4,669,696	4,800,047	4,944,048	5,092,370	5,245,141
Public Works	20,586,319	21,724,409	22,376,141	23,047,425	23,738,848
Transfers to Other Funds		0	0	0	0
Estimated Unexpended (2% of Salaries & Benefits)	(1,380,434)	(1,450,570)	(1,494,087)	(1,538,910)	(1,585,077)
Total Expenditures	91,865,084	96,182,193	99,067,659	102,039,689	105,100,879
Contingency (2.5% of Total Expenditures)	2,296,627	2,404,555	2,476,691	2,550,992	2,627,522
Expenditures with Contingency	94,161,711	98,586,748	101,544,350	104,590,681	107,728,401

Note: Years 2024-2027 are estimates. Property tax increases modeled above will likely be reduced as future budgets are refined through revenue increases and/or reductions of expenses.



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Capital Projects

The Capital Improvement Plan (CIP) constitutes the capital improvement plan of the City of Bloomington (City). It is a planning tool based on long-range physical planning and financial projections that forecast the City, the Bloomington Port Authority (Port), and Housing and Redevelopment Authority for the City of Bloomington (HRA) capital needs over a ten-year period as building blocks to help achieve the City's strategic vision and mission. The CIP includes a detailed description of every Capital Project anticipated to be initiated during the ten-year period.

The preliminary draft was presented at the October 17, 2022 City Council Meeting and brought to the Planning Commission in November 2022. The final [2023-2032 Capital Improvement Plan \(CIP\)](#) was adopted by the City Council after a Public Hearing on December 5, 2022. The CIP document is approved annually but projects are tracked and updated on a quarterly basis. To view the most recent updates, visit our dedicated CIP page at blm.mn/CIP.

The Capital Budget development process starts with Departments preparing requests for needed projects using the CIP database. Projects can come from the Alternative Transportation Plan, the Park Master Plan, the South Loop Master Plan, the Pavement Management Program, the fifteen-year modeling done for water, sewer and storm water utilities and the facility fund. A Facilities Committee reviews and prioritizes these types of structural needs. Once completed, an analysis of funding requirements and any necessary related prioritization is done by the Executive Management Team.

The cost estimates for each request include capital and operating budget costs that would result from the new or expanded capital facilities improvements and infrastructure. The cost estimates are presented in the CIP document, as is the impact on bonded debt and related debt service and the tax cost impact for various property types. According to the City's CIP Policy, operating costs must be projected and included in operating budget forecasts.

The CIP is reviewed by the Planning Commission for compliance with the Comprehensive Plan. The Mayor and Council then use the compiled information, along with results of public discussion, to decide which projects are to proceed and how they will be funded. The CIP is approved as a plan guide and does not represent approval of any particular project. Individual projects are not given final approval until they are brought back to the City Council for reaffirmation.

Capital projects have expenditures of at least \$50,000 and a useful life of at least four years. Capital project fund expenditures are incorporated into the budget process based on Council appropriation. Individual project budgets are then approved by the Council on a project-by-project basis.

Capital Improvement Plan Goals

- Maintain a systematic approach to planning and initiating capital projects affording the opportunity to plan the location, timing, and financing of the needed public improvements.
- Development of a realistic program of capital spending with the projected fiscal capability to finance such projects, avoiding sharp changes in the tax levy or bonded indebtedness.
- Enable the City, Port and HRA to evaluate the needs of the entire City on a strategically oriented framework.
- Coordinate the capital needs with the adopted Comprehensive Plan.
- Maintain awareness with the public and private investors of the scope of the City's capital improvements.
- Enhance opportunities for participation in federal and/or state grant and aid programs.

Highlights of 2023 Capital Funding Projects:

City Facilities

Small Business Development Center (2023-2024)

\$ 1,800,000

City owned, city-led Small Business Development Center (SBDC) to provide resources to existing businesses and aspiring entrepreneurs. This space will act as an incubation space, offering affordable office and meeting space, and a welcoming and inviting multicultural environment so people of all races and backgrounds will be welcomed and honored in this space. Staff propose offering physical space for entrepreneurs, as well as training, resources and networking with other business owners while making this a creative placemaking project and a resource for local artists and the community. Staff will partner with organizations for programming and services. The location of the SBDC will be the previous Fire Station 3 location, 2050 E. 86th Street.

Park Development

No projects over \$1 million planned for 2023.

Sewer, Water, and Storm Water

Corridors of Commerce Project (2023-2024)

\$ 2,000,000

Work that will be required as part of Project 1 of the I-494: Airport to Highway 169 project

South Loop

This development district includes Bloomington Central Station and the Mall of America. Funding for projects is provided from business tax revenues dedicated to area improvements. No projects over \$1 million planned for 2023.

Surface Transportation

France Ave + Minnesota Drive Improvements **\$ 2,950,000**

Safety improvement project on France Ave (CSAH 17) between American Blvd and Minnesota Drive. Safety improvements include raised right turn islands, upgrade to ped ramps, audible pedestrian signal (APS), off road facilities, enhanced medians, signal upgrades, wayward signing and raised pavement markings.

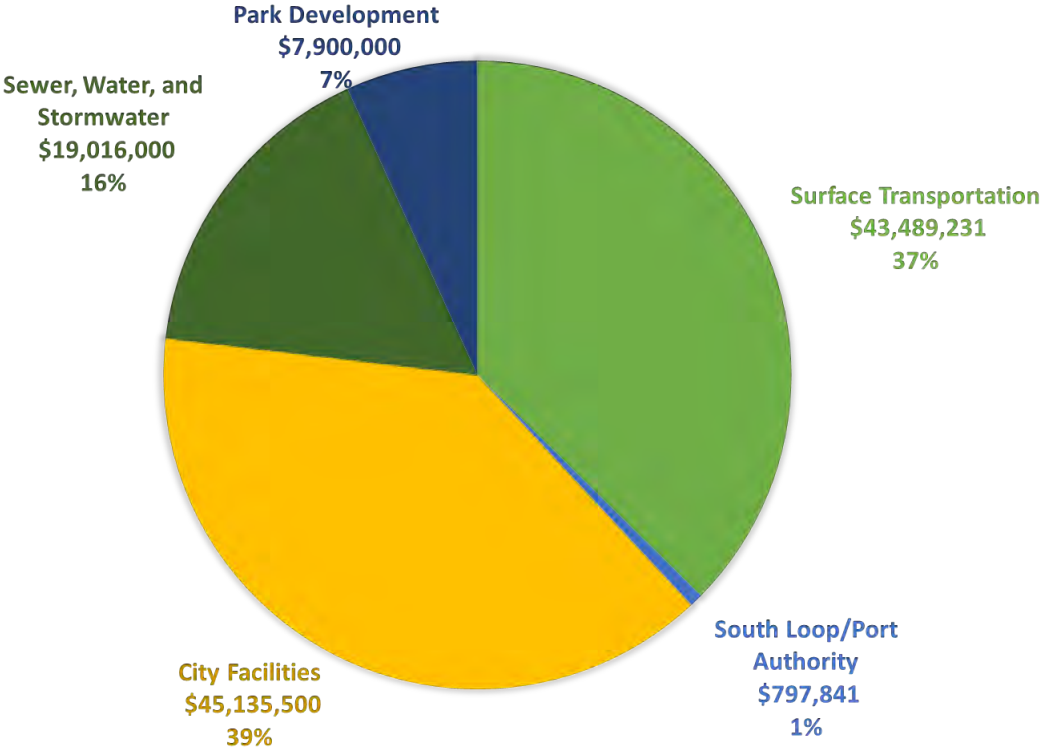
Pavement Management Program

A funding and implementation plan for repair and maintenance of Bloomington roadways was adopted in 1992. Needs are identified, then funding is provided through state aids, assessments, and franchise fees. This program not only strategically plans for repair and replacement, but also maximizes efficiency in the process by identifying the optimum time to replace or repair roads and streets. The original plan spanned three specific areas: reconstruction, overlay and seal coating. In 2015 the City Council approved adding trails to the program.

Within the Surface Transportation Area, the Pavement Management Program (PMP) is the predominate activity that provides a system for ongoing maintenance of approximately 340 centerline miles and 40 miles of asphalt trails within the City of Bloomington. Evaluating the asphalt pavement infrastructure within the City, the current average Pavement Condition Index (PCI) for roads is 78 and trails is 68. The goals of the PMP program are to have the number of “adequate” streets at 70% or greater and keep the “problem” street at 10% or less. This ensures that the City preserves the infrastructure investment and provides an expected level of service to the community. This requires an investment that ranges from \$14,400,000 to \$18,750,000 annually and includes state aid funds in addition to general funds and franchise fees. Franchise fees were adopted in 2015 with the first revenue collected in 2016 and the fees were increased for the first time effective 2022. These fees are used as part of the PMP funding sources for overlays, seal coat, and trail and sidewalk work.

In 2023 approximately \$8,115,000 will be invested in street reconstruction and \$5,400,000 will be spent on overlaying existing pavement. Operating costs are not significantly impacted because on average the same number of miles are reconstructed and overlaid every year on a long-term schedule keeping costs for street maintenance stable and predictable.

Total Estimated Expenses by Category for 2023 and 2024 CIP Projects

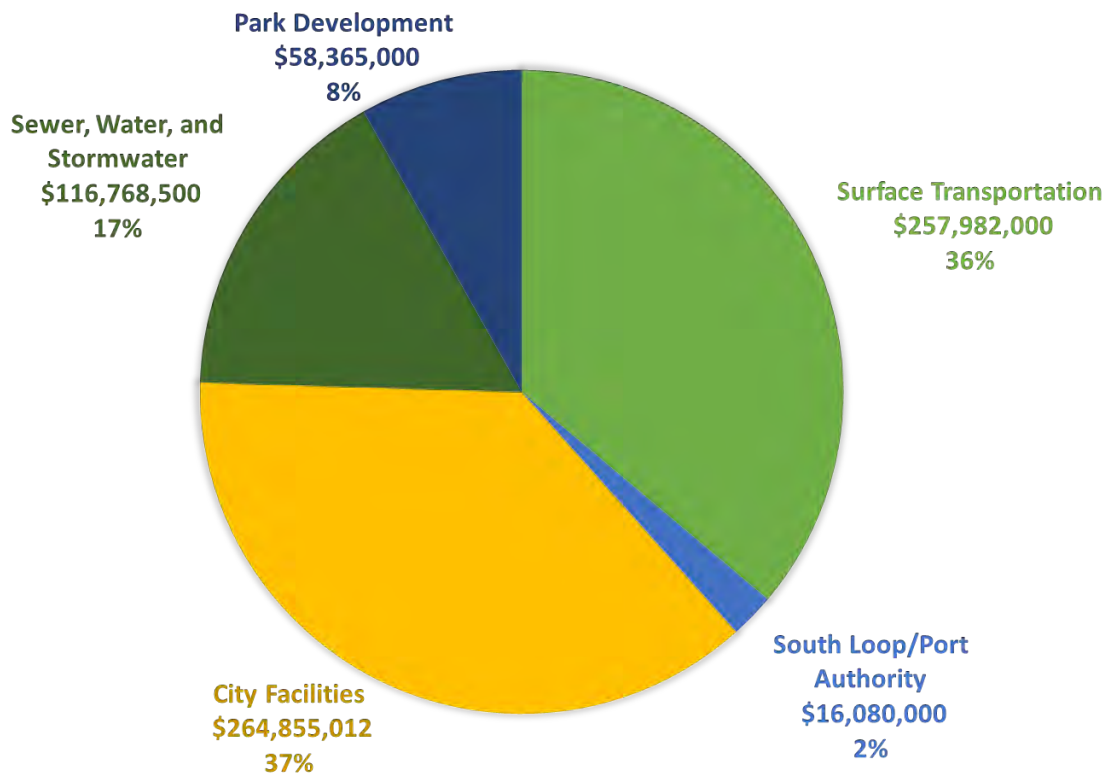


Total Estimated Funding Sources for 2023 and 2024 CIP Projects

Funding Source	2023 Projects	2024 Projects
City Funds	\$21,262,256	\$22,624,756
Grants	2,789,200	4,959,960
Charter Bonds	0	5,250,000
PIR Bonds & Assessments	7,715,387	8,121,156
Other Funds	4,333,000	37,182,857
Total	\$36,099,843	\$78,138,729

Total Estimated Expenses in the ten-year range

Category	Costs 2023-2032
City Facilities	\$ 294,560,000
Park Development	61,200,000
Sewer, Water, and Stormwater	116,768,500
South Loop	16,080,000
Surface Transportation	257,982,000
Total	\$ 746,590,500



Debt Overview

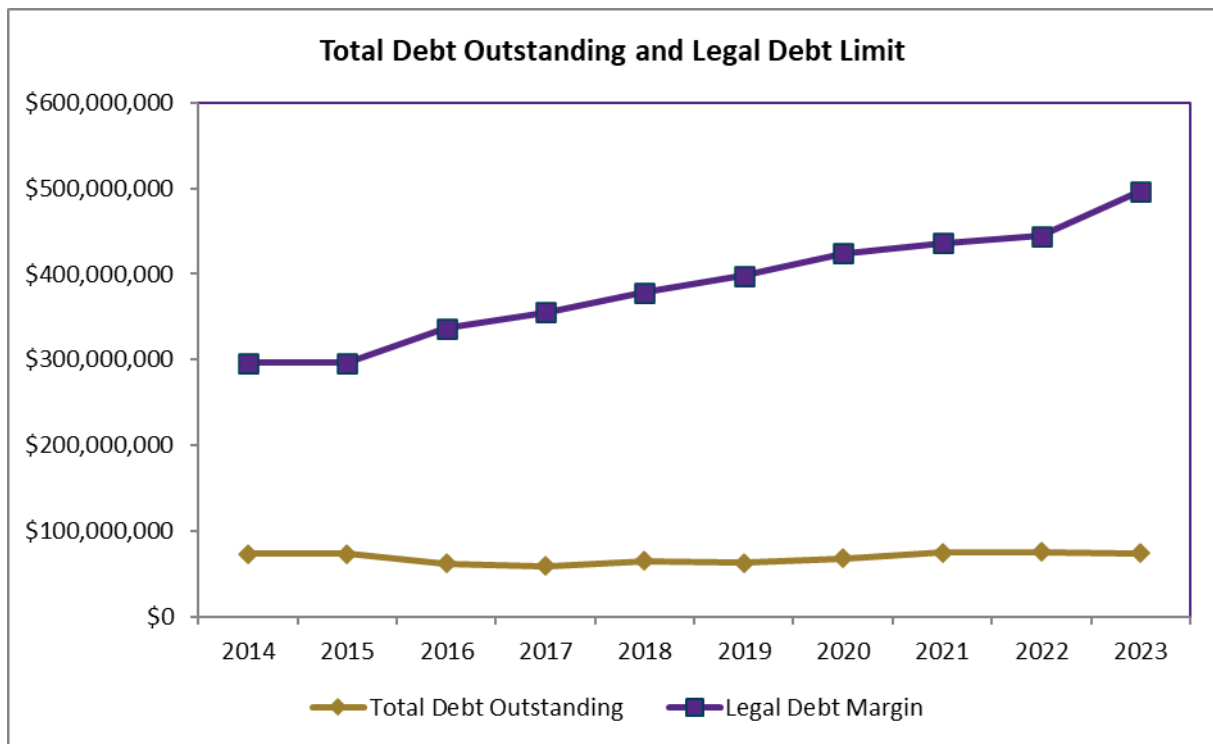
Ongoing positive performance in financial operations and savings from conservative spending assist in reducing the level of annual debt issuance. This results in debt service cost savings and, ultimately, lower debt service levies.

The City issues debt only when projects have a longer life than the term of the borrowing and to reimburse funding for large improvement projects. For more details on the City’s debt policy, see the Policies section.

Debt Margin

Minnesota State law limits the amount of General Obligation (GO) debt for any municipality to 3 percent of market value. This limitation provides reasonable assurance of the municipality’s ability to pay its obligations. Bloomington’s estimated taxable market value for taxes payable year 2023 is \$17,144,860,200. The graph below shows ten years of legal debt limit and total debt outstanding. The space between the debt limit and outstanding debt shows that the City is conservative in the amount of debt issued compared to the statutory limit.

	2023
General Obligation Debt Limit	\$ 514,345,806
Bloomington’s Debt Subject to the limit	<u>17,270,000</u>
Debt Margin	<u>\$ 497,075,806</u>



Debt Issuance and Refinancing

The City of Bloomington has been very conservative in its debt issuance practices and holds Moody's Aaa, Standard & Poor's AAA and Fitch Rating Agency's AAA G.O. debt ratings, one of 33 municipal governments of 19,500 nationwide to achieve the "Triple Triple A."

General Obligation Debt Issuances During 2022

In April of 2022, the City issued:

- \$11,975,000 of General Obligation Capital Improvement Plan Bonds. The proceeds will be used to finance for the construction of improvements to fire stations within the City.

In September of 2022, the City issued:

- \$11,875,000 of General Obligation Permanent Improvement Revolving Fund Bonds. The proceeds were and will be used for specific development projects and the Pavement Management Program to finance curb and gutter, sidewalk and road surfacing improvement projects within the City for the years of 2022 and 2023.

In December of 2022, the City issued the following debt:

- \$5,551,460 was an additional draw on the 2019 Taxable General Obligation Tax Increment Revenue Bonds. The proceeds were used to establish additional project within the Affordable Housing Trust Fund.

Anticipated Debt Issues

The City does not anticipate issuing debt in 2023.

The City's total outstanding tax and assessment supported debt on December 31, 2022, was \$80,325,000 for a per capita amount of \$883 (population 90,974). The per capita limit on the City's debt is \$5,654.

The total debt principal and interest due in 2023 is \$10,498,463 of which \$1,315,668 is borne by the property tax levy. About 44 percent of the currently issued debt will be paid off in five years and over 77 percent in ten years. The ability to retire at least half of a city's debt in ten years is considered a strength.

As outlined in the Capital Improvement Plan, there are many community needs that the City of Bloomington must meet. The future debt capacity will allow the City to issue debt to provide for our community's upkeep and renewal without substantially increasing property taxes for debt service. The manageable level of debt service payments allows the City to target funding to current capital needs.

General Obligation

General Obligation Revenue

- 2017B Water Utility Bonds (2018-2027)
- 2018D Storm Water Utility Bonds “Green Bonds” (2020-2034)
- 2019A Bloomington Ice Garden Charter Bonds (2021-2030)

General Obligation

- 2011 Permanent Improvement Revolving, Forty-Five Series (2013-2031)
 - 2012 Permanent Improvement Revolving, Forty-Six Series (2014-2023)
 - 2012A Permanent Improvement Revolving Refunding. Bonds refunded the 2004 Permanent Improvement Revolving, Thirty-Nine Series (2015-2025)
 - 2013 Permanent Improvement Revolving, Forty-Seven Series (2015-2024)
 - 2013A Permanent Improvement Revolving Refunding. Bonds refunded the 2009 Permanent Improvement Revolving, Forty-Three Series (2015-2030)
 - 2014 Permanent Improvement Revolving, Forty-Eight Series (2016-2025)
 - 2015 Permanent Improvement Revolving, Forty-Nine Series (2017-2036)
 - 2016 Permanent Improvement Revolving, Fifty Series (2018-2037)
 - 2016C Permanent Improvement Revolving Refunding. Bonds refunded the 2007 Series Forty-One and 2008 Series Forty-Two (2019-2029)
 - 2017 Permanent Improvement Revolving, Fifty-One Series (2019-2028)
 - 2017A Charter Bonds (2018-2027)
 - 2018 Permanent Improvement Revolving, Fifty-Two Series (2020-2029)
 - 2018A Charter Bonds (2020-2029)
 - 2019 Permanent Improvement Revolving, Fifty-Three Series (2021-2030)
 - 2019B Charter Bonds (2021-2030)
 - 2020 Permanent Improvement Revolving, Fifty-Four Series (2022-2031)
 - 2021 Permanent Improvement Revolving, Fifty-Five Series (2023-2032)
 - 2021A Charter Bonds (2023-2032)
 - 2022 Permanent Improvement Revolving, Fifty-Six Series (2024-2034)
 - 2022A Capital Improvement Plan Bonds (2024-2043)
- Permanent Improvement Revolving Bonds will be retired from special assessments and general property tax levies.

General Obligation Tax Increment

- 2020B Tax Increment Refunding (2023-2032)

Taxable General Obligation

- 2018B Housing Improvement Bonds (2020-2034)
- 2019C Taxable Tax Increment Revenue (2022-2036)

Total Outstanding City Debt

Not all debt is paid out of property tax receipts. Less than half of the City's debt is paid from the property tax levy. The rest is paid through assessments to properties which benefit from a project, through operating fees from people who seek service from an enterprise activity of the City (water utility fees or ice skating admission for example) and tax increment financing.

Existing Debt Payments

Year	Total		Proprietary Bonds		Tax & Assessment Supported Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	7,695,000	2,803,463	875,000	434,932	6,820,000	2,368,531
2024	8,179,431	2,454,024	910,000	391,832	7,269,431	2,062,191
2025	8,862,340	2,132,914	960,000	348,632	7,902,340	1,784,281
2026	8,080,903	1,817,596	990,000	306,707	7,090,903	1,510,889
2027	7,888,705	1,532,538	1,035,000	264,189	6,853,705	1,268,349
2028	7,317,855	1,269,933	935,000	221,113	6,382,855	1,048,820
2029	6,867,232	1,032,589	970,000	185,573	5,897,232	847,016
2030	6,056,842	826,892	995,000	156,046	5,061,842	670,846
2031	5,161,692	655,573	835,000	124,100	4,326,692	531,473
2032	4,586,786	507,718	865,000	90,100	3,721,786	417,618
2033	3,777,130	367,350	895,000	54,900	2,882,130	312,450
2034	3,227,734	252,900	925,000	18,500	2,302,734	234,400
2035	1,463,600	196,175			1,463,600	196,175
2036	7,114,750	174,634			7,114,750	174,634
2037	735,000	152,769			735,000	152,769
2038	695,000	131,319			695,000	131,319
2039	715,000	109,722			715,000	109,722
2040	740,000	86,988			740,000	86,988
2041	760,000	63,550			760,000	63,550
2042	785,000	38,919			785,000	38,919
2043	805,000	13,081			805,000	13,081
	\$91,515,000	\$16,620,645	\$11,190,000	\$2,596,624	\$80,325,000	\$14,024,021



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departmental information



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DEPARTMENTAL
INFORMATION

Staffing Levels

The 2023 budget has a total increase of 44 full-time authorized employee positions compared to the 2022 budget. Nearly half of those new positions were funded by the SAFER (Staffing for Adequate Fire and Emergency Response) grant. The 2022 budget had 574 full-time authorized positions and the 2023 budget has 618 full-time authorized positions.

During 2022, nine new full-time positions were added, and two positions (Legal Administrative Assistant and Public Health Office Assistant) that were previously part-time were moved to full-time. The new positions included a new Equity and Inclusion Program Specialist, four new Firefighter / Fire Inspector positions, a Compliance Manager, a Compliance Paralegal, a Community Health Worker (funded with American Rescue Plan grant funds), and a new Assistant Port Authority Administrator position.

Five full-time positions were eliminated from the 2023 budget. A Public Health Program Manager position was eliminated as part of a Public Health staffing reorganization following a retirement. Three HRA (Housing and Redevelopment Authority) positions were eliminated and reclassified to the Port Authority. Also, a full-time Assessment Assistant was moved from full-time to part-time.

In the 2023 budget, five positions were added in Police, twenty-one were added in Fire, and twelve positions were added in the areas of Public Works, Parks and Recreation, Human Resources, Assessing, and the Port Authority (including the three positions moved from the HRA to the Port)

Fire:

2023 Budget has significant investment in Police and Fire

Adding 3 new full-time firefighters half-way through 2023 along with the 18 that will be added with the SAFER Grant in early 2023.

Police:

Adding 2 new police officers in January 2023 and 2 in June 2023 along with a new dispatch training coordinator.



New Full-Time Positions in 2022:	
Equity and Inclusion Program Specialist	1
Firefighter / Fire Inspectors	4
Compliance Manager	1
Compliance Paralegal	1
Community Health Worker (funded with ARP grant)	1
Assistant Port Authority Administrator	1
Legal Administrative Assistant moved from part-time to full-time	1
Public Health Office Assistant moved from part-time to full-time	1
	11
Full-Time Positions eliminated from 2023 Budget:	
Public Health Program Manager	-1
HRA Program Manager	-1
HRA Analyst	-1
HRA Office Assistant	-1
Move Assessment Assistant from full-time to part-time	-1
	-5
New Full-Time Positions in 2023 Budget:	
Police Officers	4
Firefighters (18 funded with SAFER grant)	21
Dispatch Training & Quality Assurance Coordinator	1
Water Utility Lab Analyst	1
Civic Plaza Facility Maintenance Worker	1
Natural Resources Parkkeeper	1
Sustainability Specialist	1
Solid Waste Sustainability Specialist	1
Port Authority Economic Development Analysts	2
Port Development Coordinator	1
Port Authority Office Support Specialist	1
Assistant Port Authority Administrator	1
Human Resources Representative	1
Assessing Senior Analyst - move from part-time to full-time	1
	38
Total Change in Full-Time Staffing Levels from 2022 to 2023	44



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Position Summary Schedule Authorized Full-Time Positions

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
ADMINISTRATION				
	CITY CLERK - GENERAL FUND	8	8	8
	CITY MANAGER - GENERAL FUND	3	3	3
	HUMAN RESOURCES - GENERAL FUND	6	6	7
	OFFICE OF RACIAL EQUITY INCLUSION & BELONGING - GEN FUND	1	1	2
ADMINISTRATION Total		18	18	20
CITY COUNCIL				
	CITY COUNCIL - GENERAL FUND	1	1	1
CITY COUNCIL Total		1	1	1
COMMUNITY DEVELOPMENT				
	ADMIN - GENERAL FUND	3	3	3
	ASSESSING - GENERAL FUND	12	12	12
	BUILDING & INSPECTIONS - GENERAL FUND	20	22	22
	CREATIVE PLACEMAKING - SPECIAL REVENUE FUND	1	1	1
	ENVIRONMENTAL HEALTH - GENERAL FUND	17	17	17
	PLANNING - GENERAL FUND	9	10	10
COMMUNITY DEVELOPMENT Total		62	65	65
COMMUNITY SERVICES				
	ADMIN - GENERAL FUND	2	2	2
	COMMUNICATIONS - SPECIAL REVENUE FUND	8	8	8
	COMMUNITY OUTREACH & ENGAGEMENT - GF	5	5	5
	PUBLIC HEALTH - GENERAL FUND	24	26	27
	SUPPORT SERVICES (COMMUNICATIONS) - ISF	1	0	0
COMMUNITY SERVICES Total		40	41	42
FINANCE				
	ADMIN & BUDGET - GENERAL FUND	3	4	4
	FINANCIAL OPERATIONS - GENERAL FUND	20	22	22
	RISK MANAGEMENT - GENERAL FUND	1	1	1
FINANCE Total		24	27	27
FIRE				
	FIRE DEPARTMENT - GENERAL FUND	10	13	38
FIRE Total		10	13	38
INFORMATION TECHNOLOGY				
	INFORMATION TECHNOLOGY - INTERNAL SERVICES FUND	17	17	19
INFORMATION TECHNOLOGY Total		17	17	19

Position Summary Schedule Authorized Full-Time Positions

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
LEGAL				
	LEGAL - GENERAL FUND	13	13	16
LEGAL Total		13	13	16
PARKS & RECREATION				
	ADMIN - GENERAL FUND	5	5	5
	AQUATICS FUND - ENTERPRISE FUND	1	1	1
	CENTER FOR THE ARTS - ENTERPRISE FUND	1	1	1
	CREEKSIDE COMMUNITY CENTER - GENERAL FUND	3	3	3
	GOLF COURSES - ENTERPRISE FUND	5	5	5
	ICE GARDEN - ENTERPRISE FUND	4	5	5
	RECREATION - GENERAL FUND	5	5	5
PARKS & RECREATION Total		24	25	25
POLICE				
	ADMIN - GENERAL FUND	4	4	4
	POLICE GRANTS - SPECIAL REVENUE FUND	1	0	0
	POLICE OPERATIONS - GENERAL FUND	120	120	124
	POLICE SUPPORT - GENERAL FUND	31	32	33
	PUBLIC SAFETY TECH & EQUIP - INTERNAL SERV. FUND	1	1	1
POLICE Total		157	157	162
PUBLIC WORKS				
	ADMIN - GENERAL FUND	5	5	6
	ENGINEERING - GENERAL FUND	28	28	26
	FACILITIES - INTERNAL SERV FUND	12	13	14
	FLEET & EQUIPMENT - INTERNAL SERV FUND	12	12	12
	MAINTENANCE ADMIN - GENERAL FUND	9	9	9
	PARK MAINTENANCE - GENERAL FUND	28	28	29
	SOLID WASTE UTILITY - ENTERPRISE FUND	1	1	2
	STORM WATER UTILITY - ENTERPRISE FUND	11	11	11
	STREET MAINTENANCE - GENERAL FUND	24	24	24
	WASTE WATER UTILITY - ENTERPRISE FUND	13	13	13
	WATER UTILITY - ENTERPRISE FUND	39	39	40
PUBLIC WORKS Total		182	183	186
COMPONENT UNITS				
	HOUSING & REDEVELOPMENT AUTHORITY	11	11	8
	PORT AUTHORITY	3	3	9
COMPONENT UNITS Total		14	14	17
Grand Total		562	574	618

City Council

City Council activities are accounted within the General Fund. The City is governed by an elected, part-time City Council consisting of a Mayor and six Council members, two elected at-large and four elected from separate districts. All legislative power is vested in this Council which appoints a full-time City Manager and citizens to boards and commissions.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ADMINISTRATIVE ASSISTANT	1	1	1
Grand Total	1	1	1

2023 Goals and Objectives

- Implement a community-based five-year strategic plan.
- Develop and guide investment in the City, including the adoption of plans and funding strategies to enhance the quality of life in the community.
- Continue to provide policy direction and organizational governance on issues of importance to the community including, Environmental Sustainability, Public Health, and Racial Equity and Inclusion.



City Council - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Other Revenues	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Salaries and Benefits	326,552	327,326	333,155
Materials, Supplies, & Services	363,886	377,961	415,474
Total Expenditures	690,438	705,287	748,629
Less Expenses Charged to Other Funds	(196,357)	(197,265)	(189,136)
Net Total Expenditures	\$ 494,081	\$ 508,022	\$ 559,493

Administration

The Administration Department includes the City Manager’s Office, Human Resources Division, and the City Clerk’s Office. Each division within the department serves both internal and external customers.

Dept.	Division	2021 Authorized Full-T ime	2022 Authorized Full-T ime	2023 Authorized Full-T ime
ADMINISTRATION				
	CITY CLERK - GENERAL FUND	8	8	8
	CITY MANAGER - GENERAL FUND	3	3	3
	HUMAN RESOURCES - GENERAL FUND	6	6	7
	OFFICE OF RACIAL EQUITY INCLUSION & BELONG ING - GF	1	1	2
ADMINISTRATION Total		18	18	20
Grand Total		18	18	20



The City Manager speaks during a 2022 presentation.

Administration - General Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 196,963	\$ 110,083	\$ 213,100
Permits and Licenses			
Intergovernmental	-	-	-
Interest Income	-	-	-
Other Revenues	-	-	-
Transfers from Other Funds	125,000	200,000	-
Total Revenues	321,963	310,083	213,100
Expenditures			
Salaries and Benefits	2,369,082	2,802,326	2,996,807
Materials, Supplies, & Services	761,157	1,064,868	1,133,905
Capital Outlay			
Transfer to Other Funds	50,000	-	-
Total Expenditures	3,180,239	3,867,194	4,130,712
Less Expenses Charged to Other Funds	(643,319)	(667,947)	(782,891)
Net Total Expenditures	\$ 2,536,920	\$ 3,199,247	\$ 3,347,821

Administration - City Manager's Office

The City Manager's Office is accounted for within the General Fund. The City Manager leads and manages the daily operations of the City and its various departments in accordance with the policy directives, strategic priorities, and resource allocations of the City Council. This includes community outreach, financial management, and personnel administration, as well as short and long-range planning for City operations, facilities, and amenities.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CITY MANAGER	1	1	1
ASSISTANT CITY MANAGER	1	1	1
EXECUTIVE ASSISTANT	1	1	1
Grand Total	3	3	3

2023 Goals and Objectives

- Work with the City Council to implement a community-based strategic planning process for the City's next five-year strategic plan.
- Develop a Community Indicators Dashboard and public-facing outreach to enhance community transparency of City's work.
- Initiate a structured organizational Performance Measurement system and project management framework for city-led projects.



Administration City Manager - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Transfers from Other Funds	125,000	100,000	
Total Revenues	125,000	100,000	-
Expenditures			
Salaries and Benefits	\$ 628,634	\$ 570,389	\$ 586,406
Materials, Supplies, & Services	213,280	329,893	238,717
Capital Outlay			
Transfer to Other Funds	50,000	-	-
Total Expenditures	891,914	900,282	825,123
Less Expenses Charged to Other Funds	(209,638)	(210,607)	(201,932)
Net Total Expenditures	\$ 682,276	\$ 689,675	\$ 623,191

Administration - Office of Racial Equity, Inclusion, and Belonging

The Office of Equity, Inclusion, and Belonging is a newly formed office in June 2022 that falls under the City of Bloomington’s Administration Department. The Office of Racial Equity, Inclusion, and Belonging’s mission is to create, lead, manage, and support systems change throughout the organization to ensure equity, inclusion, and belonging is emphasized. The Office serves both internal and external customers.

The Office of Racial Equity, Inclusion, and Belonging is accounted for within the General Fund. The Chief Equity & Inclusion Officer sets the vision for the City’s equity work, support departments with implementation specific equity goals and strategies, provide professional learning opportunities to City staff, apply an equity framework to City policies, practices, procedures, and decisions, create equity tools and policies that provide guidance for staff and council, monitor progress and hold City accountable for advancing equity, and work with community partners to promote equity and inclusion within the City of Bloomington and throughout the region, producing measurable improvements and disparity reductions.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CHIEF EQUITY & INCLUSION OFFICER	1	1	1
EQUITY & INCLUSION PROGRAM SPECIALIST	0	0	1

2022 Accomplishments

- Hired an Equity & Inclusion Program Specialist
- Launched the new Office of Racial Equity, Inclusion, and Belonging
- Language Access Plan approved to provide more meaningful access for limited English Proficiency individuals and communities
- Employee Resource Groups established to create more of a sense of belonging in the workplace
- Implementation of the Racial Equity Impact Assessment to Community Development and Public Works departments to detect potential race disparities when new ordinances or a significant cost association with projects incur
- Racial Equity Action Team Workplans established among all 10 City departments
- Welcome to Bloomington Design Group established to generate ideas that fosters a sense of belonging and inclusion for new residents and long standing BIPOC residents (renter/homeowner)
- Small Business Resource Center design for BIPOC, Women, Youth, and Artists
- Established joint collaborative meetings among the City Council & Bloomington Public School Board

2023 Goals and Objectives

- Workforce Diversity: Inclusive recruitment focused support
- Inclusive Culture: Cultural agility learning journey cohort and certification program
- Equitable Programs and Service Delivery: Racial Equity Impact Assessments (REAs) expand training beyond Community Development Department and Public Works Department

- Authentic Community Engagement: Offer Community Office Hours & Community Connections events
- Racial Equity Strategic Planning Committee (RESPC): Identify collaborative policy and operational strategies needed to disrupt racial disparities in the social determinates of health
- Overarching Support: Internal Equity Pop-Ups to support divisions and departments & branding of the newly launched office

Workforce Diversity	Inclusive Culture	Equitable Programs and Services	Authentic Community Engagement
<ul style="list-style-type: none"> - % of BIPOC applicants in the pool of candidates - % of BIPOC FT City Employees - % of BIPOC PT City Employees - % of BIPOC new hires - % of BIPOC resignations - % of BIPOC interns - # of BIPOC employees in leadership positions - # of new or revised job descriptions that incorporate racial equity as a desired competency 	<ul style="list-style-type: none"> - % of FT and PT employees attending racial equity- training - % of supervisors & managers who complete inclusive workforce training - # of complaints of racial discrimination in the workforce. - Employee inclusive culture survey results. - Employee engagement survey results disaggregated by race. 	<ul style="list-style-type: none"> - # of staff trained to use racial equity toolkit. - # of improvements made to design or implementation of services/programs based upon racial equity toolkit results. - # of Departments/Divisions tracking service data disaggregated by race. 	<ul style="list-style-type: none"> - % of BIPOC residents serving on Boards and Commissions. - # of Departments who design and implement community engagement plans utilizing the community engagement toolkit.



Office of Racial Equity, Inclusion, and Belonging Office Launch Celebration in June 2022

Office of Racial Equity, Inclusion, & Belonging

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Transfers from Other Funds	-	100,000	
Total Revenues	-	100,000	-
Expenditures			
Salaries and Benefits	\$ 2,215	\$ 221,085	\$ 266,630
Materials, Supplies, & Services		91,130	131,043
Capital Outlay			
Transfer to Other Funds		-	-
Total Expenditures	2,215	312,215	397,673
Less Expenses Charged to Other Funds		-	(134,622)
Net Total Expenditures	\$ 2,215	\$ 312,215	\$ 263,051

Administration - Human Resources

The Human Resources Division is also part of the General Fund. This division coordinates staff recruitment and hiring, designs and services employee benefit programs and conducts employee relations activities for all City employees. The HR Division also develops and implements classification and compensation systems, as well as employment rules and policies, that are consistent with the City’s mission, vision, and values.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
HUMAN RESOURCES MANAGER	1	1	1
HUMAN RESOURCES REPRESENTATIVE	2	2	3
BENEFITS & WELLNESS COORDINATOR	1	1	1
OFFICE SUPPORT SPECIALIST	2	2	2
Grand Total	6	6	7

2023 Goals and Objectives

- Develop a reporting dashboard to collect demographic data of applicants and new hires
- Develop and implement a Bloomington Leadership Academy based to strengthen the skills of leaders in the organization.
- Support development of the new “Bloom in Bloomington” program that expands internship opportunities for Bloomington youth.
- Develop and/or participate in five (5) career fairs in 2023 to encourage and promote Bloomington jobs and to diversify the workforce.
- Reduce time to hire for all staff and streamline recruiting and hiring process.
- Successfully negotiate labor agreements with the collective bargaining units and ensure Bloomington’s pay and benefits plans are consistent with market averages/benchmarks.
- Implement an online performance management system.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Percentage of all supervisors to receive 12 hours of training annually				85%
	Decrease the time for recruitment and new hires in the organization*	N/A	74 days	74 days	<75 days
	Participate in 5 career fairs (new goal)				5
Connected, welcoming community	Increase percentage of BIPOC staff by 2.0% per year	11.5%	15.5%	16.4%	18.9%

**In 2021 the City hired a total of 86 PT/FT staff. In 2022, that number was 157, an 82% increase.*

Administration Human Resources - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Expenditures			
Salaries and Benefits	\$ 697,302	\$ 789,340	\$ 967,080
Materials, Supplies, & Services	218,059	304,224	324,777
Total Expenditures	915,361	1,093,564	1,291,857
Less Expenses Charged to Other Funds	(319,323)	(319,323)	(286,205)
Net Total Expenditures	\$ 596,038	\$ 774,241	\$ 1,005,652

Administration – City Clerk

The activities of the City Clerk’s office which are in the General Fund include elections, business licensing, passports, data governance for all City records, and general data requests. Federal, state, and county elections are held in even-numbered years and city and school district elections are held in odd-numbered years. The City Clerk division also maintains records and provides sales for the Bloomington City Cemetery, which is accounted for in the Cemetery Special Revenue Fund.



Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CITY CLERK	1	1	1
DEPUTY CITY CLERK / LICENSE EXAMINER	1	1	1
DEPUTY CITY CLERK / RECORDS MANAGER	1	1	1
DEPUTY CITY CLERK / ELECTIONS & CEMETERY	1	1	1
LEAD LICENSING SPECIALIST	1	1	1
LICENSING SPECIALIST	2	2	2
RECORDS SPECIALIST	1	1	1
Grand Total	8	8	8

2023 Goals and Objectives

- Successful implementation of 2023 city and school board elections, including additional ranked choice voting education efforts.
- Transfer paper cemetery vital records to digital format.
- Coordinate with licensing software vendor to implement online license applications and payments.
- In conjunction with the Data Management Team, update the City’s data governance policies, procedures, guidelines, and training.
- Pursue ordinance amendment to streamline business licensing activities.

2022 Accomplishments

- Redistricted the City's 31 precincts to meet statutory requirements. Successfully provided education and information to voters to ensure awareness of new voting locations.
- Created and distributed citywide records management training.
- Managed ordinance amendments regarding THC product licensure, gambling regulations and liquor licensing.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	General Election Voter Turnout	92.4%	26%	73%	50%
	Number of registered voters	59,914	59,152	57,944	58,000
	Data requests completed	464	450	465	470
	RCV voter education activities	n/a	87	n/a	100
Healthy Community – Safety and Environment	Licenses/permits issued				
	Business	1,674	1,639	1,809	1,800
	Rental	1,712	1,741	1,954	1,950
	Event	90	140	230	230
	Fire	2,000	2,000	2,000	2,000
	Contractor	384	423	529	500
	Solicitor	174	86	90	100
	Animal	504	453	374	350
Total	6,538	6,482	6,986	6,930	
Department specific	Cemetery interments	55	55	56	55
	Ground lot and columbarium niche purchases	45	66	48	50
Department specific	Passport applications processed	1,226	2,161	2,130	2,200

Administration City Clerk - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 196,963	\$ 110,083	\$ 213,100
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	196,963	110,083	213,100
Expenditures			
Salaries and Benefits	1,040,931	1,221,512	1,176,691
Materials, Supplies, & Services	329,818	339,621	439,368
Total Expenditures	1,370,749	1,561,133	1,616,059
Less Expenses Charged to Other Funds	(114,358)	(138,017)	(160,132)
Net Total Expenditures	\$ 1,256,391	\$ 1,423,116	\$ 1,455,927

Cemetery

First established in 1858, the Bloomington Cemetery consists of approximately 10 acres just west of the intersection of Lyndale Ave and 104th Street. The oldest portion of the cemetery is listed on the National Register of Historic Places.

Both in-ground burial lots and columbarium niches are available, with preferred pricing for Bloomington residents. The City Clerk’s office provides record keeping for the cemetery and assists families with purchases and scheduling for services. Staff from the Parks Maintenance section of the Public Works Department maintain the cemetery grounds.

In 2022, the City Clerk’s office successfully selected a new cemetery records and mapping software tool that streamlines recordkeeping and data storage.

2023 Goals and Objectives

- Continue to provide compassionate and timely service to individuals and families and excellent caretaking of the cemetery grounds.
- Transfer all paper records to new digital records management system.
- Market burial options to the general public and relevant businesses.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Cemetery internments	55	55	56	55
Department specific	Ground lot and columbarium niche purchases	45	66	48	50



Cemetery - Special Revenue Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	209,995	190,965	198,615
Interest Income	\$ (2,121)	\$ (14,542)	\$ 6,600
Total Revenues	207,874	176,423	205,215
Expenses			
Materials, Supplies, & Services	207,747	222,789	225,085
Capital Outlay	-	21,521	-
Total Expenses	207,747	244,310	225,085
Working Capital			
Net Change	127	(67,887)	(19,870)
Working Capital at Beginning of Year	450,621	450,748	382,861
Working Capital at End of Year	\$ 450,748	\$ 382,861	\$ 362,991

Accrued Benefits

The Accrued Benefits Fund is the Internal Service Fund that pays and records the liabilities associated with employee accrued time off - vacation, personal leave, and compensatory time. The possibility of the City going out of existence and needing to fully fund this account to pay all the employee accrued time off at one time is remote however the goal of this fund is to have enough cash to fully fund the accrued liability. It is currently funded at 90% of the total liability with a long-term plan of being 100% funded in 2033.

Revenues for this fund come from charges to City departments that pay full-time and permanent part-time salaries. Charges are calculated at 3.5% of salaries.

Expenses for this fund come from:

- The year-end conversion of any accumulated personal leave hours over 1,000 hours to either a post-retirement health care savings account (employee self-funded health care) or cash payout.
- Payout of unused vacation, personal leave, and compensatory time to employees leaving service (retirements, terminations, or leaving for new opportunities).
- Year-end accrual to cover future liabilities for employees leaving service with the City.

2023 Goals and Objectives

- Be in a fully funded position by 2033.
- Continue providing City employees with fair leave policies to retain and attract good employees.

Accrued Benefits - Internal Service Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 1,978,438	\$ 2,124,396	\$ 2,035,174
Interest Income	(66,203)	(476,263)	148,200
Total Revenues	1,912,235	1,648,133	2,183,374
Expenses			
Salaries and Benefits	2,956,869	2,778,210	2,255,000
Total Expenses	2,956,869	2,778,210	2,255,000
Working Capital			
Net Change	(1,044,634)	(1,130,077)	(71,626)
Working Capital at Beginning of Year	(3,091,282)	(4,135,916)	(5,265,993)
Working Capital at End of Year	\$ (4,135,916)	\$ (5,265,993)	\$ (5,337,619)

Employee Benefits

The Employee Benefits Fund is an Internal Service Fund that brings in a set, per-employee fee from each Department's operating budget and uses that revenue to fund the core benefits package provided to each full-time employee. This includes the employer-share of medical, dental, life, and disability insurance premiums, as well as tuition reimbursement and health club reimbursement benefits. The employee benefits charge to each Department is \$17,510 per full-time employee for 2023 which is the same amount as 2022.

2023 Goals and Objectives

- Stabilize insurance expenses in departmental budgets to avoid large budget spikes due to increases in benefit costs, especially in health insurance.
- Expand wellness programs and opportunities for employees coordinated by the newly formed Wellness Committee and the wellness funds provided by the SWWC (Southwest West Central Service Cooperative).

2022 Accomplishments

- City worked with insurance broker, NFP, to finalize a 6.9% rate increase in health insurance premiums for the second year of a three-year agreement with the Minnesota Health Consortium (MHC)/Medica that included caps on future rate increases, access to fitness, wellness, and other well-being programs, and cash incentives for employee wellness programs. The increase was less than forecasted and below the previously negotiated rate cap of 7.5%.
- Contributions to the self-funded dental insurance plan were analyzed and no changes were made to current employee contributions, however contribution rates for retirees and former employees on COBRA benefits were increased by 4.5%.
- Established an organizational wellness committee and organized several activities to promote employee wellness using funds from the SWWC wellness funds.



Employee Benefits - Internal Service Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 10,446,815	\$ 10,775,354	\$ 11,300,054
Intergovernmental	10,965	-	-
Interest Income	(18,502)	(196,448)	15,000
Other Revenues	131,790	732,804	702,000
Transfers from Other Funds	-	-	-
Total Revenues	10,571,068	11,311,710	12,017,054
Expenses			
Salaries and Benefits	101,570	302,299	235,400
Materials, Supplies, & Services	10,114,554	10,568,308	11,738,581
Total Expenses	10,216,124	10,870,607	11,973,981
Working Capital			
Net Change	354,944	441,103	43,073
Working Capital at Beginning of Year	3,339,004	3,693,948	4,135,051
Working Capital at End of Year	\$ 3,693,948	\$ 4,135,051	\$ 4,178,124

Community Development

The Community Development Department supports the long-term vitality of the community. Working together, we're creating a "Community of Choice."

To accomplish this, we will:

- Promote and pursue development and redevelopment of underutilized properties.
- Collaborate on development review activities, maintaining a welcoming environment for businesses, property owners and residents.
- Ensure continued public health and safety through education.
- Educate customers; exercise discretion and fairness; encourage voluntary compliance.
- Create a stronger web presence to provide greater access to City documents.
- Promote the professional development of our staff.
- Improve the quality of life for individuals and families by expanding homeownership and affordable housing opportunities.

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
COMMUNITY DEVELOPMENT				
	ADMIN - GENERAL FUND	3	3	3
	ASSESSING - GENERAL FUND	12	12	12
	BUILDING & INSPECTIONS - GENERAL FUND	20	22	22
	CREATIVE PLACEMAKING - SPECIAL REVENUE FUND	1	1	1
	ENVIRONMENTAL HEALTH - GENERAL FUND	17	17	17
	PLANNING - GENERAL FUND	9	10	10
COMMUNITY DEVELOPMENT Total		62	65	65
Grand Total		62	65	65



Community Development - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 11,385	\$ 9,583	\$ 5,500
Permits and Licenses	138,375	257,340	350,000
Intergovernmental	14,855	68,151	14,000
Other Revenues	179,453	215,125	155,300
Transfers from Other Funds	25,000	-	-
Total Revenues	369,068	550,199	524,800
Expenditures			
Salaries and Benefits	7,893,528	8,368,134	9,196,211
Materials, Supplies, & Services	1,486,249	1,549,738	1,577,235
Transfer to Other Funds	-	44,000	-
Total Expenditures	9,379,777	9,961,872	10,773,446
Less Expenses Charged to Other Funds	(36,616)	(43,690)	(42,472)
Net Total Expenditures	\$ 9,343,161	\$ 9,918,182	\$ 10,730,974

Community Development - Administration

The Community Development Administration division coordinates the development and implementation of the Department’s strategic priorities and objectives. These activities are located within the General Fund.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
DIRECTOR OF COMMUNITY DEVELOPMENT	1	1	1
SPECIAL PROJECTS & INITIATIVES MANAGER	1	1	1
COMM DEV PROJECT FACILITATOR	1	1	1
Grand Total	3	3	3

2023 Goals and Objectives

- Collaborate with City staff to facilitate inclusive conversations and full participation by all residents, increasing well-being for the community.
- Continue seeking projects and initiatives to align with the City’s strategic priorities.
- Collaborative approach: engage with partner agencies, community organizations, businesses, residents, and other cities in the region to create opportunities for growth.
- Support the professional development of our department.
- Continue to pursue funding in support of the Small Business Development Center.

Performance Measures

Strategic Priority	Performance Measure	2021 Actual	2022 Actual	2023 Goal
Department specific	Support professional development of managers and supervisors by conducting quarterly team building opportunities	N/A	4	4
Equitable economic growth	Work to shape ordinances and policies that direct the growth of the City	N/A	2	3
Equitable economic growth	Develop programs that will achieve significant improvement in indices measuring equitable economic growth	N/A	3	3

Community Dev. Admin. Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ -	\$ 53,291	\$ -
Other Revenues	32,917	64,148	-
Transfers from Other Funds	25,000	-	-
Total Revenues	57,917	117,439	-
Expenditures			
Salaries and Benefits	499,304	477,114	540,255
Materials, Supplies, & Services	226,675	294,381	230,134
Transfer to Other Funds	-	44,000	-
Total Expenditures	\$ 725,979	\$ 815,495	\$ 770,389

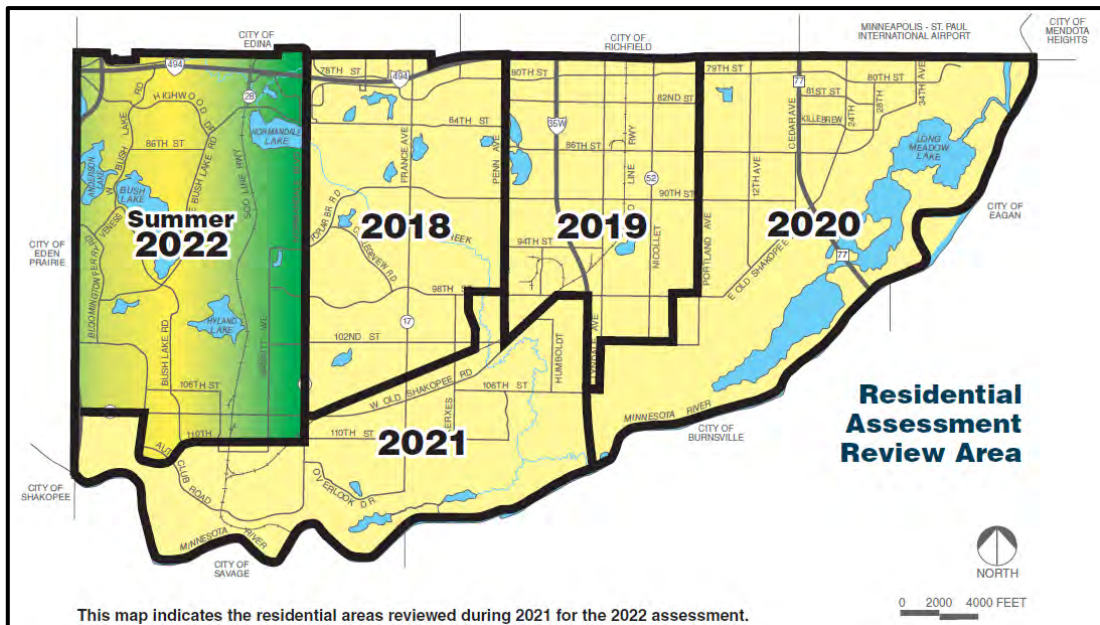
Community Development – Assessing

Assessing activities are also part of the General Fund. The City Assessor’s office determines the annual valuation and classification for properties located within Bloomington’s geographic boundaries for the purposes of property taxation. All properties must be valued annually and reviewed once every five years. A Board of Review made up of independent real estate experts holds an annual hearing to rule on valuation disputes brought by owners. Assessing staff also manages appeals on commercial/industrial and apartment properties in Minnesota Tax Court. The Assessor’s Office advises the Bloomington Port Authority and Bloomington Housing Redevelopment Authority on all development projects requesting Tax Increment Financing. Assessing staff also participate in administering Special Assessments and Park Dedication calculations.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CITY ASSESSOR	1	1	1
COMMERCIAL APPRAISAL SUPERVISOR	1	1	1
RESIDENTIAL APPRAISAL SUPERVISOR	1	1	1
COMMERCIAL PROPERTY APPRAISER	4	4	4
RESIDENTIAL PROPERTY APPRAISER	3	3	3
SENIOR ANALYST	0	0	1
ASSESSMENT ASSISTANT	2	2	1
Grand Total	12	12	12

2023 Goals and Objectives

- Complete field review and revaluation of required 20% of residential and commercial-industrial parcels annually per State Statute in the City’s Welcome Bag Initiative.
- Track improvements and changes to properties completed during the year.
- Ensure statistical measurements of accuracy and equalization for both residential and commercial assessments remain within the targets set by the Department of Revenue. We especially want the Median Ratio (Sales Ratio) to be 95% or more in the ratio between the Assessor’s estimated market value and the trended sale price. State guidelines say that ratio should be 90% to 105%.



Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	MN 273.01 All real property subject to taxation shall be listed and at least one-fifth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of five years.	Reviewed 6,200 out of approx.. 30,100 parcels or 20.6%	Reviewed 6,103 out of approx.. 30,100 parcels or 20.3%	Reviewed 6,470 out of approx.. 31,000 parcels or 20.8%	To review 6,200 out of approx.. 31,000 parcels or 20%
	Ensure statistical measurements of accuracy and equalization across all property assessments as set by the Department of Revenue. The Median Ratio (Sales Ratio) between a property sale and the Assessor's estimated market value should be between 90% to 105%.	Median Ratios for: Residential 95.4%, Apartments 98.4% Commercial 93.6% and Industrial 95.2%	Median Ratios for: Residential 95.4%, Apartments 95.8% Commercial 95.4% and Industrial 99.1%	Median Ratios for: Residential 95.7%, Apartments 98.7% Commercial 95.4% and Industrial 96.7%	Median Ratio for each property segment between 95.0% and 100%
Connected, welcoming community	Publish Annual Property Assessment Report, implemented online property database	Published Annual Assessment Report and implemented online property database	Published Annual Assessment Report and Online Property Data Live on Web	Published Annual Assessment Report and Online Property Data Live on Web	Publish Annual Assessment Report

Comm. Dev. Assessing Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 1,065	\$ 540	\$ 500
Other Revenues	-	177	-
Total Revenues	1,065	717	500
Expenditures			
Salaries and Benefits	1,647,912	1,555,949	1,766,431
Materials, Supplies, & Services	297,505	264,919	308,056
Transfer to Other Funds	-	-	-
Total Expenditures	1,945,417	1,820,868	2,074,487
Less Expenses Charged to Other Funds	(36,616)	(43,690)	(42,472)
Net Total Expenditures	\$ 1,908,801	\$ 1,777,178	\$ 2,032,015

Community Development – Building & Inspections

The Building and Inspection Division reviews construction plans and performs inspections for consistency with all states codes, provides guidance to homeowners during the permitting and inspection process and administers the time-of-sale (TOS) inspection program for owner-occupied housing to ensure housing stock within the city continues to be upheld to the program’s safety standards. These activities are located within the General Fund.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
BUILDING & INSPECTION MANAGER	1	1	1
BUILDING & INSPECTIONS SUPERVISOR	1	1	1
PROGRAM COORDINATOR	1	1	1
GENERAL INSPECTOR	4	4	4
BUILDING INSPECTOR	3	3	3
ELECTRICAL INSPECTOR	2	2	2
PLUMBING INSPECTOR	1	1	1
PERMIT TECHNICIAN	1	1	1
OFFICE COORDINATOR	1	1	1
BUILDING INSPECTION AIDE	0	1	1
PLANS EXAMINER	1	1	1
OFFICE SUPPORT SPECIALIST	4	5	5
Grand Total	20	22	22

2023 Goals and Objectives

- Issue residential remodeling, plumbing, electrical and mechanical permits on the same day the application is taken in.
- Complete 95% of all time of sale (TOS) inspections by City inspectors versus private inspectors with the newly implemented program.
- Complete 98% of all inspections within 48 hours of request.
- Complete 90% of all Plan review within 10 working days (electronic plan review).
- Implement an additional customer satisfaction survey to be delivered to customers to gauge staff service and provide community outreach by October 1st
- Continue to have 100% of all field inspections completed on CityView Mobile.
- Update the City Code to align with division policies and procedures.
- Provide virtual inspection options for minor non-life safety permits.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Perform inspections within 48 hours of time requested	100%	100%	100%	100%
Department specific	Perform 95% of Time of Sale inspections by City of Bloomington building inspectors	34%	90%	81%	90%
Connected, welcoming community	Be active participants in the City and Community Developments Racial Equity Action Team	2 Staff Members on CD REAT	3 Staff Members on CD REAT	3 Staff Members on CD REAT	
Connected, welcoming community	Make racial equity and inclusion a priority in our division via What's up Cd newsletter contributions and in staff meetings.	100%	100%	100%	
Healthy community	Implementation of the Time of Sale Energy Disclosure	N/A	Adopted ordinance 09/2021-effective April 1 st 2022	Went Live April 1st	
Connected, welcoming community	Create survey for residents, post permit/post inspections to fill out on experience	Collaborated with COED and HRA to develop survey	Collaborated with COED and HRA to develop survey	Went Live March 1st	
Connected, welcoming community	Create an expanded survey for applicants, post permit/post inspections to gauge contractor and homeowner feedback and experience	—	—	—	Go Live October 1st

Comm. Dev. Building & Inspect. Div. - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Permits and Licenses	\$ 138,375	\$ 257,340	\$ 350,000
Other Revenues	-	-	-
Total Revenues	138,375	257,340	350,000
Expenditures			
Salaries and Benefits	2,342,954	2,752,471	2,951,173
Materials, Supplies, & Services	456,160	491,251	475,695
Total Expenditures	\$ 2,799,114	\$ 3,243,722	\$ 3,426,868

Community Dev. – Environmental Health

Environmental Health handles inspection and enforcement activities in three program areas all located within the General Fund:

1. Minnesota Departments of Health and Agriculture delegate licensing and inspection of **food and lodging establishments, public pools, manufactured home parks and wells** in Bloomington. Plus, contracted inspections in Richfield and provide education and outreach to protect the public's health.
2. **Residential and commercial property** complaint and systematic inspections to maintain properties' appearance and value for those living and working in Bloomington.
3. **Rental property** inspection and enforcement to provide safe and well-maintained rental housing.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ENVIRONMENTAL HEALTH MANAGER	1	1	1
ENVIRONMENTAL HEALTH SUPERVISOR	2	2	2
ENVIRONMENTAL HEALTH PROGRAM COORDINATOR	3	3	3
ENVIRONMENTAL HEALTH SPECIALIST	9	9	9
OFFICE SUPPORT SPECIALIST	2	2	2
Grand Total	17	17	17

2023 Goals and Objectives

- Inspect high- and medium-risk food establishments twice per year and low-risk at least once plus all needed follow-up inspections.
- Inspect public pools twice per year and hotels once per year including 10 percent of rooms.
- Inspect all licensed multiple-family rental bldgs. (including 10 percent of units) once per year.
- Inspect all licensed rental single-family homes, condos, townhomes, and duplex units once per year.
- Inspect at least 75% of all well permits.
- Investigate all complaints of food or waterborne illness within 24 hours of receiving the complaint.
- Investigate all residential and commercial nuisance and rental complaints within two days.
- Systematically inspect from the street all residential properties at least once per year.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Environment)	Percent of all open food, lodging and public pool facilities inspected.	100%	100%	100%	100%
	Number of residential, rental, and commercial complaints investigated.	2,874	3,398	3,865	3,500
	Percent of all licensed rental single-family homes, condos, townhomes, and duplex units inspected. *Limited by pandemic.	*22%	*83%	93%	100%
Healthy community (Environment)	Percent of residential properties inspected from the street for maintenance and nuisance city code violations.	100%	100%	100%	100%

Comm. Dev. Enviro. Health Division - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ 14,855	\$ 14,860	\$ 14,000
Other Revenues	146,536	150,800	155,300
Total Revenues	161,391	165,660	169,300
Expenditures			
Salaries and Benefits	2,274,877	2,387,354	2,477,546
Materials, Supplies, & Services	325,983	321,697	349,413
Total Expenditures	\$ 2,600,860	\$ 2,709,051	\$ 2,826,959

Community Development - Planning

The Planning Division defines and implements future directions for the City through plan preparation and zoning controls. The Division also reviews and prepares recommendations on applications for development, rezoning, use permits and variances, and conducts special studies for the City. These activities are located within the General Fund.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
PLANNING MANAGER	1	1	1
SENIOR PLANNER	2	2	2
PLANNER	4	5	5
OFFICE SUPPORT SPECIALIST	1	1	1
PLANNING TECHNICIAN	1	1	1
Grand Total	9	10	10

2023 Goals and Objectives

- Promote renewal and guide growth to maximize benefits for Bloomington and Bloomington property owners.
- Review development proposals to ensure Comprehensive Plan and Code compliance.
- Update the Zoning Ordinance as described in the Planning Commission’s 2023 Work Plan.
- Negotiate and administer City wireless and fiber leases.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Counter Visits (downward trend indicates ability to submit applications and access information online)	322 <i>(COVID Impacted)</i>	336 <i>(COVID Impacted)</i>	477 <i>(No COVID Closures)</i>	450
	Percent of site plan revisions processed administratively (higher number reflects streamlined approval processes)	62.5%	65.9%	76.7%	75.0%
Connected, welcoming community	Planning Division Website Visits	11,514	8,836	16,690	17,000
	Planning Commission E-Subscribers	1,776	1,823	2,028	2,100

Community Dev. Planning Div. - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 10,320	\$ 9,043	\$ 5,000
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	10,320	9,043	5,000
Expenditures			
Salaries and Benefits	1,128,481	1,195,246	1,460,806
Materials, Supplies, & Services	179,926	177,490	213,937
Transfer to Other Funds	-	-	-
Total Expenditures	\$ 1,308,407	\$ 1,372,736	\$ 1,674,743

Creative Placemaking

The Creative Placemaking Fund is a Special Revenue Fund with revenue transferred from the South Loop Capital Improvement Fund, and occasionally from other funds for city-wide projects or events that are outside of the South Loop District. Creative Placemaking is an evolving field that works to build vibrant, distinctive, and sustainable communities through the arts. It engages artists and stakeholders in building social fabric and local economies while making physical, place-based improvements, leveraging the distinctive character and creative and cultural resources of each place.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
DIRECTOR OF CREATIVE PLACEMAKING	1	1	1

2023 Goals and Objectives

- Engage artists, designers, and performers in building social fabric and making place-based improvements throughout the year.
- Engage the community to enhance pride of place and community, building on local assets and local character to strengthen the social and civic fabric.
- Facilitate the Creative Placemaking Commission to maintain the momentum to sustain Creative Placemaking well into the future in the South Loop and all of Bloomington by following practical visioning and action plan documents.
- Host the “Making it Public” public art workshop for Artists in January to build local capacity.
- Projects outside South Loop District, funded from other sources:
 - Develop and distribute a city-wide Creative Placemaking Plan RFP. Select a consultant to develop scope for engagement work and overall development of plan.
 - Neighborhood Focus Area: Hometown Poetry program - install 4 poetry signs in Bloomington parks, utilize 14 sidewalk stamps. Install two Artbox designs on two utility boxes.
 - Old Shakopee & Old Cedar: install façade improvement projects at local businesses, including picnic tables, patio heaters, repainting, window decal display, custom bench, and landscaping.
- Creative Sparks: Install one sculpture by Shirin Ghoraishi and Safa Sarvestani at Bloomington Central Station Park.
- Fire Station #3 community garden: finalize construction in the spring, open 40 plots.
- Participate as an organizational partner of “WAKPA Art Triennial” from July through September, promote aligned events and installations in Bloomington during this timeframe.
- Partner with Minnesota Valley National Wildlife Refuge on Latino Conservation Week event on Saturday, July 22. Contract with Indigenous Roots to provide temporary art installations, arts activities, and performances.
- Contract with artist for an installation by the Old Cedar Avenue Bridge that will focus on water and indigenous history of the area. Begin engagement and outreach efforts in the summer.
- South Loop History Report Presentation to Community at Civic Plaza in September.
- Install 1-2 new Artbox designs on utility boxes in South Loop.
- Maintenance of public art as needed, install three new artwork plaques.
- Develop call for art for next round of Creative Sparks program, release and promote in the winter.
- Continued promotion of South Loop Public Art Audio Tour in the Otocast App.

2022 Projects Completed

- Participated in Minnesota Ice Exploration Event in February.
- Partnered with Minnesota Valley National Wildlife Refuge on Luminary Hike Event in February.
- Maintenance of “Seasons of Becoming” Wright’s Lake Park mural by GoodSpace Murals.
- Fire Station #3 community garden: Released RFP, selected landscape designer to design seating, signage, and native landscaping for site. Design feedback during open house, Sustainability and Creative Placemaking Commission meetings.
- Projects outside South Loop District, funded from other sources:
 - 86th & Nicollet (Neighborhood Focus Area): revised project scope, developed “Hometown Poetry” program, call for art for poems. Panel selected 18 poems. 14 sidewalk poetry stamps fabricated; 4 poetry signs fabricated. Hometown Poetry reading event at Oxboro Library in September.
 - Old Shakopee & Old Cedar placemaking: developed scope of work for placemaking in the area, contracted with Musicant Group, outreach to 8-10 businesses to develop façade improvement projects and event. “Colors of Community: Local Business and Community Pop-Up” event on October 1.
- Distributed two handbooks to 66 Bloomington Artists to build local capacity: *Work of Art: Business Skills for Artists* curriculum and *Handbook for Artists Working in Community*.
- Creative Sparks: 2 public art projects installed (*Blooming Ribbon* by Kao Lee Thao and *Street Seat* by Greg Mueller) at Bloomington Central Station Park.
- Installed 13 new art plaques.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Equitable economic growth	Creative Placemaking - Percentage of BIPOC Artists/Artist Teams commissioned for public art projects reflects Bloomington BIPOC population (About 30%).	N/A*	67%	48%	40%
Connected, welcoming community	Creative Placemaking - Art Tour App – total location views	N/A*	2,777	5,083	7,000
Connected, welcoming community	Creative Placemaking – Old Cedar Avenue Bridge AR Tour total views	15,163	29,326	38,290	45,000

*In 2020, no public art projects were installed, and the Art Tour App had not yet been released.



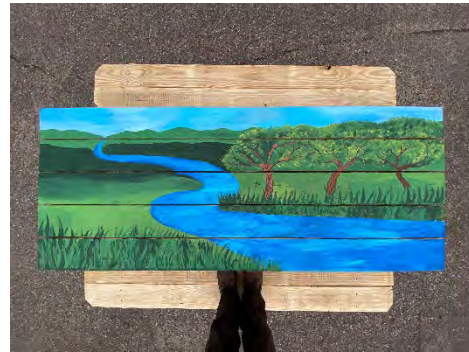
Creative Spark project, *Blooming Ribbon* by Kao Lee Thao



Creative Spark project, *Street Seat*, by Greg Mueller



Hometown Poetry reading at Oxboro Library, September 2022



Colors of Community: Pop-up Event photos.



Fire Station #3 Community Garden design feedback during open house.



Ice sculpture during Luminary Hiking event.

Creative Placemaking - Special Revenue Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Interest Income	\$ (2,341)	\$ (28,838)	\$ -
Other Revenues	-	-	200,000
Transfers from Other Funds	510,000	430,000	430,000
Total Revenues	507,659	401,162	630,000
Expenses			
Salaries and Benefits	105,574	109,768	116,256
Materials, Supplies, & Services	272,933	98,530	297,521
Capital Outlay	166,400	50,625	400,000
Transfer to Other Funds	-	-	-
Total Expenses	544,907	258,923	813,777
Working Capital			
Net Change	(37,248)	142,239	(183,777)
Working Capital at Beginning of Year	635,254	598,006	740,245
Working Capital at End of Year	\$ 598,006	\$ 740,245	\$ 556,468

South Loop Revolving Development Services Fund

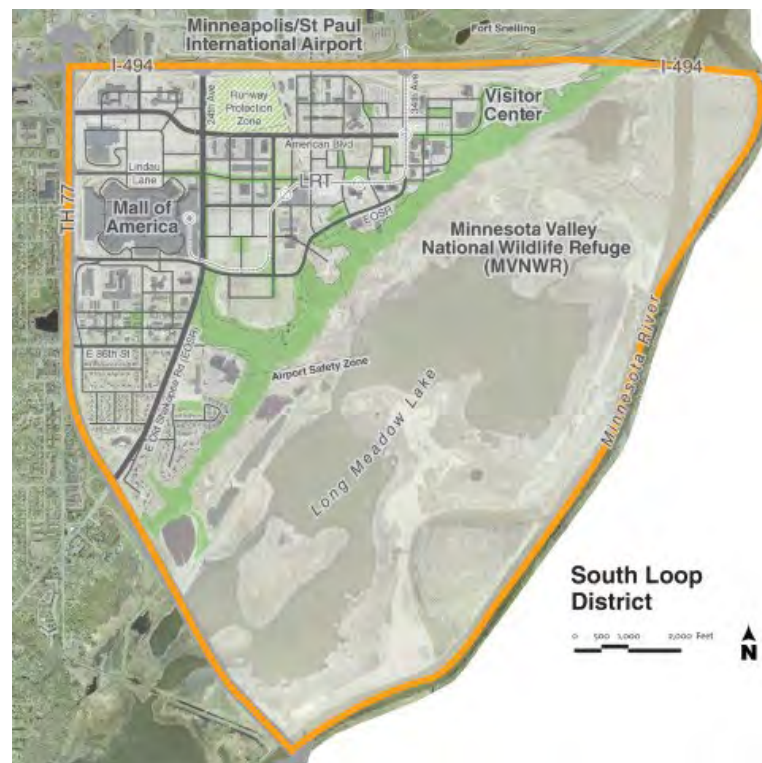
The South Loop Revolving Development Services Special Revenue Fund is supported by a 65 percent building permit surcharge in the South Loop District. The purpose of this fund is to expedite development in the South Loop District, mainly by removing the often time-intensive studies needed to entitle a site.

2023 Goals and Objectives

- To conduct planning studies such as for traffic and transportation, water and sanitary sewer utility services, parking, signage, natural resources and storm water management in the South Loop District.
- To plan for capital improvement projects to support South Loop District Plan goals.
- To plan and develop programs to conserve and protect resources such as energy, surface and subsurface water, and existing infrastructure.

Performance Measures

- Continued development of software that controls digital message signs and other intelligent traffic assets in the District.
- Continued work on Blue Line enhancements that included improvements to signal equipment and infrastructure along the Blue Line to improve running time for LRT and reduce delay for cars at intersections along the tracks.



Aerial view of South Loop

South Loop Revolving Dev. - Special Rev. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 39,151	\$ 246,910	\$ 388,000
Interest Income	(1,889)	(23,314)	2,432
Total Revenues	37,262	223,596	390,432
Expenses			
Salaries and Benefits	3,491	3,787	30,000
Materials, Supplies, & Services	25,000	34,998	160,000
Total Expenses	28,491	38,785	190,000
Working Capital			
Net Change	8,771	184,811	200,432
Working Capital at Beginning of Year	396,291	405,062	589,873
Working Capital at End of Year	\$ 405,062	\$ 589,873	\$ 790,305

Community Services

The mission of the Community Services Department is informing, engaging and striving to enhance people’s lives in the community. This is accomplished by providing programs and services that enrich the lives of all who live and work in Bloomington.

The department oversees the Public Health, Community Outreach and Engagement and Communications divisions. Since 2020, Community Services has led the City’s response to the COVID-19 pandemic, including delivering public health services, messaging, and outreach to the community.

The award-winning *Bloomington Briefing* and *Insider* newsletters, government and public access cable television facilities, City web sites, social media and other activities of the Communications Division are supported through a Special Revenue fund. The Communications Division also supervises Support Services, which includes the Information Desk, Print Shop, and Mailroom. All three are accounted for in an Internal Services Fund. All other Community Services activities are located in the General Fund.

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
COMMUNITY SERVICES				
	ADMIN - GENERAL FUND	2	2	2
	COMMUNICATIONS - SPECIAL REVENUE FUND	8	8	8
	COMMUNITY OUTREACH & ENGAGEMENT - GF	5	5	5
	PUBLIC HEALTH - GENERAL FUND	24	26	27
	SUPPORT SERVICES (COMMUNICATIONS) - ISF	1	0	0
COMMUNITY SERVICES Total		40	41	42
Grand Total		40	41	42



Community Services - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 1,096,122	\$ 913,897	\$ 1,118,633
Permits and Licenses			
Intergovernmental	4,253,569	4,462,038	4,499,627
Interest Income			
Other Revenues	5,277	13,669	2,000
Transfers from Other Funds	-	70,400	86,000
Total Revenues	5,354,968	5,460,004	5,706,260
Expenditures			
Salaries and Benefits	4,318,956	4,929,698	5,763,926
Materials, Supplies, & Services	2,599,904	2,937,004	3,202,356
Total Expenditures	6,918,860	7,866,702	8,966,282
Less Expenses Charged to Other Funds	-	-	-
Net Total Expenditures	\$ 6,918,860	\$ 7,866,702	\$ 8,966,282

Community Services – Administration

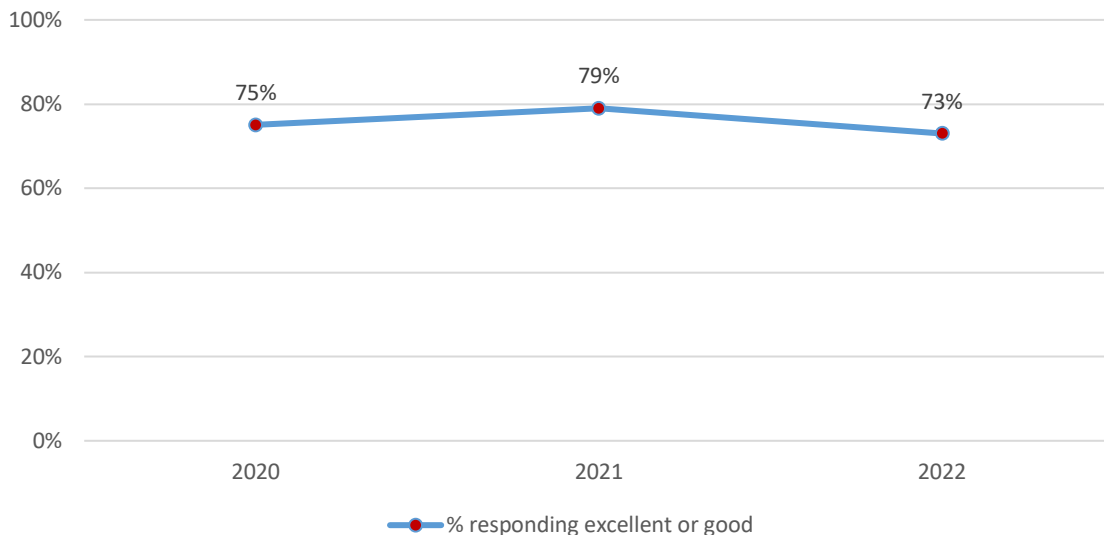
The Community Services Administration provides managerial support to its divisions. This activity is accounted for within the General Fund.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
DIRECTOR OF COMMUNITY SERVICES	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1
Grand Total	2	2	2

2023 Goals and Objectives

- By April 2023, enhance the City’s outreach and engagement capacity by hiring and onboarding a new Community Outreach and Engagement Manager.
- By May 2023, develop a strategic public relations plan for the City.
- By May 2023, develop equity-driven evaluation methods for the City’s community engagement in collaboration with the Resilient Communities Project at the University of Minnesota.
- By August 2023, measure resident satisfaction with the livability of Bloomington via the twelfth annual National Community Survey™ and incorporate the data into a new dashboard measuring performance on the City’s strategic plan. *(see below)*.
- By December 2023, identify and implement an effective and sustainable solution for housing Public Health’s offices and clinics in the short term.

The Job that Bloomington Does to Make Residents Feel Welcome
2022 National Community Survey™



Comm. Services Admin. Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ 12,598	\$ 12,736	\$ 12,500
Total Revenues	12,598	12,736	12,500
Expenditures			
Salaries and Benefits	\$ 287,851	\$ 303,062	\$ 306,428
Materials, Supplies, & Services	64,559	70,697	87,663
Total Expenditures	352,410	373,759	394,091
Less Expenses Charged to Other Funds	-	-	-
Net Total Expenditures	\$ 352,410	\$ 373,759	\$ 394,091

Community Services – Community Outreach and Engagement

The Community Outreach and Engagement Division (COED) is a leader for equity and inclusion. The division’s mission is “involving community, influencing greatness.” The division uses innovative and authentic approaches to facilitate, engage and connect internal and external stakeholders. Staff serve as advocates and change agents to ensure the community is considered, accounted for and heard in the development and delivery of City programs and services.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
COMM OUTREACH & ENGAGEMENT MANAGER	1	1	1
COMM OUTREACH COORDINATOR	4	4	4

2023 Goals and Objectives

- By December 2023, continue training on the public participation (P2) process with the City Council, boards and commissions and executive leadership team, using the International Association of Public Participation’s spectrum of engagement. to ensure better decisions that incorporate the interests and concerns of all affected stakeholders and meet the needs of the decision-making body.
- By December 2023, host and facilitate a minimum of four COED in the Community events designed to provide an opportunity for community members to connect with COED and one another to develop a shared sense of community.
- By December 2023, complete a strategic planning process to develop a 3–5-year vision for further embedding COED into the organization and providing alignment with City goals.
- By December 2023, complete development of a volunteer management system and City board and commission process.



Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Percent of residents who rate opportunities to participate in community matters as excellent or good in the National Community Survey™	64%	67%	63%	70%
	Number of subscribers/projects on the City's digital engagement platform (Let's Talk Bloomington)	82 / 19	715 / 30	979 / 36	1,200 / 50
Connected, welcoming community	Percent of City board and commission applicants that identify as Black, Indigenous or People of Color (BIPOC)	25%	20%	24%	25%
	Percent of BIPOC applicants selected to serve on City boards and commissions	N/A	44%	21%	45%
	Percent of residents who rate the openness and acceptance of the community toward people of diverse backgrounds as excellent or good in the National Community Survey™	61%	68%	67%	69%

Comm. Svcs. Outreach & Engage. Div. - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 500	\$ -	\$ -
Intergovernmental	-	143	8,000
Other Revenues	4,150	11,910	-
Transfers from Other Funds	-	-	-
Total Revenues	4,650	12,053	8,000
Expenditures			
Salaries and Benefits	609,558	686,324	751,212
Materials, Supplies, & Services	267,877	250,584	366,564
Total Expenditures	\$ 877,435	\$ 936,908	\$ 1,117,776

Community Services – Public Health

Mission – To engage the community in promoting, protecting, and improving the health of all.

Vision – A healthy community empowered by our locally based support and services.

The Bloomington Public Health Division (Public Health) provides health services across the cities of Bloomington, Edina, and Richfield. This relationship has been in place for 45 years, since 1977. Public Health provides direct services to individuals and families and promotes data-driven policy and systems change informed by its client-based work.

Public Health is responsible for “administration and implementation of programs and services to address the areas of public health responsibility” as defined in the Local Public Health Act (Chapter 145A of Minnesota Statutes). The funding to fulfill these responsibilities comes from state and federal dollars as well as property tax dollars, fees, and insurance reimbursement. As a nationally accredited health department, Public Health fulfills its statutory requirements through three program areas:

- **Community Health Services:** Includes the Women, Infants and Children (WIC) Supplemental Nutrition Program, immunizations, follow-up investigations on infectious disease cases, home visits for eligible families, population-based support for older adults, and follow-up on vulnerable adult referrals.
- **Population Health and Planning:** Includes health in all policies, emergency preparedness, planning, Statewide Health Improvement Partnership (SHIP), community health assessments/community health improvement plans, and accreditation.
- **Operations:** Includes insurance reimbursement, data support and office administration.

A management team supporting the Division is comprised of leaders from these three areas, the public health administrator, and representatives from communications, finance, and contracts. An Advisory Board of Health studies issues affecting the health of residents and makes recommendations to City Council as they perform their duties as a Community Health Board.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
PUBLIC HEALTH ADMINISTRATOR	1	1	1
ASSISTANT PUBLIC HEALTH ADMINISTRATOR	1	1	1
PUBLIC HEALTH PROGRAM MANAGER	2	2	1
PUBLIC HEALTH NURSE SUPERVISOR	1	1	1
DISEASE PREVENTION & CONTROL SUPERVISOR	1	1	1
PUBLIC HEALTH OPERATIONS MANAGER	1	1	1
PUBLIC HEALTH WIC SUPERVISOR	1	1	1
PUBLIC HEALTH NURSE	7	7	7
PUBLIC HEALTH SPECIALIST	4	5	5
PUBLIC HEALTH ACCOUNTANT	1	1	1
CONTRACTS COORDINATOR	1	1	1
COMMUNICATIONS SPECIALIST	1	1	1
PUBLIC HEALTH BILLING SPECIALIST	1	1	1
PUBLIC HEALTH DATA TECHNICIAN	1	1	1
COMMUNITY HEALTH WORKER	0	1	1
COMMUNITY HEALTH WORKER (ARP)	0	0	1
OFFICE ASSISTANT	0	0	1
Grand Total	24	26	27

2023 Goals and Objectives

- By December 2023, develop a strategic plan for Public Health’s work for the next five years.
- By June 2023, adopt a workforce development plan that centers the well-being of Public Health staff and prepares them for the changes facing public health.
- By May 2023, launch a mobile immunization/WIC clinic that meets families where they are in the community.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Human)	Percent of birth parents who are screened for maternal depression on a quarterly basis as part of prenatal home visits	86%	82%	92%	90%
	Percent of authorized WIC caseload met by the City's WIC program on a quarterly basis	99%	95%	100%	95%



Comm. Services Public Health Div. - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 1,095,622	\$ 913,897	\$ 1,118,633
Intergovernmental	4,240,971	4,449,159	4,479,127
Interest Income			
Other Revenues	1,127	1,759	2,000
Transfers from Other Funds	-	70,400	86,000
Total Revenues	5,337,720	5,435,215	5,685,760
Expenditures			
Salaries and Benefits	3,421,547	3,940,312	4,706,286
Materials, Supplies, & Services	2,267,468	2,615,723	2,748,129
Total Expenditures	\$ 5,689,015	\$ 6,556,035	\$ 7,454,415

Communications

The Communications Fund is a Special Revenue Fund. This Division of Community Services is a full-service communications shop that uses multiple communications vehicles devoted to educating and informing the community. The Division cablecasts and webcasts City Council and other meetings, produces news magazine shows and videos, maintains the City’s websites, social media, operates public access television and generates the monthly *Briefing*. The Communications Division also oversees the City’s cable television franchises. The Communications Division fund is supported by cable franchise fees.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
COMMUNICATIONS ADMINISTRATOR	1	1	1
WEB COORDINATOR	2	2	2
COMMUNICATIONS SPECIALIST	2	2	2
GRAPHICS PRODUCTION SPECIALIST	1	1	1
SENIOR PRODUCTION SPECIALIST	1	1	1
VIDEO PRODUCTION SPECIALIST	1	1	1
Grand Total	8	8	8

2023 Goals and Objectives

- By April 2023, deploy the City’s newly created digital communications strategic plan that provides direction for current and future social media, website, email and third party services to enhance effectiveness and improve engagement for the City’s online communications .
- By November 2023, provide education, outreach and communication for a variety of larger initiatives including the Expo 2027, Bloomington Sales Tax initiative, *Bloomington. Tomorrow. Together.* community-based strategic planning.
- By May 2023, complete a public relations strategic plan that will help achieve the communications and strategic priorities of the City Council. The plan will also provide direction on public relations activities to enhance community image and support the *Bloomington. Tomorrow. Together.* strategic plan’s mission “to cultivate an enduring and remarkable community where people want to be.”
- By December 2023, upgrade the website’s content management system from Drupal 9 to Drupal 10 to maintain currency with updated software and gain access to enhanced features.
- By August 2023, replace all of the more than 30-year old incandescent, hot-burning, high-energy lights with new much cooler and efficient sustainable LED lights, and the retirement of older equipment and other items.

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Percent of residents who rate the City's public information services as excellent or good in the National Community Survey	77%	80%	71%	78%
Connected, welcoming community	Percent of residents who rate Bloomington's overall image or reputation as excellent or good in the National Community Survey (City Council goal: 85%)	79%	75%	74%	79%
Connected, welcoming community	Average accessibility score for the City's website as measured by SiteImprove's accessibility scorecard (goal: 90)	67%	75%	81%	85%



Communications - Special Revenue Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 175,000	\$ 295,000	\$ 400,000
Franchise & PEG Fees	1,302,125	1,235,181	1,300,000
Program Income	83,383	77,725	80,900
Interest Income	(1,499)	(5,131)	2,500
Transfers from Other Funds	211,772	211,772	214,118
Total Revenues	1,770,781	1,814,547	1,997,518
Expenses			
Salaries and Benefits	1,068,537	1,126,301	1,199,147
Materials, Supplies, & Services	722,089	750,631	801,237
Capital Outlay	134,965	40,911	60,000
Total Expenses	1,925,591	1,917,843	2,060,384
Working Capital			
Net Change	(154,810)	(103,296)	(62,866)
Working Capital at Beginning of Year	535,526	380,716	277,420
Working Capital at End of Year	\$ 380,716	\$ 277,420	\$ 214,554

Support Services

The Support Services Fund is an Internal Services Fund supervised by the Communications Division in the Community Services Department. Support services includes the City's print shop, mailroom and information desk functions. The print shop is staffed by one part-time employee, while the mailroom and information desk are each staffed by two part-time employees. Support services activities are supported by user fees to departments.

Goals and Objectives

- By December 2023, continue to publicize support services offerings and present user tips and information to ensure that City employees are familiar with support services operations, especially print shop and mailroom services, and to encourage continued and increased use of these services.
- By December 2023, monitor activity levels of all three support services domains as the direct effects of the pandemic recede and services return to business as usual.
- By December 2023, complete transition to an online ordering service portal with a more transparent pricing model for print shop orders and share service portal information with the aim of providing print shop services to other governmental and partner organizations.

2022 Highlights

- **Print shop:** Selected a new printer for the print shop, downsizing to a single, all-purpose printer that (starting in 2023) will do the work of the two leased/rented printers in use since 2017. Modified the print shop's inventory to match demonstrated user needs. Reorganized storage, adding shelving to improve safety and organization of materials used in the printing process.
- **Information desk:** Hired and trained a new information desk assistant. Answered between 70 and 150 calls per day with consistently high standard of customer service. Took over responsibility for managing the Civic Plaza's lost and found items.
- **Mailroom:** Provided consistent mailroom delivery operations. Processed \$70,000 in metered mail and over 1,000 incoming and outgoing packages.



Support Services - Internal Service Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 489,066	\$ 494,900	\$ 496,295
Interest Income	(1,073)	(10,396)	2,000
Other Revenues	6,048	3,469	6,400
Transfers from Other Funds	-	-	-
Total Revenues	494,041	487,973	504,695
Expenses			
Salaries and Benefits	219,273	177,681	202,457
Materials, Supplies, & Services	240,222	300,600	322,249
Capital Outlay	-	-	-
Total Expenses	459,495	478,281	524,706
Working Capital			
Net Change	34,546	9,692	(20,011)
Working Capital at Beginning of Year	215,097	249,643	259,335
Working Capital at End of Year	\$ 249,643	\$ 259,335	\$ 239,324

Finance

The activities of Finance are located within the General Fund. The Finance Department provides financial services for the City as well as the City's two component units - the Port Authority and the Housing and Redevelopment Authority. Financial services include accounting, audit, budget, cash management, investing, grant coordination, general billing, utility billing, accounts payable, purchasing, payroll, and risk management. The Finance department provides monthly financial reports to the City Council and Executive Leadership Team and is responsible for submitting required reports to the Office of the State Auditor and Hennepin County throughout the year. Through conservative financial management and long-term planning, the City of Bloomington maintains the highest possible bond ratings possible "Triple AAA" bond ratings from Standard & Poor's, Moody's, and the Fitch Rating Agency.

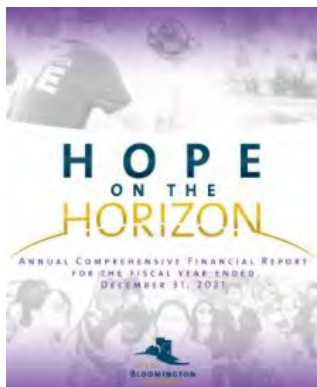
Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
FINANCE				
	ADMIN & BUDGET - GENERAL FUND	3	4	4
	FINANCIAL OPERATIONS - GENERAL FUND	20	22	22
	RISK MANAGEMENT - GENERAL FUND	1	1	1
FINANCE Total		24	27	27
Grand Total		24	27	27

Finance Department Vision

"We are a team of dedicated professionals whose diverse strengths are used to create the positive, responsible, and accountable environment necessary to accomplish an accurate and transparent accounting of public funds and provide exceptional customer service for our internal and external customers."

The following [reports are published annually](#) by the Finance Department:

- Annual Comprehensive Financial Report (Certificate of Achievement for Excellence in Financial Reporting received for 51 years)
- Popular Annual Financial Report (Award for Outstanding Achievement in Popular Annual Financial Reporting received for 23 years)
- Annual Budget Document (Distinguished Budget Presentation Award received for 27 years)
- Ten Year Capital Improvement Plan



Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Environment)	Percentage of contractor construction payments processed by EFT as opposed to check.	0%	0%	0%	5%
Department specific	Percentage of outstanding Accounts Receivable invoices that are more than 18 months past due.	14%	12%	11%	10%
Healthy community (Environment)	Percentage increase in on-line utility payment transactions	29%	20%	16%	19%
Healthy community (Environment)	Percentage increase in Utility customers that receive bills on-line (paperless)	32%	23%	37%	18%
Equitable economic growth	Percentage of Vendors that are awarded thru the competitive process who are classified as small, minority-owned, or women-owned	1%	1%	0%	3%
Connected, welcoming community	Number of Public Engagement and Outreach Budget Events	6	4	7	8

Finance - General Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ -	\$ -	\$ -
Other Revenues	233,625	331,051	140,500
Transfers from Other Funds	-	39,035	-
Total Revenues	233,625	370,086	140,500
Expenditures			
Salaries and Benefits	2,592,369	2,945,779	3,129,794
Materials, Supplies, & Services	530,996	622,458	690,977
Total Expenditures	3,123,365	3,568,237	3,820,771
Less Expenses Charged to Other Funds	(1,961,275)	(2,095,500)	(2,173,101)
Net Total Expenditures	\$ 1,162,090	\$ 1,472,737	\$ 1,647,670

Finance – Administration and Budget

The Administration and Budget division provides financial management and advice to the City Council, City Manager, and Departments with a focus in capital financing, budget coordination, debt management, and grant compliance. Administration coordinates the City’s capital improvement plan, annual budget document, and numerous reports required by the State and County throughout the year. The City’s annual budget process includes more than 30 individual funds.

In 2022, the City staff engaged with the public about the budget at seven different community events to learn more about what was important to residents when it came to the budget and city services. Rather than holding events specifically to obtain budget feedback, staff went out into the community at events such as the Police Open House, concerts at the Normandale bandshell, and the Farmer’s Market to engage residents and obtain feedback on the budget. Along with that, the Mayor and City Council discussed the budget with the community at five town hall forums throughout the year as well as detailed televised discussions at several Council meetings throughout the year. The results of the annual National Community Survey are also analyzed for budget topics. The City’s budget web page has been enhanced with additional content and provides easy access to all budget information including videos, presentations, documents, and links to recorded budget discussions at City Council meetings.

Seven Public Engagement Budget Events in the Community

- May 21, 2022: Police Department Open House
- June 21, 2022: Normandale Bandshell – Ballet
- July 14, 2022: Normandale Bandshell – Blockbuster
- August 2, 2022: National Night Out parties
- August 12, 2022: On the One Music Festival
- September 17, 2022: Farmer’s Market
- October 15, 2022: Fire Department Open House



Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CHIEF FINANCIAL OFFICER	1	1	1
DEPUTY FINANCE OFFICER	1	1	1
GRANT COORDINATOR ACCOUNTANT	0	1	1
OFFICE COORDINATOR	1	1	1
Grand Total	3	4	4

2023 Goals and Objectives

- Provide excellent financial services to internal and external customers.
- Prepare accurate and transparent financial reports based on industry best practices.

- Take all appropriated budgets to City Council for approval by year end.
- Earn the Distinguished Budget Award from the Government Finance Officers Association.
- Publish the Annual Budget Document by March 5, 2023 (90 days after the Final Budget and Tax Levy approved by the City Council)
- Publish the Popular Comprehensive Annual Financial Report (PAFR) by June 30.
- Determine 2024 Budget approach that includes a communication plan for educating the public on property tax valuation and a community engagement plan
- Compile and present Ten-Year Capital Improvement Plan (CIP) for approvals.

2022 Accomplishments

- Maintained highest bond rating possible from three rating agencies:
 - Moody's – Aaa, since 1998
 - Standard and Poor's – AAA, since 2000
 - Fitch Rating Agency - AAA, since 2004
- Received the GFOA Distinguished Budget Award for the 27th consecutive year and streamlined the process for creating the document using functionality from the City's ERP software.
- Received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the 23rd year.
- Published the 10-Year Capital Improvement Plan (2023-2032) and published in coordination with approval of the 2023 Operating Budget.
- Coordinated, analyzed, and presented 2022 budgets to the City Council for all appropriated funds – the Final Budget and Tax Levy was approved by the City Council December 5, 2022.
- Issued \$11,975,000 of General Obligation PIR bonds for fire station construction improvements.
- Issued \$11,875,000 of General Obligation PIR bonds for the Pavement Management Program.

Finance Admin. and Budget Div. - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Other Revenues	87,899	146,980	-
Total Revenues	87,899	146,980	-
Expenditures			
Salaries and Benefits	472,858	545,585	635,912
Materials, Supplies, & Services	99,476	111,139	136,904
Total Expenditures	572,334	656,724	772,816
Less Expenses Charged to Other Funds	(281,339)	(284,800)	(285,020)
Net Total Expenditures	\$ 290,995	\$ 371,924	\$ 487,796

Finance – Financial Operations

The Accounting Division manages and records the day-to-day accounting of the City’s transactions, including audit, payroll, accounts receivable, centralized purchasing, investments, accounts payable, utility billing, cash receipts, and general accounting. The division prepares an analysis of the monthly financial statements for executive leadership and City Council. They prepare the Annual Comprehensive Financial Report which has received the annual GFOA award since 1970. The audit function monitors the City tax on lodging, admissions, and liquor sales.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
DEPUTY FINANCE OFFICER	1	1	1
FINANCE MANAGER	1	1	1
PURCHASING MANAGER	1	1	1
ACCOUNTANT	3	3	3
AUDITOR	1	1	1
CUSTOMER BILLING SUPERVISOR	1	1	1
ACCOUNTING ASSISTANT	5	6	6
OFFICE SUPPORT SPECIALIST	2	2	2
PAYROLL SPECIALIST	1	1	1
PURCHASING SPECIALIST	1	1	1
OFFICE ASSISTANT	3	4	4
Grand Total	20	22	22

2023 Goals and Objectives

- Provide quality accounting and related financial services to all City departments.
- Publish the Annual Comprehensive Financial Report (ACFR) by June 30.
- Report accurate and transparent monthly financial statements in an easily understood format to both internal and external users by the following month end.
- Update the Purchasing division processes so that all bid, performance, and payment bonds are completed electronically.
- Create a supplier diversity database.
- Invest public funds in such a manner that all daily cash flow needs are met.
- Produce vendor checks every week, submit purchase orders to vendors within two days of receiving requisitions from departments, maintain accurate records, monitor grants and capital assets for compliance with internal and external policies, process payroll bi-weekly and provide financial system assistance to users.
- Train city staff on mileage, travel, and public purpose policies.
- A successful ACFR and CARES funding/single audit of our financials.
- A successful upgrade to the City’s ERP software to a new version in September 2023.
- Develop and implement an electronic funds transfer payment policy.
- Upgrade Utility Billing software, including security profiles and service order workflow.
- Select and implement an online payment portal for LLA taxes.
- Update City Ordinances and Sales Tax Audit procedures in order for the City to collect lodging taxes from online travel companies depending on State of Minnesota legislation.
- Continue Certificate of Deposit investing in community banks to promote lending to residents and businesses and earn market interest rates while being fully collateralized.

2022 Accomplishments

- Received Certificate of Achievement for Excellence in Financial Reporting for last 51 years.
- Successfully updated or created three policies: travel, mileage, and credit card fees.
- Created 10 instructional videos to train all city employees: approving invoices, navigating general ledger, mileage reimbursement, budget entry and reporting, p-card reconciliation, chart of accounts, requisition entry, timecard entry and approval, travel claim entry, budget reports in general ledger.
- Updated Finance-Operations retention schedules.
- Successfully implemented organics program process and procedures.
- Created a city credit card service fee program with input from several divisions and updated PCI compliance.
- Successfully updated the general ledger system cashiering module.
- Completed 8 Liquor, Lodging, and Admission audits.
- Collected an additional \$18,448 of local liquor, lodging, and admission (LLA) sales tax revenue identified as underpaid local taxes through the completion of 8 LLA audits.
- Implemented additional accounts payable invoice electronic approvals in the City's ERP software.
- Issued 605 purchase orders, advertised 61 solicitations on the website, and started 65 procurement activities which include bids, requests for proposals and quotes, contracts, and contract amendments.
- Utility Billing increased online utility payment transactions of 16% and accounts that signed up to receive utility bills online increased by 37%.
- Utility Billing handled 22,452 customer service telephone calls in 2022 compared to 20,868 in 2021.
- Cash management handled 5,576 customer service telephone calls in 2022 compared to 6,257 in 2021.

Finance Operations Division - General Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ -	\$ -	\$ -
Other Revenues	145,726	184,071	140,500
Transfers from Other Funds		39,035	
Total Revenues	145,726	223,106	140,500
Expenditures			
Salaries and Benefits	2,016,952	2,288,835	2,378,639
Materials, Supplies, & Services	406,297	483,462	520,344
Total Expenditures	2,423,249	2,772,297	2,898,983
Less Expenses Charged to Other Funds	(1,531,095)	(1,670,308)	(1,739,109)
Net Total Expenditures	\$ 892,154	\$ 1,101,989	\$ 1,159,874

Finance – Risk and Litigation Management

Risk Management provides risk management support to all operating divisions of the City.

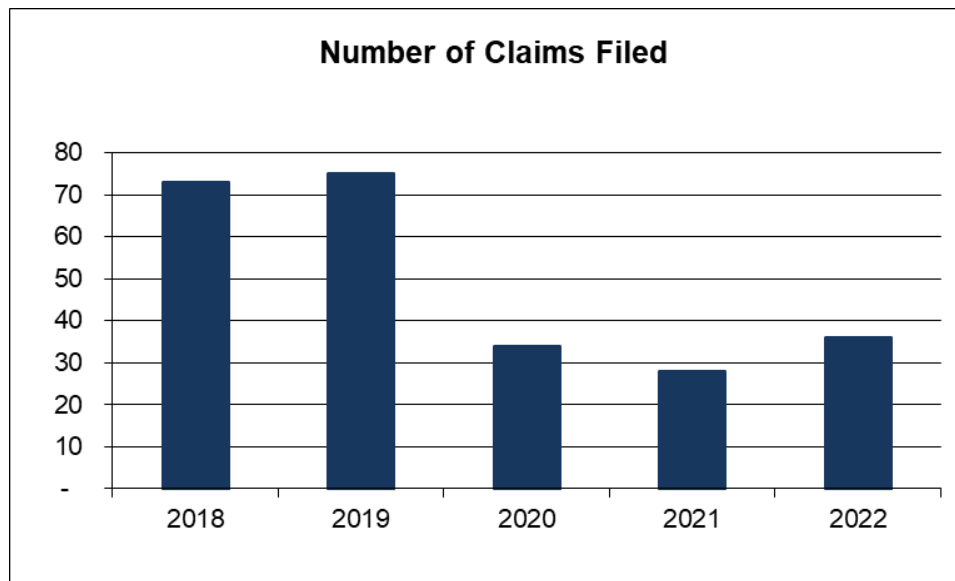
Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
RISK AND LITIGATION MANAGER	1	1	1
Grand Total	1	1	1

2023 Goals and Objectives

- Complete required insurance renewals and provide necessary reports to City Council.
- Continue working with the City-wide Safety Committee to implement required safety training and improve overall employee safety. Goals include the development and implementation of a City-wide emergency procedures, training on procedures including workplace violence and basic first aid and CPR.
- Provide an insurance training/refresher course for City employee who work with certificates of insurance.
- Training to be completed on the safe at home policy.

2022 Accomplishments

- Renewed insurance policies for 2022.
- Updated Risk Management retention schedules.
- Continued to support the City's COVID-19 response.
- Provided insurance requirement/contracts training for employees.
- Completed drafting of the Safe at Home City-wide policy.



Finance Risk Mgmt. Division - General Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Expenditures			
Salaries and Benefits	\$ 102,559	\$ 111,359	\$ 115,243
Materials, Supplies, & Services	25,223	27,857	33,729
Total Expenditures	127,782	139,216	148,972
Less Expenses Charged to Other Funds	(148,841)	(140,392)	(148,972)
Net Total Expenditures	\$ (21,059)	\$ (1,176)	\$ -

Self-Insurance

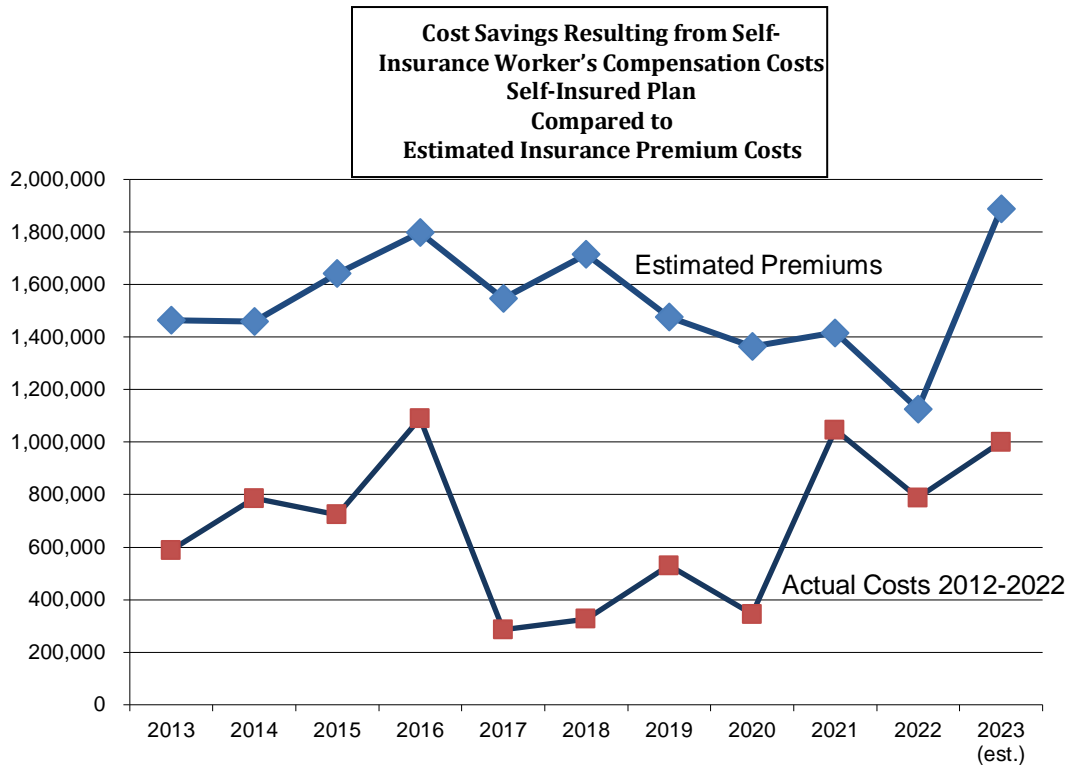
The Self-Insurance Fund is an Internal Service Fund that pays all costs related to the administration of the City’s self-insured workers’ compensation program, including costs associated with hiring a Third-Party Administrator (TPA) and reinsurance premiums assessed by the Workers Compensation Reinsurance Association (WCRA), as required by law. In addition, this fund pays the insurance premiums for the City’s property/casualty insurance program, made up of municipal liability, auto, and property coverage obtained through the League of Minnesota Cities Insurance Trust (LMCIT), as well as all claims, payments, and expenses incurred by LMCIT on the City’s behalf subject to each policy’s deductible.

2023 Goals and Objectives

- Protect the City’s assets and minimize costs of insurance.
- Continue work with the City’s insurance broker and TPA to evaluate coverage and investigate possible premium savings.
- Complete an actuarial audit of claims reserves.

2022 Accomplishments

Received a dividend from the League of Minnesota Cities Insurance Trust of \$96,622.



Cumulative estimated savings from 1986 to 2022 is \$29.3m

Self Insurance - Internal Service Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 2,240,711	\$ 2,228,734	\$ 2,211,939
Interest Income	(25,297)	(282,537)	40,000
Other Revenues	-	625,390	-
Total Revenues	2,215,414	2,571,587	2,251,939
Expenses			
Materials, Supplies, & Services	2,160,806	1,998,093	2,582,466
Transfer to Other Funds	-	-	-
Total Expenses	2,160,806	1,998,093	2,582,466
Working Capital			
Net Change	54,608	573,494	(330,527)
Working Capital at Beginning of Year	4,529,018	4,583,626	5,157,120
Working Capital at End of Year	\$ 4,583,626	\$ 5,157,120	\$ 4,826,593

Fire Department

The operational activities of the Fire Department are located within the General Fund. Purchases of equipment are accounted for in the Public Safety Technology and Equipment Internal Service Fund. The Fire Department has 36 full-time authorized positions and 95 paid-on-call firefighters. The department operates out of six fire stations and uses the latest in firefighting equipment including engines, ladders, and other specialty units. Fire Prevention is an integral part of providing fire safety through code enforcement and education. Firefighters install battery operated smoke detectors or replace batteries in detectors for homeowner occupied homes that need them upon request.

The Fire Department responded to 5131 calls for service in 2022. These ranged from water rescues and vehicle extrications to structural fires, medical emergencies, and hazardous materials emergencies. The response time measurement goal for an effective response force of at least 3 personnel within 7 minutes and 30 seconds of the 911 call was achieved 63% of the time in 2022. Four of the six fire stations operate duty crews Monday thru Friday 0800-1700. All firefighters are required to meet training standards annually.



Operations and Training

Fire Operations encompasses emergency response, dispatching, building and equipment maintenance and repair. Fire department operations also includes equipment research and development of new methods and technology to improve emergency response and performance. Fire department training includes all aspects of training and exercising the fire suppression forces to include maintaining certifications, maintaining and improving existing response skills, and training and implementing new tactics and procedures as they are identified and validated.

A Staffing for Adequate Emergency Response (SAFER) grant was applied for and awarded for the addition of 18 full time firefighters to start to address staffing and response issues. These firefighters are expected to start April 3, 2023. An additional 3 firefighter positions are budgeted and will be added July 10, 2023.

Fire Prevention

Fire prevention staff inspects all new construction and renovation of commercial, industrial and multi-family residential structures to ensure fire code compliance. Fire inspectors inspect all properties, except single-family dwellings, to verify continued compliance with the fire code. Fire prevention staff collects annual data on storage and use of hazardous material within the city and verifies annual maintenance of all fire alarm and fire sprinkler systems. Fire inspectors investigate all fires in Bloomington to determine cause and origin and work with the Police Department to investigate arson cases. The division promotes fire prevention education and training and oversees the school fire education programs and Fire Department open house. The Fire Marshal participates in the City's multi-department Development Review Committee.

Emergency Management

Fire, Police, and Public Health staff work together to provide a multi-layered emergency management capability for the City. Fire, Police, and Public Health Command Staff have emergency management and incident management training.

The Emergency Operations Plan (EOP) and Continuity of Operations Plan (COOP) are both plans that have had extensive review by all City Departments and are updated and revised annually. The City's emergency early warning capability is also a multi-department effort with Fire, Police, Public Works and Information Technology all working to implement the Everbridge notification system to alert residents and visitors to hazard information.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
FIRE CHIEF	1	1	1
BATTALION CHIEF	0	3	3
ASSISTANT FIRE CHIEF / FIRE MARSHAL	1	1	1
ASSISTANT FIRE CHIEF / OPERATIONS & TRAINING	1	1	1
DEPUTY FIRE CHIEF	1	1	1
FIREFIGHTER / FIRE INSPECTOR 2	2	2	2
FIREFIGHTER / FIRE INSPECTOR 1	2	2	6
FIREFIGHTER	0	0	3
FIREFIGHTER (SAFER GRANT)	0	0	18
OFFICE SUPPORT SPECIALIST	2	2	2
Grand Total	10	13	38

2023 Goals and Objectives

Fire Department:

- Provide fire prevention services and fire education to residents, businesses, and visitors.
- Respond to fires, hazardous materials incidents, medical emergencies, rescues, and other calls for assistance.
- Preserve and protect life, property, and the environment against injury and damage from fires, hazardous materials incidents, natural and manmade disasters, and other incidents occurring within the City of Bloomington
- The current goal is to respond with a minimum of three and arrive to calls within 7 minutes 30 seconds of the 911 call 90% of the time. This will continue to require additional resources for several years.

Operations and Training:

- Respond to emergency calls for service in 7 minutes 30 seconds or less from time of the 911 call 90% of the time.
- Response an initial effective response force of 15 firefighters within 9 minutes 30 seconds to structure fires where fire attack hose lines are deployed 90% of the time.
- Provide quality training to firefighters to meet or exceed Federal and State training requirements
- Continue to work with dispatch to achieve call processing time to meet or exceed NFPA standard from receipt of 911 call to dispatch of resources.
- Continue to maintain equipment for emergency response to prolong life and effectiveness.

Fire Prevention:

- Issue the majority of the fire sprinkler and fire alarm permits within five business days.
- Inspect a majority of designated high-risk occupancies each year.
- Inspect 45% of existing commercial, industrial, and multi-family residential properties.
- Resolve the majority of known fire code violations within 30 days.
- Investigate complaints within one business day.
- Respond to a majority of fire scenes within 24 hours of a report by the Police Department or Fire Operations.
- Minimize the number of incendiary and suspicious fires through education and effective investigations
- Minimize the number of incendiary and suspicious fires through education and effective investigations.
- Continue to conduct home safety survey inspections in owner-occupied single-family homes with an emphasis on residents over age 55.
- Conduct fire education programs for business and resident groups upon request:
 - Assist and monitor fire education and fire drills at all schools.
 - Assist and monitor the Fire Department open house.
- Facilitate and coordinate fire department truck visits, smoke detector installations, car seat installation, station tours and other programs

Emergency Management:

- Review and revise the City's Emergency Operations Plan annually.
- Review and revise the City's Continuity of Operations Plan annually.
- Maintain the operational readiness capabilities of the City's Emergency Operations Center.
- Conduct inter-departmental training for EOC operations.
- Increase awareness and participation of the public in the City's Everbridge notification system.

- Maintain and continue to update the emergency early warning siren system.
- Maintain alternative redundant or resilient communications capability for use during disasters impacting the City’s normal communications channels.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy Community (Safety)	Percent of calls responded to within 7 minutes and 30 seconds (goal of 90%)	62%	61%	63%	90%
	# of lives lost in structure fires	0	1	0	0 est.
	# of civilian injuries due to fires	3	1	2	2 est.
	% of time that at least 15 firefighters arrive at structure fires in 9 minutes or less (goal of 90%)	40%	25%	25%	25%
	Total inspections completed (annual, follow up inspections, building final, fire alarm testing, rough-in, tanks)	2323	528 <i>(Existing Building Data Only)</i>		1800 est.
	Inspect 25% of existing commercial, industrial and multi-family residential properties each year.	343 (26%)	321 (24%)		340
	# of smoke alarms installed/batteries replaced	9	10	12	8
	# of inventories of hazardous materials stored and used in commercial properties	90	100	90	90

Healthy Community (Safety)	Conduct fire cause and origin investigations. # conducted	67	53	55	60
	Minimize the number of incendiary and suspicious fires through education and effective investigations. # of education events				Planned
	Home Safety Survey Inspections – Owner-occupied single-family homes	COVID	COVID		
	Car Seats installation and safety checks performed by car seat technicians	42	45		40
	# of firefighter injuries (first report)	27	22	8	
	# of workdays lost due to injury (lost/restricted)	51	252/143		
	# of personnel who attend outside training/education	13	18		10
	# hours firefighter training delivered	10,000	11,276	11,000	10,000
Healthy Community (Safety) and Connected, welcoming community	Conduct fire education programs for business and resident groups upon request. # programs conducted.	COVID	COVID		
	Assist and monitor fire education and fire drills at all schools. # drills	COVID	COVID		4
	Expand fire education program to include persons over age 55.	COVID	COVID		Planned
	Deliver life safety information to the public. # of deliveries	COVID	COVID		

	# of school programs delivered each year	COVID	COVID		
	Events where risk reduction/fire safety literature is delivered each year	COVID	COVID		

Fire Department

- From receipt of the 911 call to arrival time 90% of the time is 12 minutes for first arriving unit with 3 personnel. This is considerably longer than our goal of 7 minutes 30 seconds for the first arriving unit with 3 personnel.

Operations and Training

- Responded to 5131 calls for service.
- Emergency response time from receipt of the 911 call to arrival with a crew of 3 is 7 minutes and 30 seconds 63% of the time. (goal is 90% of the time with four).
- Responded with 15 or more firefighters within 9 minutes 30 seconds 25% of the time to all structure fires where fire attack hose lines were deployed (goal is 90%).
- Provided 11,276 hours of training for current firefighters to meet Federal and State requirements.
- Provided 1432 hours of live fire training attempting to meet Federal and State requirements.
- Coordinated with auto-aid and mutual aid partners to maintain capability for large incident response.
- Represented the Fire Department in ongoing operations of the Tri-Tech/Central Square Computer Aided Dispatch (CAD) system.
- 21 new full-time firefighters were added to the Department in 2023.

Fire Prevention

- Performed inspections (annual, building final, fire alarm testing, rough-in, tanks)
- Completed 3 Home Safety Survey Inspections in owner-occupied single-family homes.
- Conducted safety presentations at K-12 schools, businesses, senior living facilities and other venues.

Emergency Management

- Performed monthly checks on the City’s 22 emergency warning sirens.
- Assisted maintaining the Everbridge emergency notification system for residents to sign up for alerts.
- Assisted maintaining and updated senior staff alert notifications as part of the Everbridge implementation.
- Maintained and exercised communications capabilities for use during disasters.

2022 Fire Department Incident Response Time

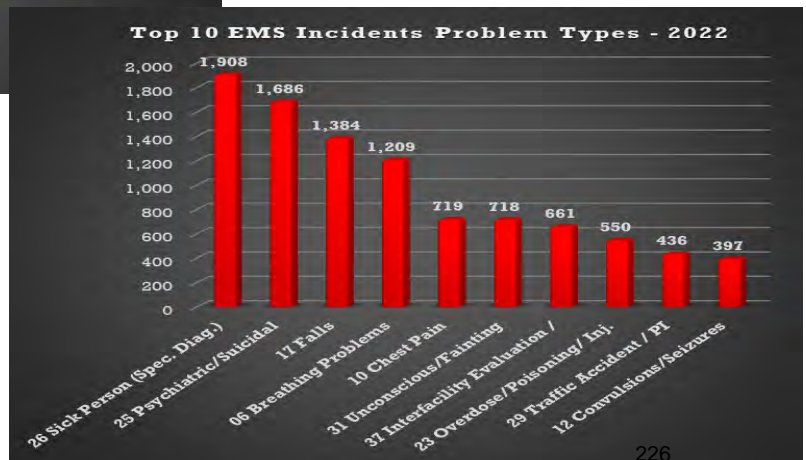
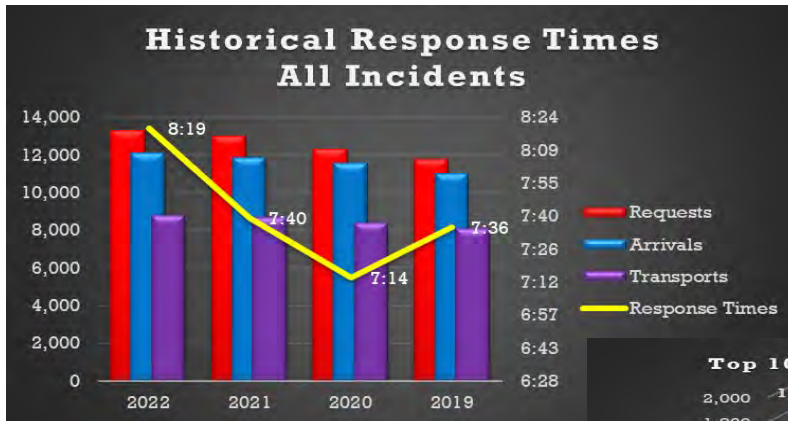
The Call to Arrival time 90% Performance with an effective response force of 3.

	Goal Time 90% of the time	% Of Time Goal Met	Actual 90% Time of Goal
Alarm Processing	1:30	75%	2:20
Response	6:00	60%	12:00
Call to Arrival	7:30	58%	16:00

City of Bloomington EMS Response

This report and bar graphs provided by Allina includes a breakdown of all calls responded to by Allina Health EMS within the City of Bloomington during the calendar year 2022. Calls for service are categorized into emergency, non-emergency, average response times for such calls, and Hennepin County Ordinance requirements on average. As with previous reports we have included the four-year history of calls and average response time trend line. Additionally included by category are the top 10 calls overall within the city.

- **2022 Total Priority Responses (911) 13,299**
 - Total Emergency Responses (Red Lights / Siren) 9,677
 - Total Non-Emergent (Routine Response) 3,622
- **2022 Average Response Time for all calls Emergent or Routine 8:19**
 - Emergent Responses = 9,677 Response Time 7:28
 - Non-Emergent Resp. = 3,622 Non-Emergent Resp. Time 8:19
- **Hennepin County Ordinance compliance = 84.3.5% (Under 10:59)**
 - Hennepin County Ordinance requires all emergency 911 EMS calls to be responded to in under 10:59, 80% on average.



Fire - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ 87,959	\$ 36,900	\$ -
Other Revenues	400	578	-
Transfers from Other Funds		392,978	400,000
Total Revenues	88,359	430,456	400,000
Expenditures			
Salaries and Benefits	2,673,749	3,807,025	5,059,831
Materials, Supplies, & Services	2,562,020	2,675,969	3,781,253
Capital Outlay	-	27,875	15,000
Transfer to Other Funds	104,000	-	-
Total Expenditures	\$ 5,339,769	\$ 6,510,869	\$ 8,856,084

Fire Pension Fund

The Fire Pension Fund is a Special Revenue Fund for accumulating revenue to pay annual Fire Pension obligations. The City of Bloomington has a Paid-On-Call Fire Department. After 20 years of service, Paid-On-Call firefighters are eligible to receive a pension from the Bloomington Fire Department Relief Association (BFDRA).

Each year, an independent actuary calculates the fire pension liability due to the BFDRA two years in the future based upon their financial activities. The annual fire pension obligation is impacted by market volatility of the investment returns, the police officer’s salary rates, and firefighter demographics. If the annual accrued liability funding ratio is under 120% funded, State statute requires that the City send an annual contribution in addition to State Fire Aid money.

In 2022, based on the investment performance at the end of 2020 the Accrued Funding Ratio was 128% resulting in no required contribution. In 2023, based on the investment performance at the end of 2021 the Accrued Funding Ratio was 132% resulting in no required contribution. Historically, Bloomington will continue to contribute the Fire State Aid in 2023.

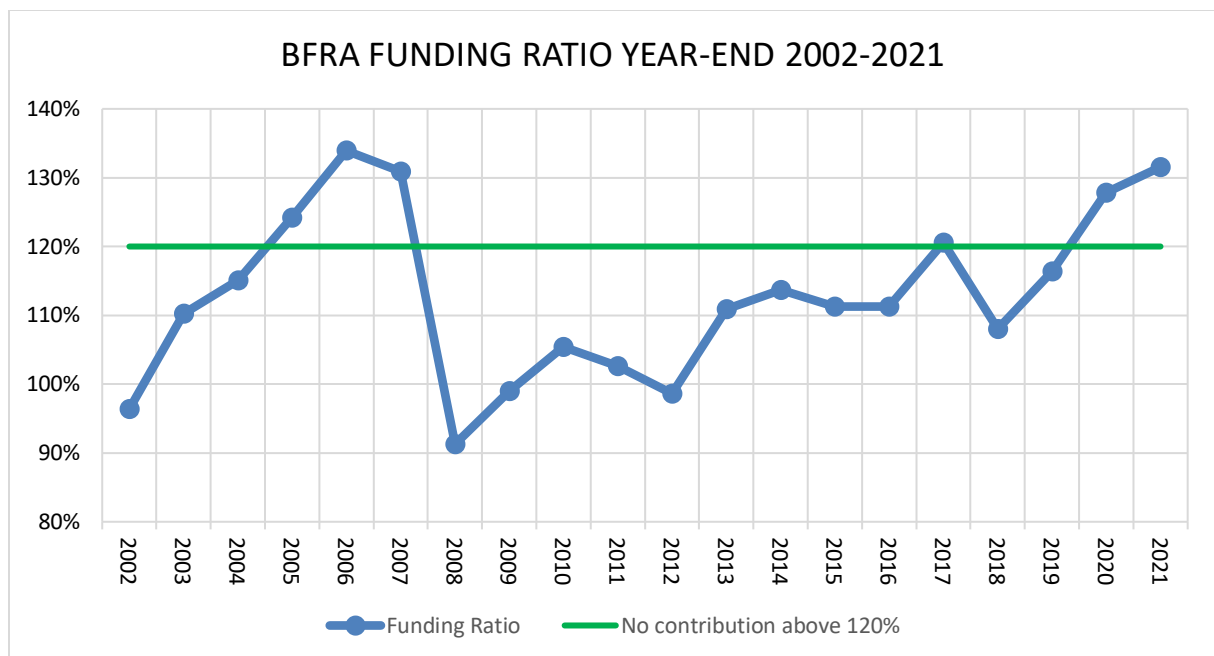
Fire Pension revenue is received from the following sources: State aid, property tax levy, and transfers from the General Fund and/or Strategic Priorities

2023 Goals and Objectives

- Build a reserve within the Fire Pension fund to provide current and future pension obligation contributions without causing property tax levy volatility.

Performance Measures

- Working Capital balance of the Fire Pension fund was above the Working Capital Goal of \$2,500,000.



Fire Pension - Special Revenue Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,000,000
Intergovernmental	672,339	719,546	726,741
Interest Income	(22,672)	(214,930)	57,359
Bond Proceeds	-	-	-
Transfers from Other Funds	-	592,267	-
Total Revenues	1,699,667	2,146,883	1,784,100
Expenses			
Salaries and Benefits	1,379,113	719,546	726,741
Materials, Supplies, & Services			50,000
Transfer to Other Funds	500,000	341,606	-
Total Expenses	1,879,113	1,061,152	776,741
Working Capital			
Net Change	(179,446)	1,085,731	1,007,359
Working Capital at Beginning of Year	4,565,754	4,386,308	5,472,039
Working Capital at End of Year	\$ 4,386,308	\$ 5,472,039	\$ 6,479,398

Public Safety - Technology and Equip.

The Public Safety Technology and Equipment Fund is an Internal Service Fund that has the following six activities:

- Radios
- Mobile Digital Computers (MDC's)
- Body Worn Cameras
- Police Small Equipment
- Fire Small Equipment
- Fire Large Equipment

Radios (Police and Fire):

Portable and dash mounted radio operations are scheduled for replacement every 8-10 years. The Police Department and Fire Department use the majority of the City's radios. However, Public Works and Public Health also use radios in their operations. Charges for operations are internally charged to all four of these departments, but charges for replacement are only charged to Police, Fire, and Public Works and build up working capital balance for future equipment purchase. Public Health purchases their own replacement radios.

MDC's (Police and Fire):

Mobile Digital Computers are located in Public Safety vehicles to communicate with dispatch and access Public Safety databases. They are scheduled to be replaced every 4 years. Charges for operations and replacement are charged to Police and Fire and build up working capital balance for future equipment purchases.

Body Worn Cameras (Police):

Body worn cameras is a new activity in this fund. The initial purchase, implementation, and training of body worn cameras had multiple funding sources including grant and forfeiture funds. Charges for on-going data storage fees are funded from a transfer from Police forfeiture funds and from a transfer of funds from the IT department.

Police Small Equipment:

The Police small equipment activity purchases equipment such as tasers, tactical vests, guns, and other equipment on a replacement schedule of 5-15 years depending on the item. Consistent replacement charges to Police in the General Fund are the revenue for this activity and build up working capital balance for future equipment purchases.

Fire Small Equipment:

The Fire small equipment activity purchases equipment such as fire hoses, gear, and rescue equipment on a varying replacement schedule. Charges to Fire in the General Fund are the revenue for this activity and build up working capital balance for future purchases.

Fire Large Equipment:

The Fire large equipment activity purchases large equipment such as large ladder trucks. Revenues come from the Fire Department activity in the General Fund.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
RADIO COMMUNICATIONS TECHNICIAN	1	1	1

2023 Goals and Objectives

- Maintain a reliable and efficient communications system for Public Safety.
- Maintain adequate, consistent internal charges to fund future purchases of Public Safety equipment without causing large variances in the General Fund.
- Implementation of planned Fire Department MDC upgrades.
- Inventory of 40 Police Department MDC's is current with next purchases scheduled in 2024 for approximately \$235,040.
- Inventory of 81 Fire Department portable radios is current with next purchases scheduled in 2024 for approximately \$480,000.
- Inventory of 38 Public Works portable radios is current with next purchases scheduled in 2025 for approximately \$141,741.
- Inventory of 24 Fire Department MDC's is current with the next purchases scheduled for 2025 for approximately \$128,000
- Inventory of 175 Police Department portable radios is current with next purchases scheduled in in 2026 for approximately \$1,173,000.
- Inventory of 48 Fire Department mobile radios is current with next purchases scheduled in 2028 for approximately \$253,000.
- Inventory of 82 Police Department mobile radios is current with next purchases scheduled in 2028 for approximately \$513,000.

Public Safety Tech & Equip - Internal Service Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 1,178,389	\$ 1,178,389	\$ 2,067,958
Intergovernmental	18,594	26,835	-
Interest Income	(16,797)	(103,534)	32,000
Other Revenues	59,452	60,279	-
Transfers from Other Funds	1,915,699	150,000	50,000
Total Revenues	3,155,337	1,311,969	2,149,958
Expenses			
Salaries and Benefits	106,579	104,925	121,073
Materials, Supplies, & Services	881,300	722,189	579,765
Capital Outlay	892,512	808,946	1,698,560
Transfer to Other Funds	-	-	-
Total Expenses	1,880,391	1,636,060	2,399,398
Working Capital			
Net Change	1,274,946	(324,091)	(249,440)
Working Capital at Beginning of Year	1,871,181	3,146,127	2,822,036
Working Capital at End of Year	\$ 3,146,127	\$ 2,822,036	\$ 2,572,596

Information Technology

The Information Technology (IT) Fund is an Internal Services Fund that contains the City’s IT Department. The IT Department provides the City with computer hardware and software and coordinates the networking and communications of systems in accordance with the City’s Information Technology Strategic plan. A Geographical Information Systems (GIS) team was added to IT in 2022. The purpose of the GIS team is to carry out the initiatives in the GIS strategic plan and to meet the geospatial data needs of city’s departments.

A cross functional Information Technology Steering Committee (ITSC) meets monthly to ensure that technology governance is coordinated and efficient, leading to decreased costs and complexity at the City. The ITSC addresses cross-organizational items having significant short and long-term informational technology impact for the City’s employees and community.

The IT Department’s resources include the total hours available for services to City operating departments, as well as funding for hardware, software, and training.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CHIEF INFORMATION OFFICER	1	1	1
INFORMATION TECH SUPERVISOR	3	3	3
IT SYSTEMS ENGINEER	1	1	1
NETWORK ENGINEER	1	1	1
DATABASE ADMINISTRATOR	1	1	1
IT SYSTEMS ADMINISTRATOR I	2	1	1
IT SYSTEMS ADMINISTRATOR II	2	2	2
APPLICATIONS ADMINISTRATOR II	1	1	1
GIS COORDINATOR	0	0	1
IT SYSTEMS ADMINISTRATOR I	1	1	1
APPLICATIONS ADMINISTRATOR I	2	3	3
DESKTOP ADMINISTRATOR	1	1	1
DESKTOP SUPPORT SPECIALIST	1	1	1
GIS SPECIALIST I	0	0	1
Grand Total	17	17	19

2023 Goals and Objectives

- Provide technology expertise, equipment, software, and services to meet Council’s Goals by:
 - Implementing items identified in the 2022-2026.
 - Concentrating efforts to secure the City’s technology systems.
 - Supporting Council’s strategic objectives through innovative technology solutions.
- Build out the city’s fiber optics infrastructure.
- Implement initiatives defined in the Geographic Information Systems (GIS) strategic plan to enhance functions & activities City-wide.
- Review existing policies and procedures. Identify and implement necessary changes.
- Continue to provide exceptional service to support the City’s departments in technology.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Total Completed Tickets	4977	3637	3665	3750
	Ticket Time of Completion - time to resolve 80% of the tickets	4 Hours	5 Hours	4 Hours	4 Hours
	% Employees Completed Security Training	65%	88%	N/A	95%
	Security Maturity Model Scores	0.4	0.75	0.8	1
	GIS Maturity Model Scores	2.5	2.6	3.2	3.5
	Project Management Maturity Model Scores (PMI Scale)	Level 1	Level 2	Level 2	Level 3
	Budgeted Maintenance Costs to Actual	96%	98%	102%	100%

IT Supports and Secures the City's Information and Infrastructure

- More than Four Million e-mails were processed in 2022.
- 30% of e-mail messages rejected as spam and nearly 27,000 messages containing viruses were stopped from entering the City's network.

2022-2026 IT Strategic Plan

The city developed the IT Strategic to ensure a focused and collaborative approach to technology through 2026. The plan includes initiatives centered on four key themes:

- Collaboration and Communication
- Data Management
- Obsolescence
- Process

IT Supports More Than 200 Applications

The City's 10 departments have a wide range of technology needs and IT supports more than 200 software applications to ensure business operating needs can be met. These range from permitting and license solutions to enterprise resource planning (ERP) to public safety systems. Software maintenance and support represents about 1/3 of the City's IT budget. City staff is continually evaluating the use of its software applications to minimize redundant solutions and to maximize effectiveness.

Information Technology - Internal Service Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 6,106,593	\$ 6,204,624	\$ 6,963,968
Interest Income	(10,703)	(69,615)	12,000
Other Revenues	5,579	33,546	-
Transfers from Other Funds	-	59,278	325,000
Total Revenues	6,101,469	6,227,833	7,300,968
Expenses			
Salaries and Benefits	2,175,493	2,557,837	2,823,987
Materials, Supplies, & Services	3,321,120	3,529,603	4,399,812
Capital Outlay	58,032	38,764	565,000
Transfer to Other Funds	261,772	261,772	214,118
Total Expenses	5,816,417	6,387,976	8,002,917
Working Capital			
Net Change	285,052	(160,143)	(701,949)
Working Capital at Beginning of Year	2,372,740	2,657,792	2,497,649
Working Capital at End of Year	\$ 2,657,792	\$ 2,497,649	\$ 1,795,700

Legal

The Legal Department is within the General Fund. The City Attorney’s Office provides legal counsel to the City Council, Advisory Boards and Commissions, the City Manager, and other City departments, and prosecutes non-felony criminal offenses occurring within the City.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CITY ATTORNEY	1	1	1
DEPUTY CITY ATTORNEY - CIVIL	1	1	1
DEPUTY CITY ATTORNEY - PROSECUTION	1	1	1
COMPLIANCE MANAGER	0	0	1
ASSISTANT CITY ATTORNEY-CIVIL	2	2	2
ASSISTANT CITY ATTORNEY-PROSECUTION	4	4	4
CRIME VICTIM LIAISON	1	1	1
PARALEGAL	2	2	2
COMPLIANCE PARALEGAL	0	0	1
ADMINISTRATIVE ASSISTANT	0	0	1
OFFICE SUPPORT SPECIALIST	1	1	1
Grand Total	13	13	16

2023 Goals and Objectives

- Create and maintain a highly collaborative, aligned, focused, positive, and professional work environment that promotes employee growth and satisfaction while providing convenient, accessible, and expert legal services to City Departments, staff, elected and appointed officials, and other government entities;
- Promote justice, access to justice for victims of crimes, and enhance public safety through locally accountable, fair, and effective criminal prosecution and community outreach;
- Deliver timely, high quality, accessible, and cost-effective legal counsel to City Departments;
- Minimize the City’s exposure to claims and lawsuits through staff safety and other training, regular review and revision of policies and procedures, and proactive case management;
- Deploy and promote the use of technology to improve and enhance access to justice; fair and effective criminal prosecution; and timely review, exchange, and execution of documents;
- Draft, negotiate, and review agreements, policies, and programs that address the City’s interests and protect its assets.
- Advise and support City Departments’ efforts to bring about high-quality, innovative, and collaborative development;
- Advise and support City Departments’ efforts to shape the ordinances, policies, and plans that direct the City’s growth, development, and renewal;
- Advise and support City Departments’ efforts to develop, review, and revise their policies to promote staff development; increase compliance with city objectives; and enhance the overall public experience;

- Advise and support City Departments’ efforts to protect the quality and safety of City residents, neighborhoods, licensed establishments, and other businesses through outreach, screening, education, communication, and enforcement actions;
- Educate to ensure community-wide compliance with programs, rules, and laws;
- Advise and support efforts to train and educate City Departments to improve and streamline requests, responses, and access to public records; and
- Support City Departments and outside agencies’ efforts to facilitate multi-modal transportation.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Safety) & Connected, welcoming community	Promote justice, access to justice for victims of crimes, and enhance public safety through locally accountable, fair, and effective criminal prosecution and community outreach	Opened 3885+ criminal cases	3555	3903	3800
Healthy community (Environment)	Use technology to efficiently and sustainably execute documents	834 DocuSign* documents	1,132	1,319	1,600
Equitable economic growth	Advise and support City Departments’ efforts to shape the ordinances, policies, and plans that direct the City’s growth, development, and renewal	Prepared, reviewed, and finalized 409 resolutions, ordinances, & public hearing notices	430	479	500
Healthy community (Safety) & Connected, welcoming community	Promote justice, access to justice for victims of crimes, and enhance public safety through locally accountable, fair, and effective criminal prosecution and community outreach	645 letters to crime victims	810	638	1000
Connected, welcoming community	Provide public with legal notice of upcoming city actions	131 published notices	130	144	135

Department specific	Draft, negotiate, and review agreements and related documents that address the City's interests and protect its assets	568 waivers, releases, agreements leases and contracts	826	931	900
Department specific	Advise and support City Departments' efforts to develop, review, and revise their policies to promote staff development; increase compliance with city objectives; and enhance the overall public experience	Prepared, reviewed and finalized 141 other city documents and policies	156	197	150

**Since deployment in March 2020: DocuSign reports the City has saved 7,926 pounds of wood (23 trees), 23,339 gallons of water, 18,605 pounds of carbon and 1,288 pounds of waste (21 trash cans).*

Legal - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 10,390	\$ 12,570	\$ 8,000
Intergovernmental	81,405	90,038	-
Interest Income			
Other Revenues	-	-	-
Transfers from Other Funds		125,000	
Total Revenues	91,795	227,608	8,000
Expenditures			
Salaries and Benefits	1,970,442	2,112,671	2,348,245
Materials, Supplies, & Services	276,961	331,200	506,989
Transfer to Other Funds	-	-	-
Total Expenditures	2,247,403	2,443,871	2,855,234
Less Expenses Charged to Other Funds	(382,688)	(399,703)	(407,205)
Net Total Expenditures	\$ 1,864,715	\$ 2,044,168	\$ 2,448,029

Parks and Recreation

The Parks and Recreation Department has activities within the General Fund, Enterprise Funds, and a Special Revenue Fund. Administration, Recreation, and the Creekside Community Center activities are located within the General Fund. The Golf Courses, Ice Garden, Aquatics, and Center for the Arts are all in separate Enterprise Funds. Park grant revenue is in a Special Revenue Fund. Parks and Recreation oversees 97 parks and recreational facilities for users to enjoy. The department provides recreational opportunities through programs and facilities offering a wide variety of opportunities for people of all ages and abilities.

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
PARKS & RECREATION				
	ADMIN - GENERAL FUND	5	5	5
	AQUATICS FUND - ENTERPRISE FUND	1	1	1
	CENTER FOR THE ARTS - ENTERPRISE FUND	1	1	1
	CREEKSIDE COMMUNITY CENTER - GENERAL FUND	3	3	3
	GOLF COURSES - ENTERPRISE FUND	5	5	5
	ICE GARDEN - ENTERPRISE FUND	4	5	5
	RECREATION - GENERAL FUND	5	5	5
PARKS & RECREATION Total		24	25	25
Grand Total		24	25	25



Parks and Recreation - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 369,201	\$ 541,943	\$ 600,400
Other Revenues	568,545	576,504	647,035
Transfers from Other Funds	-	-	-
Total Revenues	937,746	1,118,447	1,247,435
Expenditures			
Salaries and Benefits	1,974,751	2,109,041	2,825,869
Materials, Supplies, & Services	7,167,947	1,848,834	1,896,616
Capital Outlay	-	-	25,000
Total Expenditures	9,142,698	3,957,875	4,747,485
Less Expenses Charged to Other Funds	(57,089)	(75,523)	(77,789)
Net Total Expenditures	\$ 9,085,609	\$ 3,882,352	\$ 4,669,696

Parks and Recreation – Administration

Administration provides leadership, planning, budgeting, and training to support to all its divisions.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
DIRECTOR OF PARKS & RECREATION	1	1	1
DEPUTY DIRECTOR OF PARKS & RECREATION	1	1	1
ASSISTANT DIRECTOR OF PARKS & PARK PROJECTS	1	1	1
COMMUNICATIONS SPECIALIST	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1
Grand Total	5	5	5

2023 Goals and objectives

- Implement financial planning, process, and education campaign for a Bloomington Sales Tax to support the development of new facilities and update existing facilities in the next five years including updates to Bloomington Ice Garden, a Community Health and Wellness Center on the Creekside campus, and the Nine Mile Creek Corridor Renewal project.
- Convene a BST Planning Team to work on BIG, CHWC and Nine Mile Creek Corridor project scope and timelines
- Continue work on developing a Geographic Information System project to provide a park asset inventory and condition rating, operationalize Equity Prioritization Model, and inform program delivery
- Service Area Plan that includes concept plans for nine parks and the 30% completed plans for three park renovations including Smith Park, Bryant Park, and Tretbaugh Park
- Develop a park shelter building design standard concept.
- Complete a Park Maintenance Operations Plan
- Complete construction of Normandale Lake Restroom and Maintenance building
- Create a donations and naming policy
- Complete merger of Parks and Recreation Department and Park Maintenance division including organizational changes and budget merger.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Park projects evaluated with equity tool	n/m	n/m	20%	100%
Connected, welcoming community	Community participation in the Service Area/Bryant Park Planning process that is representative of the population	n/m	n/m	50%	100% complete

Connected, welcoming community	Resident support of Bloomington Sales Tax for all new facilities is received	n/m	n/m	No Tax Bill; No Referendum	100% complete
Healthy Community (Environment)	9 parks have a prioritized natural resources strategy	n/m	50% complete	70% complete	100% complete
Connected, welcoming community	Inventory of park assets, condition, combined with natural resources and programing data that is integrated with existing software programs	n/m	n/m	50% complete	100% complete
Healthy community (Environment)	Natural resources funding is prograded according to the Plan to restore natural areas to achieve a healthy, diverse and balanced park system	n/m	n/m	70% complete	100% complete

n/m = not measured

Parks and Rec. Admin. Div. - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 5,666	\$ 6,575	\$ 2,560
Other Revenues	511,908	503,392	565,710
Total Revenues	517,574	509,967	568,270
Expenditures			
Salaries and Benefits	864,939	891,270	955,330
Materials, Supplies, & Services	362,784	635,550	525,041
Total Expenditures	1,227,723	1,526,820	1,480,371
Less Expenses Charged to Other Funds	(57,089)	(75,523)	(77,789)
Net Total Expenditures	\$ 1,170,634	\$ 1,451,297	\$ 1,402,582

Parks and Recreation –Recreation

Parks and Recreation focuses on preserving, managing, and programming the City’s vast parks system of 3,700 acres for the enjoyment of people of all ages and abilities. The division provides a wide range of activities for all ages, from highly competitive individual and team sports to youth summer programming to community wide special events to self-directed leisure activities.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
RECREATION MANAGER	1	1	1
RECREATION SUPERVISOR	3	3	3
OFFICE SUPPORT SPECIALIST	1	1	1
Grand Total	5	5	5

2023 Goals and Objectives

- Improve seasonal hiring process including the utilization of online learning management system and NeoGov onboarding software
- Update summer youth programming registration process to increase equity and access
- Finalize agreement with the School District regarding Galaxy program and other joint initiatives
- Secure new location for indoor pickleball
- Introduce new paddleboarding program

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Participants in youth summer programs such as Camp Kota, Summer Adventure Playgrounds, The View and Mini View	N/A+	229*	331***	400
	Participants in adaptive recreation programs including adaptive softball and adaptive dances	N/A+	25	55	75
	Percent of Arts in the Parks shows with a corporate sponsor	N/A**	N/A**	16%	30%
	Percent of community survey respondents that rated the overall quality of parks and recreation opportunities as excellent or good	89%	89%	86%	90%
	Percent of community survey respondents that rated the overall quality of recreation programs or classes as excellent or good	78%	86%	78%	87%
	Registration fee revenue for adult sport leagues	N/A+	\$ 179,853	\$ 185,274	\$ 185,000

*The View, Mini View and Camp Kota were cancelled in 2021 due to staffing shortages

**Sponsorships were not solicited in 2021 due to COVID-19 impacts

+Most programs were cancelled due to COVID-19 restrictions

*** Limited staffing impacted ability to run programs at full capacity



Parks and Rec. Recreation Div. - Gen. Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 334,573	\$ 443,865	\$ 504,200
Other Revenues	\$ 56,689	\$ 72,371	\$ 81,225
Total Revenues	391,262	516,236	585,425
Expenditures			
Salaries and Benefits	\$ 726,177	\$ 771,354	\$ 1,388,107
Materials, Supplies, & Services	\$ 6,337,475	\$ 710,170	\$ 852,987
Total Expenditures	\$ 7,063,652	\$ 1,481,524	\$ 2,241,094

Parks and Recreation – Creekside Community Center

The Creekside Community Center is home to active adult programming, various community partner organizations and activities, as well as open to community rentals. It is a facility in which the community can gather to connect with their friends and neighbors while participating in a variety of programs.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CREEKSIDE COMMUNITY CENTER MANAGER	1	1	1
OFFICE SUPPORT SPECIALIST	1	1	1
MAINTENANCE WORKER	1	1	1
Grand Total	3	3	3



2023 Goals and Objectives

- Add a new daytime fitness program for older adults and a new fitness program for all ages that includes older adults.
- Implement organics collection in partnership with Public Works
- Create and implement an annual program survey plan for ongoing programs.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual*	2021 Actual**	2022 Actual	2023 Goal
High Quality Service Delivery	Operating revenue as a % of operating expenses	6.9%	3.4%	10.5%	9.1%
	Program registration fee revenue for active adult programming	\$3,734	\$5,196	\$18,105	\$16,000
	Number of individual program participants	988	1155	1243	1400
	Number of on-going active adult programs	41	35	35	35
	Number of special events	1	9	20	20

*Based on 2.5 months of programming

** Based on 6 months of programming after facility closure of 15 months

Parks and Rec. Creekside Division - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 28,962	\$ 91,503	\$ 93,640
Other Revenues	(52)	741	100
Total Revenues	28,910	92,244	93,740
Expenditures			
Salaries and Benefits	383,635	446,417	482,432
Materials, Supplies, & Services	467,688	503,114	518,588
Capital Outlay	-	-	25,000
Total Expenditures	851,323	949,531	1,026,020
Less Expenses Charged to Other Funds	-	-	-
Net Total Expenditures	\$ 851,323	\$ 949,531	\$ 1,026,020

Parks and Recreation – Aquatics

The Aquatics Enterprise Fund includes the Bloomington Family Aquatic Center and Bush Lake Beach.

Bloomington Family Aquatic Center

The Bloomington Family Aquatic Center is an eight lane, 50-meter lap pool with a zero-depth entry. The zero-depth entry includes three tot-slides and water play features. The diving well has a one-meter diving board, a climbing wall, and a drop slide. The facility also has two looping water slides and a concessions operation.

Bush Lake Beach

Bush Lake Beach is a key component of the Hyland-Bush-Anderson Lakes Regional Park Reserve that provides exceptional outdoor recreation opportunities. The paid parking lot off of East Bush Lake Road provides access to a designated swimming area, indoor restrooms, fishing docks, a playground, volleyball court, picnic shelter, and access to several walking and hiking trails.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
RECREATION SUPERVISOR	1	1	1

2023 Goals and Objectives

- Install new pool filters
- Install new speaker system
- Repair pool shell

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Percent of available park shelter rental dates sold	N/A*	77%	47%**	60%
	Percent of season pass holder survey respondents that were overall satisfied or highly satisfied with the Bloomington Family Aquatic Center	N/A*	89%	91%	92%

*Park shelter rentals and the Bloomington Family Aquatic Center were closed in 2020 due to COVID-19 restrictions

**Impacted by Park Maintenance Staffing Shortage



Aquatics - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 515,000	\$ 515,000	\$ 465,000
Program Income	355,790	361,313	294,800
Other Revenue	1,070	31	-
Intergovernmental	23,124	20,990	20,000
Interest Income	(4,285)	(33,725)	5,000
Transfers from Other Funds	-	-	-
Total Revenues	890,699	863,609	784,800
Expenses			
Salaries and Benefits	313,969	359,801	474,796
Materials, Supplies, & Services	358,070	399,683	409,538
Capital Outlay	-	22,306	130,000
Total Expenses	672,039	781,790	1,014,334
Working Capital			
Net Change	218,660	81,819	(229,534)
Working Capital at Beginning of Year	570,587	789,247	871,066
Working Capital at End of Year	\$ 789,247	\$ 871,066	\$ 641,532

Parks and Recreation – Center for the Arts

This Enterprise Fund accounts for the revenues and expenses of the Bloomington Center for the Arts (BCA) which provides high quality arts and cultural experiences for residents, patrons, and participants. With venues such as the Schneider and Black Box Theaters, and painting and clay classrooms, the Center for the Arts is a magnet for people looking for enriching experiences in the arts.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ARTS CENTER MANAGER	1	1	1

2023 Goals and Objectives

- Research and develop fee structure for Resident Arts Orgs, partner organizations and BFAC that charges per use as well as by attendance at performances.
- Setup and begin taking online reservation requests through RecTrac from the seven resident arts organizations.
- Replace Schneider Theater seats, and update wall paint and soft goods (acoustic tiles and fabrics) to match theater seat dye lots.
- Replace Schneider Theater stage and trap doors.
- Complete setup and management tools for Bloomington Center for the Arts Box Office with Vanco Events.
- Continue to engage new arts partnerships with racially diverse artists and arts organizations including arts partners that are BIPOC, LGBTQ+, and women owned.
- Conduct quarterly meetings with Bloomington Fine Arts Council and other resident arts groups.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Make BCA facilities more useable and competitive (# paid rentals)	19	55	77	80
Connected, welcoming community	Maximize rentals in Black Box multi-use space.	21	25	6	25
Connected, welcoming community	Total fees waived or discounted for in-kind use by resident groups, city dept, and city partners.	\$380,364	\$69,466	\$944,295	\$900,000
Connected, welcoming community	Number of performances by Resident Arts Groups.	52	40	83	104
Connected, welcoming community	Number of performances by BCA Performance Series.	16	1	8	8

Department specific	Overall percentage of seats sold. (Goal of 75% of house sold)	66%	50%	44%	50%
	Operating revenue as a percent of operating expenses. (XX% cost recovery)	98%	96%	96%	96%
Connected, welcoming community	Address inequities and access to program (# of free or reduced ticket nights)	3	2	3	6
	Increase partnerships with women-owned, LGBTQ+ and BIPOC artists, groups/orgs, or those that serve these populations.	0	2	4	6

NOTE: For a pre-COVID reference, in 2019 the in-kind use by city dept., city partners, and resident arts groups was \$654,642.



Center for the Arts - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Program Income	6,385	5,757	20,700
Other Revenue	21,358	44,135	101,000
Interest Income	(3,544)	(45,232)	10,617
Transfers from Other Funds	1,000,000	150,000	-
Total Revenues	2,024,199	1,154,660	1,132,317
Expenses			
Salaries and Benefits	214,382	226,154	282,664
Materials, Supplies, & Services	766,218	912,058	820,587
Capital Outlay	95,431	584,399	340,000
Total Expenses	1,076,031	1,722,611	1,443,251
Working Capital			
Net Change	948,168	(567,951)	(310,934)
Working Capital at Beginning of Year	873,830	1,821,998	1,254,047
Working Capital at End of Year	\$ 1,821,998	\$ 1,254,047	\$ 943,113

Parks and Recreation – Golf Courses

The Golf Enterprise Fund includes two golf courses operated by the City of Bloomington: Dwan and Hyland Greens via an operating agreement with the Three Rivers Park District.



Dwan Golf Course

Dwan Golf Course is an award-winning 18-hole regulation length golf course that is home to a wide variety of weekly leagues and groups. In 2020, Dwan re-imagined the tee options to align with the new USGA world handicap system. Dwan offers three tee options for men playing to a Par of 68 and two tee options for women playing to a Par of 70. Dwan has seen a resurgence in interest in golf over the past three seasons and rounds played in 2022 per available day were up over 2021 when Dwan recorded its highest rounds played total since 2005. Rounds are up over 35% since 2019 and gross revenue has increased over 45% since 2019. Dwan collected three straight years of gross revenue growth and recorded its highest gross revenue in the 52-year history of the operation of the facility in 2022.

Hyland Green Golf Course

The City of Bloomington entered into a three-year operating agreement for Hyland Greens with the Three Rivers Park District commencing in 2021. The City of Bloomington and the Three Rivers Park District co-promoted lesson series for youth, beginners, and adults in 2022.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
GOLF COURSE MANAGER	1	1	1
ASSISTANT GOLF COURSE MANAGER	1	1	1
GOLF COURSE MAINTENANCE SUPERINTENDENT	1	1	1
ASSISTANT GOLF COURSE MAINTENANCE SUPERINTENDENT	1	1	1
MAINTENANCE WORKER	1	1	1
Grand Total	5	5	5

2023 Goals and Objectives

- Improve playability of the Bunkers at Dwan.
- Purchase two all-electric greens mowers to replace gas engine mowers for environmental sustainability.
- Develop Ash tree removal plan with city forestry and Park Maintenance team.
- Institute online payment option for annual Patron card renewals and new Patron card sales.
- Work with the Three Rivers Park District on co-marketing lesson programs at Hyland Greens Golf Course.
- Continue to advance the process of clubhouse replacement and golf course upgrade.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Maintain Total number of rounds	45,000* Pandemic surge	50,501	49,089	45,000
	Total gross golf course revenue	1,412,639	1,824,543	1,843,549	1,801,607
	Operating revenue as percent of operating expense.	100	113	108	N/A



Golf Courses - Enterprise Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 161,343	\$ 161,343	\$ 161,343
Program Income	1,815,986	1,842,705	1,801,607
Other Revenue	6,307	847	-
Interest Income	(2,990)	(34,373)	1,000
Transfers from Other Funds	-	-	-
Total Revenues	1,980,646	1,970,522	1,963,950
Expenses			
Salaries and Benefits	1,004,537	1,011,666	1,096,893
Materials, Supplies, & Services	664,028	670,524	678,358
Capital Outlay	36,542	58,732	120,750
Total Expenses	1,705,107	1,740,922	1,896,001
Working Capital			
Net Change	275,539	229,600	67,949
Working Capital at Beginning of Year	224,074	499,613	729,213
Working Capital at End of Year	\$ 499,613	\$ 729,213	\$ 797,162

Parks and Recreation – Ice Garden

The Ice Garden Enterprise Fund is the fund that accounts for the operations of the Bloomington Ice Garden or “BIG”. BIG has three rinks (one of them Olympic-sized) with a total seating capacity of 2,500 as well as dry land training facilities. The rinks are used primarily for youth and high school hockey and figure skating. BIG also hosts 20-25 special events annually including hockey tournaments and figure skating competitions. BIG also offers public skating, open hockey, Pro’s Ice, meeting room rentals and operates the concession stand. Skating lessons are offered for both youth and adults by professionally trained instructors.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ICE GARDEN MANAGER	1	1	1
ASSISTANT ICE GARDEN MANAGER	1	1	1
ICE GARDEN MAINTENANCE SUPT	1	1	1
MAINTENANCE WORKER	1	2	2
Grand Total	4	5	5



2023 Goals and Objectives

- Secure Funding for major building renovations
- Complete an RFP Architect/Engineering Services BIG Renovation Project.
- Continue discussions for a new advertising agreement with Bloomington Area Hockey Association (BAHA)
- Increase ice utilization by 5%

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Operating Revenue as a percent of Operating Expense	88%	94%	96%	95%
	Hours of Ice Utilized	4,967.5*	9,147	10,182	10,700
	Total Revenue	\$1,189,916	\$1,592,500	\$1,997,632	\$2,095,435

*Arena was closed for significant portions of the year due to COVID-19

Ice Garden - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes for Debt Service	202,887	202,047	200,835
Property Taxes for Operations	84,465	77,551	125,000
Program Income	1,295,139	1,660,213	1,755,600
Other Revenue	9,988	43,223	14,000
Intergovernmental	-	2,000	-
Interest Income	(2,973)	(8,708)	1,000
Transfers from Other Funds	-	-	-
Total Revenues	1,589,506	1,976,326	2,096,435
Expenses			
Salaries and Benefits	745,742	823,613	947,777
Materials, Supplies, & Services	700,922	913,986	978,115
Capital Outlay	61,468	17,569	140,000
Debt Service	188,693	187,909	189,426
Total Expenses	1,696,825	1,943,077	2,255,318
Working Capital			
Net Change	(107,319)	33,249	(158,883)
Working Capital at Beginning of Year	424,601	317,281	350,531
Working Capital at End of Year	\$ 317,281	\$ 350,531	\$ 191,648

Park Grants Special Revenue

The Park Grants Special Revenue Fund receives “Lottery-in-lieu-of-sales tax” revenues from the State’s Environment and Natural Resources Fund along with “Legacy” revenues from the State’s Parks and Trails Fund. These revenues are restricted to use for operational and maintenance costs associated with the Hyland-Bush-Anderson lakes Regional Park Reserve.

Examples of operational and maintenance expenditures funded by these revenues include:

- Normandale Lake Band Shell repairs
- Prairie restorations
- Picnic shelter repairs
- Trail and parking lot maintenance
- Bush Lake facility improvements



2023 Goals and Objectives

- Maintain the safety and viability of regional parks in the City.
- Utilize funds to address operational and maintenance needs in the park reserve as shown by the park asset inventory.
- Work with the other Metropolitan Regional Parks agencies to lobby the Legislature for continued Lottery-in-Lieu-Of operations and maintenance funding.
- Natural resource restorations – Undertake improvement projects within the Park Reserve.
- Focus fund expenditure on equipment and services that support the active usage of the park reserve.

Performance Measures

- Replace restroom building and maintenance garage near Normandale Lake.
- Replace fishing piers on Bush Lake
- Perform repairs on picnic shelters at Normandale Lake



Park Grants - Special Revenue Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ 57,378	\$ 139,876	\$ 92,000
Interest Income	(286)	(10,111)	200
Other Revenues			
Transfers from Other Funds	-	-	-
Total Revenues	57,092	129,765	92,200
Expenses			
Salaries and Benefits	33,518	35,681	44,785
Materials, Supplies, & Services	24,107	104,195	171,684
Total Expenses	57,625	139,876	216,469
Working Capital			
Net Change	(533)	(10,111)	(124,269)
Working Capital at Beginning of Year	80,814	80,281	70,170
Working Capital at End of Year	\$ 80,281	\$ 70,170	\$ (54,099)

Police Department

A primary amount of the Police Department activities are within the General Fund and there are also police activities within other funds. There are six Special Revenue Funds for tracking forfeitures, grants, and other revenues that are restricted or committed to expenditures for specific purposes within the Police Department. There is a separate Enterprise Fund for Contractual Services for Police Officer overtime that is billed to outside vendors, as well the Public Safety Technology and Equipment Fund which is an Internal Service Fund for purchases and operations of radios, mobile digital computers, body worn cameras, and other Police Department equipment as well as Fire Department equipment.

The Bloomington Police Department employs 158 people, of which 123 are sworn officers. In response to a growing community, the authorized sworn officers increased from 123 to 127 during 2023. The Police Department provides safety within our community, prevents crime through an easily recognizable presence, engagement with our community, enforces state and local laws fairly and aggressively and provides crime prevention programs. The Patrol Division provides 24-hour-a-day service to the community by responding to crimes, traffic accidents, medical emergencies, fires, public safety hazards, domestic disputes, providing proactive policing, and meeting other community needs. More than 161,601 emergency and non-emergency phone calls are logged into the dispatch center annually. Of these, 53,178 are emergency (911) calls coming into the dispatch center, but not all of these calls result in a request for police services. Other Police Department units include the South Loop Unit, SWAT, Bomb Squad, Crisis Negotiators, Traffic Investigations Unit, Crime Prevention and Community Policing, K-9 Unit, Emergency Management, Police Reserves and Animal Control. The specialty units use already authorized staff as needed. The Police Department oversees the Police Special Revenue, Contractual Police and Public Radio funds which are proprietary funds. The South Loop Unit is paid for through liquor and lodging taxes dedicated to South Loop Unit expenses.

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
POLICE				
	ADMIN - GENERAL FUND	4	4	4
	POLICE GRANTS - SPECIAL REVENUE FUND	1	0	0
	POLICE OPERATIONS - GENERAL FUND	120	120	124
	POLICE SUPPORT - GENERAL FUND	31	32	33
	PUBLIC SAFETY TECH & EQUIP - INTERNAL SERV. FUND	1	1	1
POLICE Total		157	157	162
Grand Total		157	157	162



Police - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 229,017	\$ 238,826	\$ 197,000
Intergovernmental	296,305	290,324	106,000
Other Revenues	17,863	5,821	-
Transfers from Other Funds	-	915,000	2,052,011
Total Revenues	543,185	1,449,971	2,355,011
Expenditures			
Salaries and Benefits	21,732,634	23,091,754	24,426,773
Materials, Supplies, & Services	5,950,934	6,312,796	7,343,576
Capital Outlay	-	87,525	-
Transfer to Other Funds	30,000	15,500	-
Total Expenditures	27,713,568	29,507,575	31,770,349
Less Expenses Charged to Other Funds	(327,377)	(327,377)	(337,199)
Net Total Expenditures	\$ 27,386,191	\$ 29,180,198	\$ 31,433,150

Police - Administration

Police Administration provides overall management and administrative support to the Police Department and comprehensive emergency management support for the City. Resource allocations and decisions within the Police Department are largely guided by our Mission, Vision and Core Values, developed in 2022.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CHIEF OF POLICE	1	1	1
DEPUTY CHIEF OF POLICE	2	2	2
ADMINISTRATIVE ASSISTANT	1	1	1
Grand Total	4	4	4



MISSION

To always be respectful while keeping our community safe.

VISION

To be the most respected police department.

CORE VALUE

Respect.
Demonstrated through our compassionate and honest service.

2023 Goals and Objectives

- Full implementation of the Center for Values-Based Initiatives Model which includes the new Mission, Vision, and Core Value statement. This is a systemic project that will effect hiring, training, promotions, and day to day operations of the police department.
- Seek grant opportunities to assist with traffic safety issues such as seat belt use, speeding and impaired driving by increasing enforcement efforts; enhance public safety by engaging and educating the community to deter crime and reduce crashes.
- Complete the transition of our Community Service Officer program to a Cadet program which will better prepare employees to becoming police officers. This program will also offer the opportunity to provide greater diversity in our staff.
- Continue to further develop the Department Wellness program by creating a department wide mentoring program and looking at other ways to improve the physical health of all department employees. Continue to seek funding for increased staffing of police officers to continue to provide the excellence in police services that our community expects.
- Review management and training practices to obtain high-quality outcomes. Two of the added sworn positions are for dedicated training officers that will be singularly focused on training new and experienced officers to a standard that leads to high-quality outcomes.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Increase the diversity of police officers with the Pathways to Policing program and a new Cadet program	2	2	4	4

- Continued to monitor goals and measurable objectives for the Police Department, These objectives include directing patrols based on statistics and informationshowing problems areas; conducting high visibility traffic enforcement in known crash areas; and using technology to deter crime and apprehend criminals in areas of increased criminal activity.
- Completed a comprehensive review of the best practices in response to citizens in crisis and with mental health concerns and put in place a persons checks process that will continue to allow effective follow up by the Crime Prevention Unit and our two imbedded social workers.
- With tremendous effort from Human Resources, the PD training division, and field training officers, the staffing shortage of police officers was addressed in 2022 with twenty police officers hired.
- Significant investments were made in 2022 to upgrade facilities. The police department manages the COB fitness center and \$110,000 was spent remodeling and modernizing the fitness center and upgrading all of the equipment. About \$175,000 in City funds was used to remodel and upgrade the jail facility and created a safer work environment for employees and those being held in the jail.

Police Admin. Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Other Revenues	\$ -	\$ 2,003	\$ -
Transfers from Other Funds	-	125,000	77,500
Total Revenues	-	127,003	77,500
Expenditures			
Salaries and Benefits	758,551	951,015	934,237
Materials, Supplies, & Services	275,809	373,205	317,972
Total Expenditures	1,034,360	1,324,220	1,252,209
Less Expenses Charged to Other Funds	(3,093)	(3,093)	(3,186)
Net Total Expenditures	\$ 1,031,267	\$ 1,321,127	\$ 1,249,023

Police - Operations

Police Operations provides twenty-four hour, seven-day a week response to requests for officer assistance, including crimes, traffic accidents, medical emergencies and neighborhood problems. The Investigative activity provides follow-up investigation to all reported crimes and proactively investigates narcotics, human trafficking, liquor and tobacco violations. Special Operations provides support for high-risk operations with highly trained and specially equipped tactical, hostage negotiation and bomb squad units. Five patrol and one Special Investigations Unit K-9 teams and Crime Scene Technicians are also part of the Patrol response resources.



Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
COMMANDER	5	5	5
SERGEANT	18	18	18
POLICE OFFICER	97	97	101
Grand Total	120	120	124

2023 Goals and Objectives

- Implement the the patrol staffing plan that was completed in 2022 which will include establishing a South Loop Patrol District and assigning more patrol officers to the times of the day that experience the most calls for service.
- Establish a permanent Street Crimes Unit of two officers that will focus on emerging crime trends and criminal activity in the 494 corridor and in other areas of the city that are identified as needing enhanced patrol efforts.
- Continue to partner with Public Health to address the dramatic increase in opioid related overdose deaths that occurred in 2023
- Continue to partner with the Bloomington Fire Department on our combined response to medical calls for service in a manner that best serves the needs of the residents and guests of the city
- Purchase the updated safety equipment for police officers that was identified in 2022 by a committee of patrol officers and supervisors. This equipment primarily involves ballistic helmets for each officer , external body armor plate carriers for each officer, and increasing the number of ballistic bunkers assigned to the patrol division.
- Work with neighborhoods and businesses to identify and solve problems such as repeat calls for service, catalytic converter thefts, and other related criminal activity
- Focus efforts to recover stolen vehicles through the use of both stationary and mobile Automatic License Plate Reader technology (ALPR) in 2023.
- Continue Community Engagement Events at each of our elementary schools, Safe Summer Night events, Holiday Helpers in Blue, , Santa Cop, Cops and Kids coaching and other activities that will provide a positive contact between patrol officers and our youth.
- Maintain a vigorous Field Training Program that emphasizes strong training ethics for the officers hired in 2023.
- Field Training of two “Pathways to Policing” officers to prepare them for patrol duty.
- Continue to work towards zero deaths (TZD) and decrease the number of traffic crashes resulting in injury through aggressive traffic and impaired driving enforcement, with the continuation of a grant funded DUI Enforcement Officer.
- Continue to work towards zero deaths (TZD) and decrease the number of traffic crashes resulting in injury through aggressive traffic and impaired driving enforcement by continuing to use a grant funded DUI Enforcement Officer which is in the second year of the grant.

- Expand the number of our canine teams assigned to the patrol division from 5 to 6 which will allow for 24 hour canine coverage. Two new handlers will be selected to join the K9 Unit in 2023.
- Replace retired Honor Guard members, and add a second BPD member to L.E.M.A (Minnesota Law Enforcement Memorial Association).
- Educate local businesses on the updated laws to prevent the distribution of alcohol and tobacco products and THC products to underage persons.
- Continue to educate hotel/hospitality groups on narcotics and human trafficking to prevent these activities at local hotels.
- Continue to expand on the use of our UAV program to better serve the community, and to enhance the safety of our officers.
- Continue to inform parents, teachers and social workers how to identify youth drug trends.
- Continue to provide evening and weekend investigative staff to the public with scheduled Investigative Division personnel beyond traditional business hours and on Saturdays.
- Increase the number of hybrid vehicles to our fleet.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Safety)	Clearance rate of crimes reported	52%	54%	52%	56%
Healthy community (Environment)	Number of hybrid police vehicles	0	1	1	5

- Used technology to recover 211 stolen vehicles in 2021, resulting in 160 arrests. A majority of these arrests were made possible using Automatic License Plate Readers (ALPR) that are mounted on squads or at fixed locations at the Mall of America.
- Four hybrid police squads were ordered in 2022 but Ford delayed the delivery of those vehicles until 2023
- Provided auto theft prevention education throughout several different types of communication.
- Currently 18,468 homes, 449 watch groups, 719 Block Captains in the Neighborhood Watch group.
- Received 161,601 calls to the dispatch center in 2021; 53,178 of these were 911 calls and 199 were text-to-911 calls
- Responded to 66,698 requests for Police services in 2022.
- Continue to utilize our canine team to detect hazards and apprehend criminals.
- Canine unit deployed on 280 incidents, ranging from apprehensions, locating people or items, to community engagement demonstrations. The unit also formally trained approximately 1,293 hours.
- Forfeiture funds were used in 2022 to purchase three new Unmanned Ariel Vehicles (UAVs) for primarily supporting patrol operations. One of the UAV's is assigned the Traffic Investigation Unit and will allow for quicker and more detailed investigations of significant or deadly vehicle crashes.
- In 2022 we had 47 total reported instances of UAV deployments or training events. Eleven of those incidents involved emergency searches or other searches in support of police calls for service.

- Worked 288 traffic enforcement details that resulted from citizen complaints and traffic crash data.
- Deployed speed trailers to over 77 different locations throughout the City based upon citizen complaints. We purchased 2 additional trailers to keep up with that demand.
- The Traffic Investigation Unit conducted 478 traffic related investigations. 312 of those cases were Hit and Run Investigations.
- Continue to work towards zero deaths (TZD) and decrease the number of traffic crashes resulting in injury through aggressive traffic and impaired driving enforcement. Conducted 33 impaired driving details as well as an additional 67 details for speeding and other traffic related offenses.
- Bomb Unit responded to 35 total incidents in 2022, including assists to the FBI, United States Secret Service, and the Bloomington Emergency Response Unit.
- Emergency Response Unit had 13 total activations in 2022, including 6 search warrants, 3 emergency response incidents and 4 armored vehicle requests for assistance.

5 year Crime Statistics

Category	2018	2019	2020	2021	2022	5-year average
Homicide	2	4	6	1	3	3.2
Rape	51	53	71	40	81	59.2
Robbery	44	61	70	74	54	60.6
Aggravated Assault	68	86	158	147	171	126
Burglary	161	180	235	247	163	197.2
Theft	2310	2620	2435	2580	2918	2572.6
Vehicle Theft	134	166	277	307	291	235
Arson	5	17	13	16	9	12

Police Operations Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 181,590	\$ 180,651	\$ 162,000
Intergovernmental	160,925	112,603	16,000
Other Revenues	14,323	2,104	-
Transfers from Other Funds	-	550,000	1,974,511
Total Revenues	356,838	845,358	2,152,511
Expenditures			
Salaries and Benefits	16,749,631	17,656,976	18,369,470
Materials, Supplies, & Services	3,939,668	4,060,801	4,860,454
Capital Outlay	-	-	-
Transfer to Other Funds	30,000	15,500	-
Total Expenditures	20,719,299	21,733,277	23,229,924
Less Expenses Charged to Other Funds	-	-	-
Net Total Expenditures	\$ 20,719,299	\$ 21,733,277	\$ 23,229,924

Police – Support

The Police Support division consists of the professional standards unit, the police records unit, dispatch operations, property and evidence control, crime prevention, and animal control functions. These activities support the operational units of the Police Department.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
SUPPORT SERVICES BUREAU MANAGER	1	1	1
POLICE ACCOUNTANT	1	1	1
CRIME ANALYST	1	1	1
DISPATCH SUPERVISOR	1	1	1
DISPATCH TRAINING & QUALITY ASSURANCE COORD.	0	0	1
CRIME PREVENTION COORDINATOR	1	1	1
POLICE DATA COORDINATOR	1	1	1
CIVILIAN POLICE DISPATCHER	13	13	13
LEAD POLICE RECORDS SPECIALIST	1	1	1
ANIMAL CONTROL COORDINATOR	1	1	1
POLICE RECORDS SPECIALIST	8	8	8
PROPERTY CONTROL SPECIALIST	1	2	2
INFORMATION ASSISTANT	1	1	1
Grand Total	31	32	33

2023 Goals and Objectives

- Encourage predictive policing and directed patrols by providing daily information to department personnel and advising of high priority areas.
- Continue to support Business Watch initiatives to help local businesses improve the safety of customers and employees and work to reduce crime.
- Continue to support Neighborhood Watch and National Night Out as a way to communicate with residents and improve their safety and quality of life. In 2022 we visited 338 National Night Out gatherings and connected with an estimated 8,000 residents.
- Continue to expand community engagement efforts, Coffee with a Cop, Safe Summer Nights, Kids to Cops and others and add new types of engagement opportunities.
- Hire and onboard Dispatch Training and Quality Assurance Coordinator to support staffing, retention and quality service delivery.
- Continue to increase the number of officers receiving the 40 hour Crisis Intervention (C.I.T.)/De-escalation training.
- Joint training(s) with the owner agencies of the South Metro Public Safety Training Facility (SMPSTF).

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Average time to process, track and fulfill public data requests	2.29 days 1734 requests	0.89 days 2970 requests	1.44 days 4,046 requests	0.1.2 days 4500 requests

- Entered 14,271 police reports into the record management system (RMS).
- Continued using Patrol Online training for all officers to more efficiently provide mandated training while creating opportunity for additional training as desired.
- Met state-mandated training objectives for all personnel:
 - 48 continuing law enforcement credits every three years.
 - Other mandated training, such as Use of Force, Pursuit Driving and Community Policing
- Continued to hold regular Multi-Cultural Advisory Board meetings to discuss current issues and sought feedback from the Multi-Cultural Advisory Board regarding new and updated police policies.
- Implemented Online Citizen Reporting to expand accessibility and engagement. This allows the public to file a police report from home or their cell phone for the following crimes: abandoned bicycles, internet or phone scams, lost or missing property, theft, theft from a vehicle, property damage, vandalism to a vehicle
- Increased transparency by adding a Data Dashboard to the website with weekly updates.
- Property and Evidence room received 11,253 property items that were held as evidence. This room currently holds over 70,000 pieces of evidence and an average of nearly 40 items are received each day.
- Continued to expand the Coffee With a Cop program, organized Back to School and Holiday Shoppers in Blue program and continued holding monthly events at various locations around the city.
- We continued to have a very strong effective presence on social media via Twitter and Facebook. The PD consistently gets effective engagement with the community that builds upon the mission of the police department and creates a connection on the issues that concern the citizens we serve.



Police Support Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 47,427	\$ 58,175	\$ 35,000
Intergovernmental	135,380	177,721	90,000
Other Revenues	3,540	1,714	-
Transfers from Other Funds	-	240,000	-
Total Revenues	186,347	477,610	125,000
Expenditures			
Salaries and Benefits	4,224,452	4,483,763	5,123,066
Materials, Supplies, & Services	1,735,457	1,878,790	2,165,150
Total Expenditures	5,959,909	6,450,078	7,288,216
Less Expenses Charged to Other Funds	(324,284)	(324,284)	(334,013)
Net Total Expenditures	\$ 5,635,625	\$ 6,125,794	\$ 6,954,203

Police Grants

The Police Grant Special Revenue Fund contains grants that the Police Department pursues from both Federal and State sources as a means of enhancing enforcement efforts, community outreach and engagement, response to homeland security and/or terrorism, and on-going training in the above areas. The majority of the budgets for both grant and donation revenues and expenditures are brought separately to the City Council at the time that the grant is awarded, or donation is received. All expenditures in this fund are reimbursed through a grant or spent from a donation. Police donations and related expenditures toward activities such as National Night Out and the Canine Unit are also recorded in this fund.

The grants included in this fund include:

- Bomb Squad
- Community Block–Justice Assistance Grants
- Auto Theft Prevention
- Toward Zero Death
- High Intensity Drug Trafficking Areas
- Minnesota Department of Health (ODMAP Response)
- National Highway Traffic Safety Administration (This grant is funding one additional full-time Police Officer.)
- Urban Areas Security Initiative (UASI) (this is a pass-through grant from Hennepin County)

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
POLICE OFFICER	1	0	0

2023 Goals and Objectives

- Improve quality of life in our community through an aggressive approach to reducing and preventing crime through partnerships and community engagement/education efforts.

Performance Measures

- Conducted a proactive strategy to reduce auto theft through public education and enforcement initiatives.
- Deployed crime suppression cameras to areas that showed an increase in crime.
- Bloomington Officers worked 106 Toward Zero Death (TZD) details in 2022. Details included 46 DWI, and 60 additional details speed and other traffic related offenses.
- Secured \$35,000 in Federal High Intensity Drug Trafficking Area (HIDTA) grant funding used specifically to combat drug trafficking in Bloomington.
- Utilized the CESF Grant to purchase additional PPE and sanitizer supplies in response to COVID-19. Utilized the CESF Grant to purchase a reporting interface giving citizens the ability to file low level police reports online, reducing in person contact.

Police Grants - Special Revenue Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ 544,203	\$ 558,941	\$ -
Donations	19,435	23,438	-
Interest Income			
Other Revenues	2,350	800	-
Transfers from Other Funds	-	15,500	-
Total Revenues	565,988	598,679	-
Expenses			
Salaries and Benefits	138,180	164,606	-
Materials, Supplies, & Services	72,835	49,614	-
Capital Outlay	354,973	384,459	-
Transfer to Other Funds	-	-	-
Total Expenses	565,988	598,679	-
Working Capital			
Net Change	-	-	-
Working Capital at Beginning of Year	-	-	-
Working Capital at End of Year	\$ -	\$ -	\$ -

DWI Forfeiture Fund

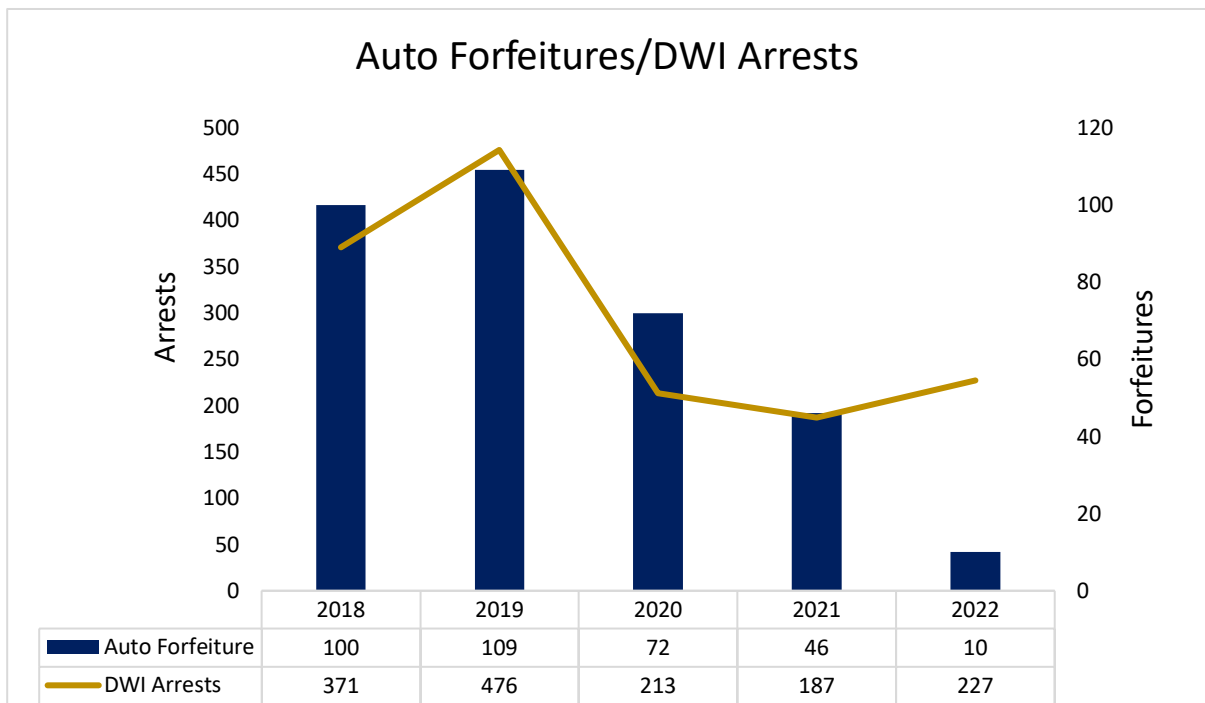
This DWI fund accumulates proceeds from the sale of vehicles seized in DWI arrests and forfeited in accordance with State law and through court order. Police costs for enforcement and a portion of Legal costs are accounted for in this fund.

2023 Goals and Objectives

- Reduce internal costs associated with DWI enforcement to provide additional resources for DWI enforcement.
- Continue efforts to seize vehicles uniformly and fairly under the DWI forfeiture law.
- Internally account for expenses associated with DWI forfeitures to assure proper allocation of expenses.
- To remove access to vehicles for repeat DWI offenders according to due process.

Performance Measures

- Processed 10 DWI forfeited vehicles from 227 DWI arrests. There was a 78% decrease in DWI related forfeitures from 2021, however, in that same timeframe, there was a 21% increase in DWI arrests



DWI Forfeiture - Special Revenue Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Forfeitures	\$ 58,025	\$ 51,883	\$ 35,000
Interest Income	(2,160)	(18,133)	1,000
Total Revenues	55,865	33,750	36,000
Expenses			
Salaries and Benefits	13,248	347	8,000
Materials, Supplies, & Services	22,539	28,814	45,792
Transfer to Other Funds	-	-	-
Total Expenses	35,787	29,161	53,792
Working Capital			
Net Change	20,078	4,589	(17,792)
Working Capital at Beginning of Year	445,389	465,467	470,056
Working Capital at End of Year	\$ 465,467	\$ 470,056	\$ 452,264

Enhanced 911

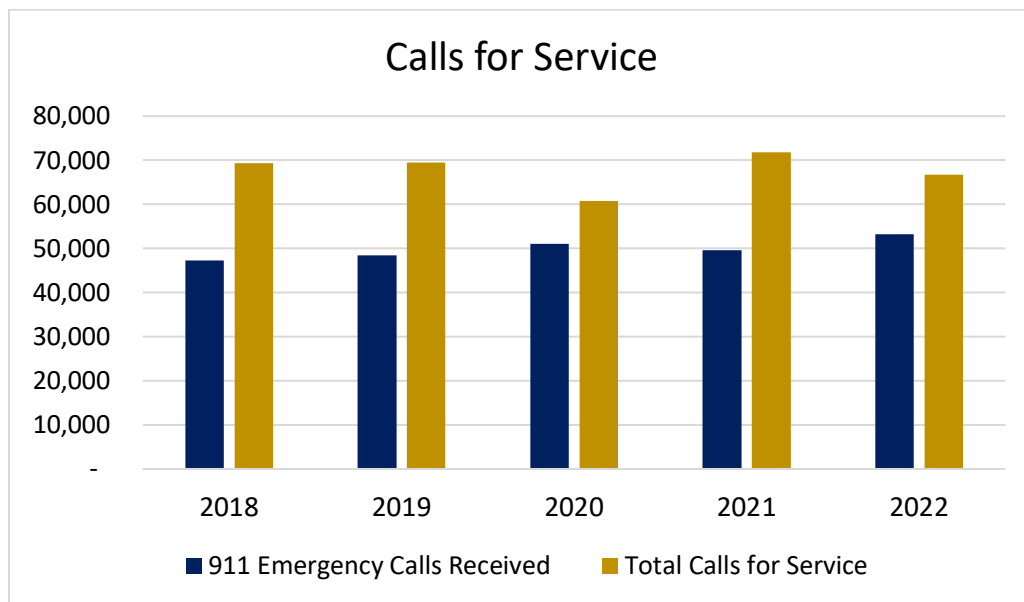
The Enhanced 911 Special Revenue Fund receives funding from the 911 service fees charged to telephone customers. The funds are used for implementation, operation, maintenance, enhancement, and expansion of 911 service, including acquisition of necessary equipment.

2023 Goals and Objectives

- Maintain and improve communications center staffing, training, and equipment
- Implement recommendations from service assessment in the areas of hiring, retention, quality assurance and data driven decision-making.
- Fully develop a quality assurance program which will help us better serve the community
- Select and on board a new position for the dispatch center tasked with dispatcher training and the quality assurance program

Performance Measures

- Streamlined hiring process to reduce hiring lead-time
- Implemented digital fire paging
- Hired and trained several new dispatchers to address the staffing issue in dispatch



Note: Calls for service include any request for police action which originates outside the Police Department, from 911, non-emergency lines and walk-ins. This includes calls for service to the Mall of America.

911 calls include any call for police action, information or "pocket dials" from cell phones that come through the 911 system.

Enhanced 911 - Special Revenue Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Intergovernmental	\$ 168,236	\$ 227,878	\$ 225,065
Interest Income	(262)	(3,062)	100
Other Revenues			
Transfers from Other Funds			
Total Revenues	167,974	224,816	225,165
Expenses			
Salaries and Benefits			
Materials, Supplies, & Services	117,896	118,733	128,501
Capital Outlay	-	-	-
Transfer to Other Funds	30,000	50,000	55,000
Total Expenses	147,896	168,733	183,501
Working Capital			
Net Change	20,078	56,083	41,664
Working Capital at Beginning of Year	17,019	37,097	93,180
Working Capital at End of Year	\$ 37,097	\$ 93,180	\$ 134,844

Federal Department of Justice Drug Forfeiture

The Federal Department of Justice (DOJ) Drug Forfeiture Special Revenue Fund separately tracks equitable sharing drug forfeiture funds from the DOJ Equitable Sharing Program. Expenditures in this fund must comply with the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* published by the U.S. Department of Justice and the U.S. Department of the Treasury. DOJ forfeitures are kept in a separate fund and bank account from other City funds in compliance with U.S. Department of Justice guidelines.

2023 Goals and Objectives

- Use DOJ drug-forfeited equitable sharing funds to cover law enforcement expenses allowed by the DOJ equitable sharing program.
- Continue to conduct specialized training for narcotics related law enforcement activities such as hotel/motel and motor vehicle interdiction.

Performance Measures

- Officers assigned to the Drug Enforcement Agency investigated several cases that resulted in seizing considerable sums of assets involved in drug trafficking. From those assets, the City of Bloomington received approximately \$36,000.00 for involvement.
- Removed illicit drugs worth approximately \$1,753,786.75 from the community.

DRUG FORFEITURE ACTIVITY

	<u>2020</u>		<u>2021</u>		<u>2022</u>	
	# of Grams	Est. Street Value	# of Grams	Est. Street Value	# of Grams	Est. Street Value
Marijuana	9,733.20	\$145,998.00	47,579.52	\$713,692.80	18,597.49	\$929,874.95
Methamphetamine	13,542.89	\$1,354,289.00	10,776.97	\$1,077,697.00	6922.56	\$533,805.52
Fentanyl	55.95	\$11,190.00	454.55	\$90,910.00	13,171.26	\$1,857,147.66
Cocaine	981.65	\$112,889.75	1016.23	\$116,866.45	552.51	\$56,908.53
Heroin	646.2	\$129,420.00	707.33	\$141,266.00	168.1	\$23,365.90
TOTAL	24,959.89	\$1,753,786.75	60534.6	\$2,140,432.25	39,411.92	\$3,421,102.56

Federal DOJ Drug Forfeiture - Special Rev. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Forfeitures	\$ 26,081	\$ 7,020	\$ 30,000
Interest Income	-	-	-
Other Revenues		18,663	
Transfers from Other Funds	-	-	-
Total Revenues	26,081	25,683	30,000
Expenses			
Salaries and Benefits	-	-	-
Materials, Supplies, & Services	-	215,328	15,000
Capital Outlay	16,317	31,978	20,000
Total Expenses	16,317	247,306	35,000
Working Capital			
Net Change	9,764	(221,623)	(5,000)
Working Capital at Beginning of Year	285,829	295,593	73,970
Working Capital at End of Year	\$ 295,593	\$ 73,970	\$ 68,970

Federal Treasury Drug Forfeiture

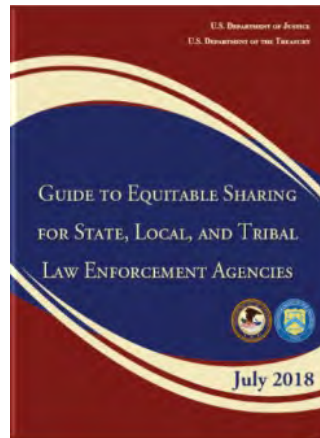
The Federal Department of Treasury (DOT) Drug Forfeiture Special Revenue separately tracks equitable sharing drug forfeiture funds from the DOT Equitable Sharing Program. Expenditures in this fund must comply with the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* published by the U.S. Department of Justice and the U.S. Department of the Treasury. DOT forfeitures are kept in a separate fund and bank account from other City funds in compliance with U.S. Department of Treasury guidelines.

2023 Goals and Objectives

- Use DOT drug-forfeited equitable sharing funds to cover law enforcement expenses allowed by the DOT equitable sharing program.

Performance Measures

- In 2022 we received \$7020.00 in forfeitures from the Department of Treasury drug forfeiture fund.



State Drug Forfeiture

This State Drug Forfeiture Special Revenue Fund accumulates proceeds from the sale of assets (proceeds or instrumentality of criminal enterprises) seized in drug related arrests under State laws. The funds must be used for law enforcement purposes.

2023 Goals and Objectives

- Use drug-forfeited assets to cover law enforcement expenses that are not funded by the taxpayers.

Performance Measures

- Due to COVID, the Hennepin County Courts system dramatically reduced the number of cases that were brought to trial. As a result, BPD did not receive any funding from State drug forfeitures.

Fed. Treasury Drug Forfeiture - Special Rev. Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Forfeitures	\$ 2,056	\$ 2,062	\$ -
Interest Income	(10)	-	-
Transfers from Other Funds	-	-	-
Total Revenues	2,046	2,062	-
Expenses			
Salaries and Benefits	-	-	-
Materials, Supplies, & Services	110	68,395	120
Capital Outlay	16,850	-	-
Transfer to Other Funds	-	-	-
Total Expenses	16,960	68,395	120
Working Capital			
Net Change	(14,914)	(66,333)	(120)
Working Capital at Beginning of Year	83,574	68,660	2,327
Working Capital at End of Year	\$ 68,660	\$ 2,327	\$ 2,207

State Drug Forfeiture - Special Revenue Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Forfeitures	\$ 190	\$ 11,149	\$ 5,000
Interest Income	(1,144)	(3,337)	500
Other Revenues	24,000	-	-
Transfers from Other Funds			
Total Revenues	23,046	7,812	5,500
Expenses			
Materials, Supplies, & Services	56,409	43,364	30,000
Transfer to Other Funds	50,000	50,000	-
Total Expenses	106,409	93,364	30,000
Working Capital			
Net Change	(83,363)	(85,552)	(24,500)
Working Capital at Beginning of Year	272,675	189,312	103,760
Working Capital at End of Year	\$ 189,312	\$ 103,760	\$ 79,260

Police Contractual Overtime

The Police Contractual Overtime Fund is an Enterprise Fund that accounts for the expenses and related revenues for Police Contractual Overtime (COT). The Bloomington Police Department provides contractual services to businesses that are holding special events or functions that require police assistance beyond that which would normally be provided. The businesses receiving contractual police assistance are billed directly from the City for the cost of the police overtime plus related fringe benefits and overhead. This fund allows for better comparability of basic police services with other communities since the expenses are separate from the General Fund.

2023 Goals and Objectives

- Meet requests for levels of police service without burdening the taxpayer. Users of extra police service pay the actual costs and related expenses such as the Mall of America paying for high visibility deterrent foot patrol details.
- Provide reimbursable police services to enhance public safety during special events and increased visibility during traditional peak retail shopping seasons.

2022 Statistics

- 1,109 events were scheduled for Contractual Police Services as compared to 1,003 events in 2021.
- The total number of scheduled events included 2,121 officer positions and 38 supervisor positions.
- The business with the largest number of COT events in 2022 was Walmart with 363 events. Walmart contracted for 2 officers each day for the entire year.
- Several critical incidents lead to an increase in local retailers requesting additional officers scheduled for contractual police services. This led to a significant increase in the total number of scheduled events.



Contractual Police Services - Enterprise Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 796,831	\$ 1,141,590	\$ 932,529
Intergovernmental	-	-	-
Total Revenues	796,831	1,141,590	932,529
Expenses			
Salaries and Benefits	681,298	1,005,713	897,756
Materials, Supplies, & Services	15,314	15,314	19,773
Transfer to Other Funds	100,220	120,562	15,000
Total Expenses	796,832	1,141,589	932,529
Working Capital			
Net Change	(1)	1	-
Working Capital at Beginning of Year	(908)	(909)	(908)
Working Capital at End of Year	\$ (909)	\$ (908)	\$ (908)

Public Works

The Public Works Department is responsible for well-maintained streets and infrastructure in the City of Bloomington. It is responsible for infrastructure, an efficient transportation network, maintenance to parks and buildings, and provides utility services to residents and businesses. Along with activities in the General Fund, Public Works has four Utility Enterprise Funds (Water, Wastewater, Storm Water, and Solid Waste) as well as two Internal Service Funds – the Facilities and Park Maintenance Fund and the Fleet Equipment Fund.

Dept.	Division	2021 Authorized Full-Time	2022 Authorized Full-Time	2023 Authorized Full-Time
PUBLIC WORKS				
	ADMIN - GENERAL FUND	5	5	6
	ENGINEERING - GENERAL FUND	28	28	26
	FACILITIES - INTERNAL SERV FUND	12	13	14
	FLEET & EQUIPMENT - INTERNAL SERV FUND	12	12	12
	MAINTENANCE ADMIN - GENERAL FUND	9	9	9
	PARK MAINTENANCE - GENERAL FUND	28	28	29
	SOLID WASTE UTILITY - ENTERPRISE FUND	1	1	2
	STORM WATER UTILITY - ENTERPRISE FUND	11	11	11
	STREET MAINTENANCE - GENERAL FUND	24	24	24
	WASTE WATER UTILITY - ENTERPRISE FUND	13	13	13
	WATER UTILITY - ENTERPRISE FUND	39	39	40
PUBLIC WORKS Total		182	183	186
Grand Total		182	183	186



Public Works - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 25,822	\$ 5,741	\$ 5,000
Permits and Licenses	64,234	17,769	34,000
Intergovernmental	16,125	114,332	-
Other Revenues	282,303	50,990	50,000
Transfers from Other Funds	170,000	3,120,000	1,562,430
Total Revenues	558,484	3,308,832	1,651,430
Expenditures			
Salaries and Benefits	7,711,623	11,193,122	12,099,067
Materials, Supplies, & Services	7,490,705	11,216,712	11,811,700
Capital Outlay	47,424	721,083	249,858
Transfer to Other Funds	606,700	-	-
Total Expenditures	15,856,452	23,130,917	24,160,625
Less Expenses Charged to Other Funds	(3,326,916)	(4,069,575)	(3,574,306)
Net Total Expenditures	\$ 12,529,536	\$ 19,061,342	\$ 20,586,319

Public Works - Administration

The administration division provides support to all its divisions. This includes supervision, planning, accounting, safety training, the garbage and recycling program and liaison for sustainability efforts.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
DIRECTOR OF PUBLIC WORKS	1	1	1
DEPUTY DIRECTOR PUBLIC WORKS	1	1	1
PUBLIC WORKS ACCOUNTANT	1	1	1
SUSTAINABILITY COORDINATOR	1	1	1
OFFICE COORDINATOR	1	1	1
SUSTAINABILITY SPECIALIST	0	0	1
Grand Total	5	5	6

2023 Goals and Objectives

- Work with the Sustainability Commission, City Council, and staff to develop and administer an annual work plan for sustainability initiatives.
- Work with staff across the City to maintain GreenSteps Cities Level 5 designation.
- Work with the City Council and Sustainability Commission to continue Time of Sale Energy Disclosure and Large Business Energy Benchmarking.
- Coordinate organizational development efforts including monthly meetings of the Public Works Leadership Team, quarterly supervisor trainings, racial equity initiative activities, and continued High Performance Organization training.
- Maintain and support a comprehensive safety program for the department including monthly meetings of the Public Works Safety Health Committee.



Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy Community (Environment)	Develop and administer an annual work plan for sustainability initiatives	2020 Work Plan developed and completed	2021 Work Plan developed and completed	2022 Work Plan developed and completed	2023 Work Plan developed and completed
	Earn GreenStep Cities designation	Achieved Level 4 designation	Achieved Level 5 designation	Maintained Level 5 designation	Maintain Level 5 designation
	Implement Time of Sale Energy Disclosure Program		Ordinance Adopted	Implementation of ordinance underway. Approx. 2,500 households have completed the TOS Inspection with efficiency metrics.	Approx. 1500 households will track efficiency metrics at time of sale
	Implement Large Business Energy Benchmarking		Ordinance Adopted	Implemented ordinance. 63% of businesses over 100,000 sq. ft. (88) in compliance.	Expand implementation to businesses over 75,000 sq. ft. (Approx. 180 businesses) with 75% compliance in reporting.
Department specific	Coordinate org. dev. efforts including monthly meetings of the PW Leadership Team, quarterly supervisor trainings, racial equity initiative activities, and continued High Performance Organization training.	Coordinated 11 monthly meetings of the PW Leadership team; 4 quarterly Supervisor Trainings; 3 Racial Equity Action Team Meetings; 3 Virtual HPO Webinars	Coordinated 12 monthly meetings of the PW Leadership Team; 4 quarterly Supervisor Trainings; 12 Racial Equity Action Team Meetings	Coordinated 12 monthly meetings of the PW Leadership Team, 4 quarterly supervisor trainings; and 6 Racial Equity Action Team Meetings.	Coordinate 12 monthly meetings of the PW Leadership Team; 4 quarterly Supervisor Trainings; 8 Racial Equity Action Team Meetings

Department specific	Maintain and support a comprehensive safety program for the department including monthly meetings of the Public Works Safety Health Committee.	Coordinated 11 monthly meetings of the PW Safety Health Committee; Completed 3 safety campaigns	Coordinated 12 monthly meetings of the PW Safety Health Committee; conduct 4 Safety Campaigns	Coordinated 12 monthly meetings of the PW Safety Health Committee; conduct 4 Safety Campaigns	Coordinate 12 monthly meetings of the PW Safety Health Committee; conduct 4 Safety Campaigns
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- Sustainability initiatives resulted in increased energy metric collection through the Time of Sale and Large Business Benchmarking programs. Other Sustainability initiatives also included promotion of the Energy Assistance, Energy Squad, Wind Source programs and volunteer activities such as garlic mustard pull, seed collection, and buckthorn bust events.
- Sustainability initiatives also resulted in the maintenance of GreenSteps Cities Level 5 designation.
- The Public Works Leadership Team met monthly and coordinated quarterly training for all Public Works Supervisors.
- The Public Works Health and Safety Committee led the efforts to update 3 major safety programs and completed 4 successful safety campaigns.

Public Works Admin. Division - General Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ -	\$ -	\$ -
Permits and Licenses			4,000
Intergovernmental	16,125	35,903	
Interest Income			
Other Revenues	975		
Transfers from Other Funds			
Total Revenues	17,100	35,903	4,000
Expenditures			
Salaries and Benefits	741,829	785,431	935,342
Materials, Supplies, & Services	213,023	211,478	325,847
Total Expenditures	954,852	996,909	1,261,189
Less Expenses Charged to Other Funds	(479,635)	(479,635)	(494,024)
Net Total Expenditures	\$ 475,217	\$ 517,274	\$ 767,165

Public Works – Engineering

The Engineering Division provides design and construction inspection for the City’s streets, bridges, water supply, sanitary and storm sewer drainage systems, sidewalks/bikeways, trails, water resource projects and traffic signal systems. It manages more than 15,000 signs, 144 traffic signal systems (including those of the county and others that City doesn’t own), the construction of approximately 12-13 miles of reconstructed or overlaid streets per year and other local and regional projects.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
CITY ENGINEER	1	1	1
SENIOR CIVIL ENGINEER	1	1	1
TRAFFIC & TRANSPORT ENGINEER	1	1	1
ASSISTANT TRAFFIC ENGINEER	1	1	1
CIVIL ENGINEER	3	3	3
PROFESSIONAL LAND SURVEYOR	1	1	1
SENIOR ENGINEERING TECHNICIAN	5	5	5
GIS SPECIALIST	1	1	0
ENGINEERING TECHNICIAN	12	12	12
GIS TECHNICIAN	1	1	0
OFFICE SUPPORT SPECIALIST	1	1	1
Grand Total	28	28	26

2023 Goals and Objectives

- Renew the City’s transportation and utility infrastructure throughout 2023 in a cost-effective manner to accommodate forecasted growth and to keep costs affordable.
- Continue to pursue infrastructure improvements that support the Complete Streets Policy of the City by constructing appropriate facilities throughout 2023.
- Start a Neighborhood Traffic Management Program study that looks at traffic related concerns, like speed, in residential neighborhoods Update the Active Transportation Plan to encourage a variety of transportation modes and prioritize multi-modal infrastructure projects.
- Continue to engage the public by use of Let’s Talk Bloomington and other methods like the Briefing.
- Continue to address ADA needs in the community by updating the ADA Transition Plan along with the installation and upgrading of existing right-of-way facilities with construction plans throughout 2023.

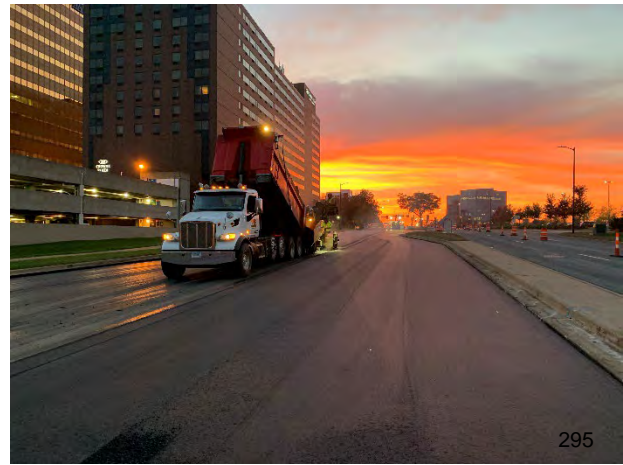




Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Average street pavement condition rating on the Pavement Condition Index (PCI)	78.4	79.7	77.8	78
Connected, welcoming community	Number of ADA Accessible Pedestrian Ramps Replaced	139	119	211	140
Connected, welcoming community	Number of Public Meetings/Attendees	11/187	18/663	17/248	15/220

- Under the Pavement Management Program (PMP) reconstructed 3.32 miles of pavement (at \$1.80 million per mile) and overlaid 9.57 miles of pavement (at \$550,000 per mile).
- Installed 18 accessible pedestrian ramps, upgraded 211 accessible pedestrian ramps.
- Installed 504 linear feet of sidewalk, replaced 10,099 linear feet of existing sidewalk. Installed 1,425 linear feet of trail, replaced 4,752 linear feet of existing trail.
- Bike/Ped Enhancements: American Blvd HAWK Signal, 88th Street and Third Avenue added curb bump out, constructed a pedestrian refuge and Norman Center Drive. Spot safety improvements. Realigned intersection at Queen Avenue and Old Shakopee Road, right sized the intersection at Xerxes Avenue and 88th Street, modified the intersection of Louisiana Avenue and Old Shakopee Road.
- Held 17 neighborhood project meetings including a series of proactive PMP meetings, 4 others engagement meetings in conjunction with other agencies for regional projects Staff continues to utilize Let’s Talk Bloomington with six new pages created



Public Works Engineering Division - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income	\$ 25,822	\$ 5,741	\$ 5,000
Permits and Licenses	64,234	17,769	30,000
Intergovernmental		67,780	
Interest Income			
Other Revenues	183,206	350	-
Transfers from Other Funds		200,000	
Total Revenues	273,262	291,640	35,000
Expenditures			
Salaries and Benefits	3,349,084	3,436,689	3,528,770
Materials, Supplies, & Services	724,899	883,233	971,798
Capital Outlay	16,850	36,589	54,000
Transfer to Other Funds	606,700	-	-
Total Expenditures	4,697,533	4,356,511	4,554,568
Less Expenses Charged to Other Funds	(2,436,877)	(2,804,333)	(2,383,360)
Net Total Expenditures	\$ 2,260,656	\$ 1,552,178	\$ 2,171,208

Public Works – Maintenance Admin.

Maintenance administration plans, schedules, and coordinates maintenance programs and activities with other City departments and manages 4,301 streetlights (959 City owned).

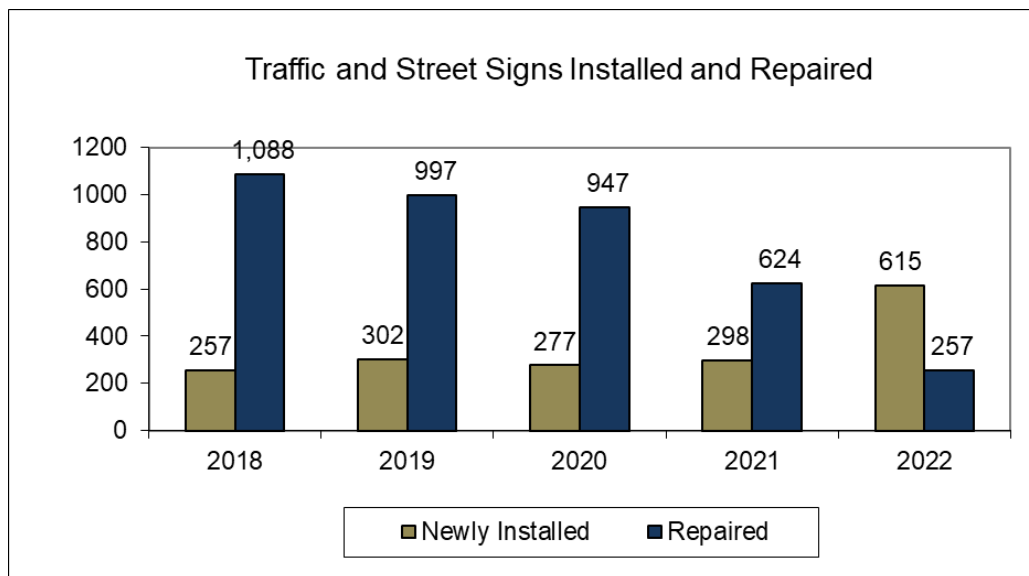
Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
MAINTENANCE SUPERINTENDENT	1	1	1
TRAFFIC MAINTENANCE SUPERVISOR	1	1	1
SIGNAL /INSTRUMENTATION TECH	3	3	3
TRAFFIC TECHNICIAN I	1	1	1
OFFICE SUPPORT SPECIALIST	2	2	2
TRAFFIC TECHNICIAN I	1	1	1
Grand Total	9	9	9

2023 Goals and Objectives

- Repaint all traffic markings on City roadways on an annual basis.
- Replace traffic signage on City roadways to conform to retro reflectivity standards.
- Provide maintenance on traffic signal systems for the safety of the public by performing
- Yearly preventative maintenance and responding to trouble calls.
- Provide streetlight services for the safety of the public by maintaining and responding to outages within three days.

2022 Performance Measures

- Repaired 615 traffic and street signs
- Installed 257 new traffic and street signs



Public Works Maint. Admin. Div. - Gen. Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Other Revenues	\$ 97,694	\$ 46,890	\$ 50,000
Total Revenues	97,694	46,890	50,000
Expenditures			
Salaries and Benefits	1,088,318	1,022,142	1,137,071
Materials, Supplies, & Services	1,507,630	1,690,104	1,645,408
Capital Outlay	28,096	29,966	29,000
Total Expenditures	\$ 2,624,044	\$ 2,742,212	\$ 2,811,479

Public Works - Park Maintenance

In 2022 the budget for Parks Maintenance changed from a single Internal Service fund to ten General Fund budgets. These funds pay for the costs associated with the maintenance of City parkland, park buildings and natural resources restoration and management. The budget for 2023 was submitted and approved as part of the Public Works budget where it remains. In January of 2023 Park Maintenance merged with Park and Recreation and as part of the transition the 2024 budget will be included with the Park and Recreation Budgets.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ASSISTANT MAINTENANCE SUPERINTENDENT	1	1	1
PARK MAINTENANCE SUPERVISOR	2	2	2
PARKKEEPER	25	25	25
NATURAL RESOURCES PARKKEEPER	0	0	1
Grand Total	28	28	29

2023 Goals and Objectives

- To support strategic priorities through efficient and sustainable operation and planned maintenance Park facilities by:
 - Implement action steps from Park System Master Plan
 - Completing Park Maintenance and Operations service assessment.
 - Complete Park inventory data analysis and GIS development project that will help us understand, protect our Park system and plan the future.
- Participate in the capital improvement process to prioritize and cost out improvements to Park facilities to prepare the Capital Improvement Plan to go to the City Council in March.
- Explore improved maintenance options that are environmentally sustainable and financially responsible by:
 - Continue efforts to minimize the impact of EAB by planting 400 trees from our gravel bed nursery.
 - Converting more turf parkland into more self - sustaining native prairie plant communities.
 - Evaluate trash and recycling collection program for City Parks.
 - Seek grants and implement projects from the MN River Valley and Natural Resource Prioritization and Management Plan.
- Begin Service area planning work that balances park amenities and experiences to help bring equity to the Park system.



Public Works Parks Maint. Div. - Gen. Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income			
Permits and Licenses			
Intergovernmental	\$ -	\$ 650	\$ -
Interest Income			
Other Revenues	-	3,750	-
Transfers from Other Funds	-	2,050,000	-
Total Revenues	-	2,054,400	-
Expenditures			
Salaries and Benefits	-	3,135,948	3,581,744
Materials, Supplies, & Services	823	3,535,892	3,379,148
Capital Outlay	-	154,528	166,858
Total Expenditures	823	6,826,368	7,127,750
Less Expenses Charged to Other Funds	-	(285,097)	(293,650)
Net Total Expenditures	\$ 823	\$ 6,541,271	\$ 6,834,100

Public Works – Street Maintenance

Street Maintenance provides street sweeping, snow plowing and street repair. This includes the Pavement Management Program which attempts to maximize the life of streets by replacing and repairing pavement at the most beneficial time.

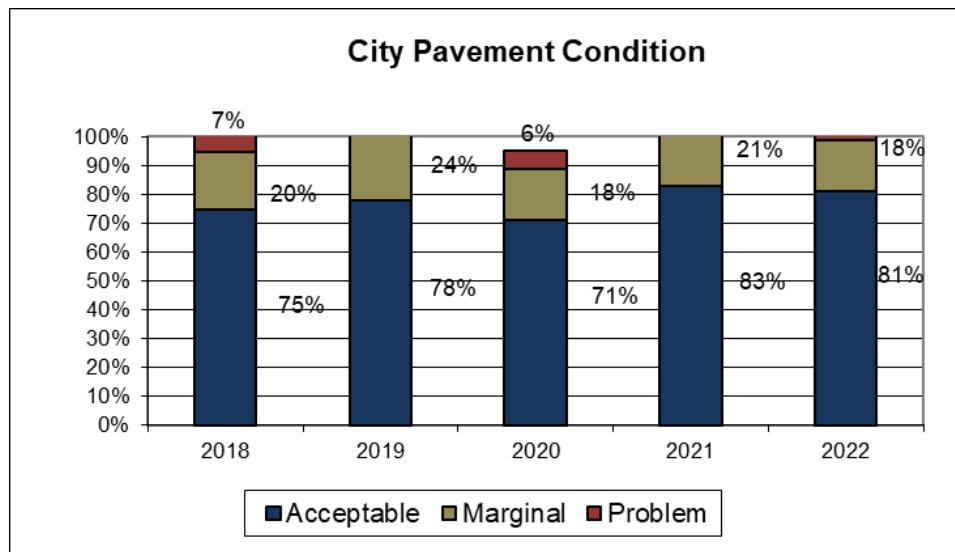
Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ASSISTANT MAINTENANCE SUPT	1	1	1
STREET MAINTENANCE SUPERVISOR	1	1	1
EQUIPMENT OPERATOR	17	17	17
EQUIPMENT OPERATOR I	5	5	5
Grand Total	24	24	24

2023 Goals and Objectives

- Maintain roadways such that at least 90 percent are rated above problem condition status, per the City’s Pavement Management Program condition rating system.

2022 Results of Performance Measures

- For 2022, 98 percent of roadways are above problem condition.



Public Works Street Maint. Div. - Gen. Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Program Income			
Permits and Licenses			
Intergovernmental	\$ -	\$ 10,000	\$ -
Interest Income			
Other Revenues	428	-	-
Transfers from Other Funds	170,000	870,000	1,562,430
Total Revenues	170,428	880,000	1,562,430
Expenditures			
Salaries and Benefits	2,532,392	2,812,912	2,916,140
Materials, Supplies, & Services	5,044,330	4,896,005	5,489,499
Capital Outlay	2,478	500,000	-
Total Expenditures	7,579,200	8,208,917	8,405,639
Less Expenses Charged to Other Funds	(410,404)	(500,510)	(403,272)
Net Total Expenditures	\$ 7,168,796	\$ 7,708,407	\$ 8,002,367

Public Works – Water Utility

The Water Utility Fund is an Enterprise Fund that accounts for the revenues and costs related to the operation, maintenance, and renewal of the City-owned water system. The City strives to provide an uninterrupted supply of water, which meets or exceeds all federal and state quality standards, at a rate that ensures long-term sustainability of the water system. Revenues and expenditure activities within the fund include the following: administration, customer service, supply and treatment, and distribution and storage.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
UTILITIES SUPERINTENDENT	1	1	1
ASSISTANT UTILITIES SUPT	1	1	1
CIVIL ENGINEER	2	2	2
CUSTOMER SERVICE SUPERVISOR	1	1	1
INFRASTRUCTURE SYSTEMS ANALYST	1	1	1
UTILITIES SUPERVISOR	2	2	2
WATER QUALITY SUPERVISOR	1	1	1
UTILITY CONTROLS & INSTRUMENTATION TECH	1	1	1
LABORATORY ANALYST	1	1	2
UTILITY SERVICE SPECIALIST	3	3	3
SENIOR UTILITY OPERATOR	6	6	6
UTILITY OPERATOR	16	16	16
OFFICE SUPPORT SPECIALIST	3	3	3
Grand Total	39	39	40

2023 Goals and Objectives

- Provide uninterrupted supply of softened potable water which meets or exceeds all state and federal standards at a rate that is affordable.
- Provide sustainable renewal of water system infrastructure, maximizing asset life and minimizing risk while maintaining established levels of service.
- Provide timely, state-certified analytical laboratory water testing services to the public and neighboring communities.

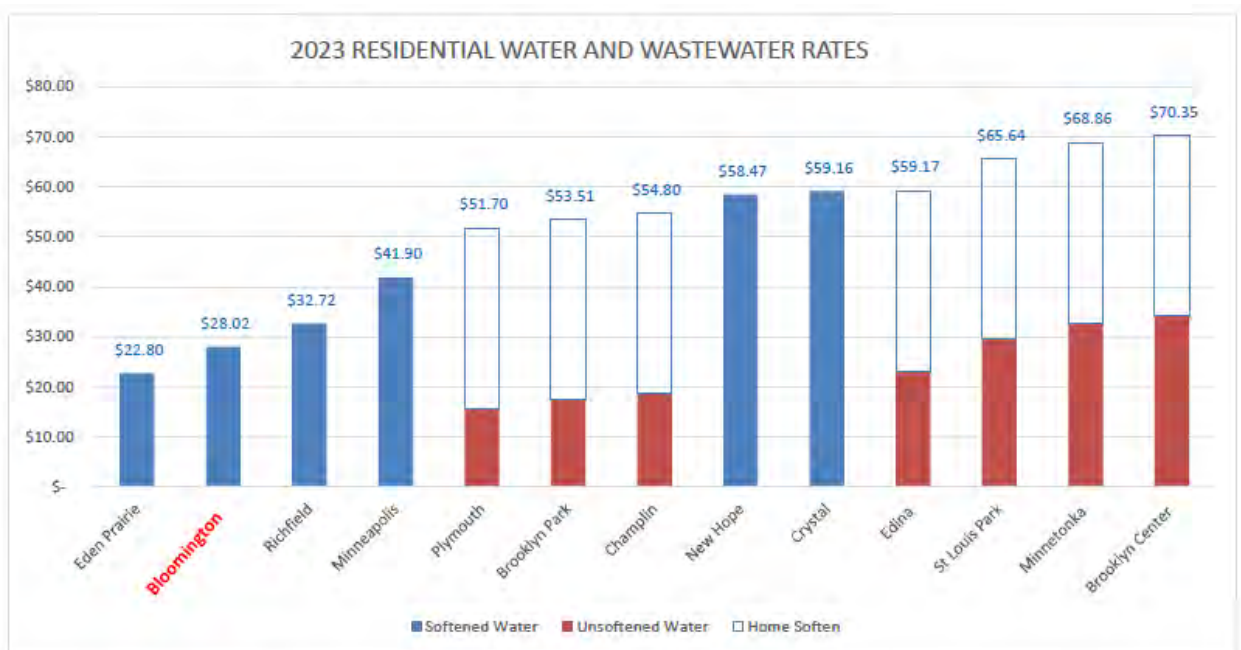
Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Safety)	Fire Hydrants Inspected ensuring operation and availability	100%	100%	100%	100%
Healthy community (Environment)	Operating cost per 1 million gallons of water produced	\$1,528	\$1,283	\$1,702	\$1,700
	Water quality analyses performed	21,055	21,087	20,569	21,000
Healthy community (Environment)	Watermain break repairs	29	19	34	30

- Performed 9,501 hydrant inspections ensuring proper operation and emergency availability.
- Repaired 34 watermain breaks.
- Produced 2.4 billion gallons of water and delivered a total of 3.6 billion gallons of high-quality softened water to customers.
- Performed 20,569 laboratory tests to ensure water quality standards.

Water Rate Comparisons

Bloomington’s costs to provide softened water to customers continues to be one of the lowest in the area. The comparison below is calculated based on usage of 6,000 gallons per month. Bloomington continues to provide high quality, award-winning, softened water at a relatively low cost.



Water Utility - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Utility Fees	\$ 17,979,752	\$ 17,874,322	\$ 19,301,115
Other Revenue	677,290	678,247	400,000
Interest Income	(37,429)	(344,751)	50,000
Transfers from Other Funds	386,000	1,852,080	1,639,000
Total Revenues	19,005,613	20,059,898	21,390,115
Expenses			
Salaries and Benefits	3,895,410	4,180,987	4,497,228
Materials, Supplies, & Services	9,156,259	10,644,448	12,049,729
Capital Outlay	1,859,611	2,423,931	3,879,000
Debt Service	133,394	130,094	131,944
Total Expenses	15,044,674	17,379,460	20,557,901
Working Capital			
Net Change	3,960,939	2,680,438	832,214
Working Capital at Beginning of Year	6,314,815	10,275,754	12,956,192
Working Capital at End of Year	\$ 10,275,754	\$ 12,956,192	\$ 13,788,406

Public Works – Wastewater Utility

The Wastewater Utility Fund is an Enterprise Fund that accounts for the City-owned wastewater collection system and the sewer interceptor and treatment charges from the Metropolitan Council Environmental Services (MCES). The objective of the Wastewater Utility is to provide sanitary service capacity and sufficient maintenance to minimize system blockages and infiltration/inflow. The sanitary sewer infrastructure spans 359 miles of pipes, with 28 lift stations, thousands of manholes and serves over 25,000 customers.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
UTILITIES SUPERVISOR	1	1	1
MAINTENANCE WORKER	1	1	1
SENIOR UTILITY OPERATOR	5	5	5
UTILITY OPERATOR	5	5	5
MAINTENANCE WORKER	1	1	1
Grand Total	13	13	13

2023 Goals and Objectives

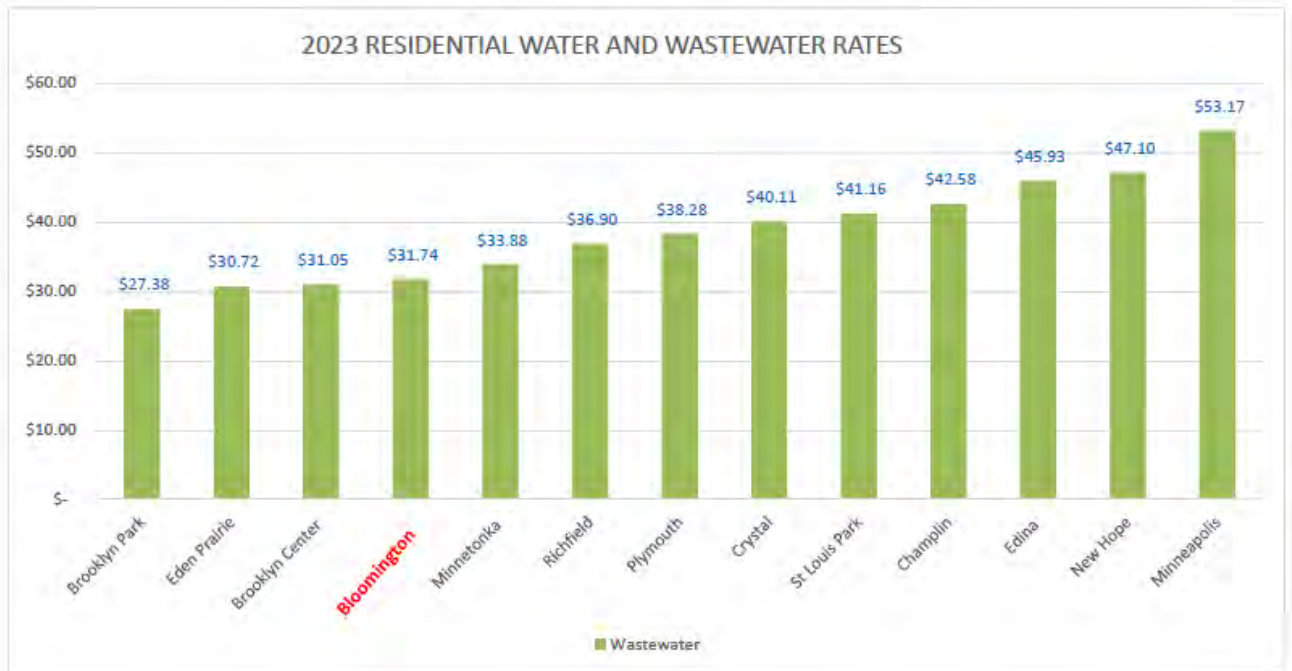
Provide needed sanitary sewer conveyance while minimizing system blockages and infiltration/inflow.

Provide sustainable renewal of wastewater system infrastructure, maximizing asset life and minimizing risk while maintaining established levels of service.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Environment)	Sanitary Sewer Inspection (miles)	32	32	29	30
Healthy community (Environment)	Sanitary Sewer Cleaning (miles)	297	207	212	210
Healthy community (Environment)	Number of public sewer system blockages per 10,000 connections	3.6	4.8	6.8	4.0

- Inspected over 29 miles of sanitary sewer main.
- Cleaned over 212 miles of sanitary sewer main.
- Reconstructed 208 sanitary manholes.
- Responded to 17 mainline system blockages.



Wastewater Utility - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Utility Fees	\$ 13,085,997	\$ 13,489,531	\$ 13,542,129
Other Revenue	434,466	478,365	352,000
Intergovernmental	-	-	-
Interest Income	(28,823)	(349,099)	99,000
Transfers from Other Funds	309,000	-	-
Total Revenues	13,800,640	13,618,797	13,993,129
Expenses			
Salaries and Benefits	1,757,204	1,866,848	2,146,683
Materials, Supplies, & Services	9,122,003	9,516,700	10,442,668
Capital Outlay	903,569	793,415	1,650,000
Total Expenses	11,782,776	12,176,963	14,239,351
Working Capital			
Net Change	2,017,864	1,441,834	(246,222)
Working Capital at Beginning of Year	9,145,649	11,163,513	12,605,347
Working Capital at End of Year	\$ 11,163,513	\$ 12,605,347	\$ 12,359,125

Public Works - Storm Water Utility

The Storm Water Utility Fund is Enterprise Fund that provides for the operations, maintenance, and improvements to the City-owned storm sewer system through a storm utility fee charged to property owners. Objectives of the storm water utility include protecting structures and the public from storm water damage caused by surface water runoff, providing wetland protection, and compliance with the Minnesota Pollution Control Agency’s municipal storm water permitting program. The fee is intended to recover costs associated with meeting permit requirements and providing storm water utility service to residents and commercial establishments in a fair and equitable manner. The storm sewer infrastructure spans nearly 300 miles of mainline pipes and catch basin leads, with 5 lift stations, over 300 ponds, and thousands of maintenance holes and catch basins.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
WATER RESOURCES MANAGER	1	1	1
CIVIL ENGINEER	1	1	1
STREET MAINTENANCE SUPERVISOR	1	1	1
SENIOR ENGINEERING TECHNICIAN	2	2	2
WATER RESOURCES SPECIALIST	1	1	1
EQUIPMENT OPERATOR	5	5	5
Grand Total	11	11	11

2023 Goals and Objectives

- Respond and consult with city property and business owners as needed to provide guidance on drainage, erosion control, and pond aesthetics within 48 hours.
- Develop Penn Lake Management Framework including strategies for meeting the Penn Lake Total Maximum Daily Load requirements and engaging with the Penn Lake Community Group.
- Continue to engage the public using Let’s Talk Bloomington, provide water quality related educational material and promote storm water best management practices using videos, printed materials, website, and social media outlets.
- Provide sustainable renewal of storm system infrastructure by completing the winter Pond Maintenance Project by May 31, 2023, and a summer Storm Sewer Maintenance project by October 31, 2023.

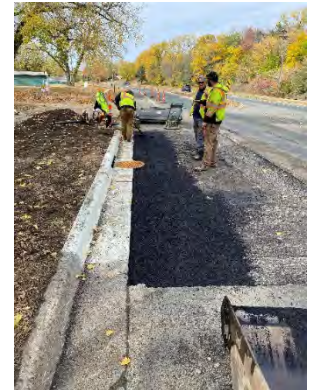


Performance Measures

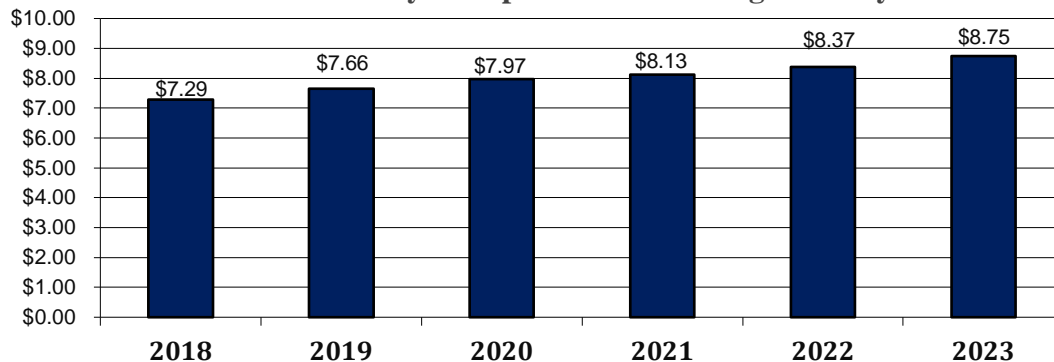
Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Environment)	Storm sewer junctions (Catch basins and Maintenance holes) inspected ensuring operation and identifying maintenance needs	613	550	494	500
Healthy community (Environment)	Inspection, maintenance, and cleaning of structural storm water best management practices	316	327	171*	330
Healthy community (Environment) & Connected, welcoming community	New Adopt-a-Drain participants from the city	63	39	32	35
Healthy community (Environment)	Surface water bodies sampled for water quality parameters	27	33	36	30
Healthy community (Environment)	Miles of storm sewer mainline pipe inspected	8.4	8.2	8.7	8

*Vector truck breakdown prevented fall BMP inspection, maintenance, and cleaning

- Substantial completion of the 2021-901 Storm Sewer Maintenance Project (photo at right), and the 2021-902 Pond and Storm Sewer Maintenance Project (Oxboro Lake). Continued ongoing cooperation with Nine Mile Creek Watershed District on management strategies for Normandale Lake, including Carp removal in 2022.
- Completed data collection efforts for Penn Lake to move forward with developing the Penn Lake Management Framework to meet Total Maximum Daily Load requirements.
- Deployed 4 DIY monitoring units to collect water quality information on 4 Bloomington wetland water bodies during open water season 2022.
- Updated the Stormwater Pollution Prevention Plan for the re-issued Municipal Separate Storm Sewer System General Permit
- Bloomington Adopt-a-Drain program: 32 new users adopted 50 new drains in 2022; 713 total drains adopted by 402 participants across the city who reported 5,332lbs. of debris removed during 2022 (Adopt-a-Drain data provided by Hamline University).



Storm Water Utility Cost per Month for Single-Family Home



Storm Water Utility - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Utility Fees	\$ 7,069,850	\$ 7,124,067	\$ 7,475,382
Other Revenue	123,806	117,672	112,105
Intergovernmental	45,491	12,000	-
Interest Income	(59,767)	(372,982)	92,000
Bond Proceeds	52,507	52,507	-
Transfers from Other Funds	-	-	-
Total Revenues	7,231,887	6,933,264	7,679,487
Expenses			
Salaries and Benefits	1,653,949	1,601,436	1,679,799
Materials, Supplies, & Services	1,569,646	1,761,754	2,019,254
Capital Outlay	2,069,712	5,581,857	4,703,000
Debt Service	980,125	1,006,229	1,013,563
Total Expenses	6,273,432	9,951,276	9,415,616
Working Capital			
Net Change	958,455	(3,018,012)	(1,736,129)
Working Capital at Beginning of Year	13,952,183	14,910,638	11,892,626
Working Capital at End of Year	\$ 14,910,638	\$ 11,892,626	\$ 10,156,497

Public Works – Solid Waste Utility

This fund accounts for the citywide residential garbage, recycling, organics recycling, yard waste and bulky item management program; forestry and removal of diseased trees (such as Emerald Ash Borer infested trees); clean-ups after major storm events, and private property Environmental Health abatements.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
SOLID WASTE PROGRAM COORDINATOR	1	1	1
SOLID WASTE SUSTAINABILITY SPECIALIST	0	0	1
Grand Total	1	1	2

2023 Goals and Objectives

- Administer the residential garbage and recycling collection program and continue to ensure residents receive excellent customer service.
- Maintain the residential bulky item management program services that began in 2022. Program elements include every other year Curbside Pickup program with limited items accepted, a recycling drop-off event, community reuse swap events, and a regular monthly service for collection of reusable bulky items from the curb.
- Implement citywide rollout of the new regular monthly service for collection of reusable bulky items from the curb. This program began as a pilot in 2022, with the service available to 4,000 homes.
- Provide robust outreach and education to residents regarding the City’s residential curbside organics recycling service as well as the organics recycling drop-offs.
- Work with the Sustainability Commission to continue to divert more waste from incineration and landfilling through recycling and composting and encouraging waste reduction and reuse.
- Provide outreach and education to residents regarding how to recycle right, including mailing an annual recycling guide.
- Conduct a residential solid waste rate study to assess feasibility of setting rates that further incentivize greater use of recycling and organics recycling services and encourage waste reduction.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Healthy community (Environment)	Number of households signed up for organics recycling	N/A	N/A	25.87% of residential households with City-contracted solid waste services	35% of residential households with City-contracted solid waste services

Healthy community (Environment)	Tons residential source separated organics diverted from garbage	N/A	N/A	1,160 tons	1,500 tons
Healthy community (Environment)	Tons of residential recycling diverted from garbage	N/A	N/A	4,923 tons	5,000 tons

Bulky Item Management – Reuse and Recycling Programs

- Held first annual citywide recycling drop-off event with 994 vehicles attending. In total, over 61 tons of material was collected for recycling, including 16,828 lbs. of paper for shredding, 136 mattress, 44,118 lbs. of electronics, 121 bikes (reuse and recycling), 139 tires, 14,960 lbs. of scrap metal and 222 large appliances.
- Held first community swap event for garden tools; 1,300 pounds of items were swapped.
- Held first community compost giveaway; distributed 600 bags of compost.
- Piloted regular collection of bulky items for reuse to 4,000 homes throughout Bloomington. Resulted in collection of 2.26 tons of bulky items collected for reuse and 2.63 tons of bulky items collected for recycling.

Education and Outreach

- Hosted three citywide organics recycling community presentations.
- Provided waste diversion education at 17 community-based events.
- Mailed a Residential Solid Waste Services Guide to all households in the City’s garbage and recycling program.
- Mailed a Recycling Guide to all multi-family dwellings in Bloomington.
- Mailed an Organics Recycling New Program Guide to all households in the City’s garbage and recycling program.

Organics Recycling

- Rolled out residential curbside organics recycling service citywide in March 2022. Currently, 25% of Bloomington households in the City’s residential solid waste program are participating in the program.
- Signed up an additional 109 households to use the organics recycling drop-offs, bringing total registered users to 2,045 households.
- Distributed supplies to residents to assist with overcoming barriers to use the new curbside organics recycling program. Distributed:
 - 2,380 boxes of 3-gallon certified compostable bags picked up by residents at distribution partner’s hardware store, Frattalone’s Hardware & Garden in Normandale Village.
 - 800 organics kitchen collection containers
 - Welcome Packets are provided to all households who sign up for curbside organics recycling. Packets include a starter kit of compostable bags, resource magnet and home setup tip guide.

Monthly Solid Waste and Recycling Rates

Service	2022	2023
City Garbage and Recycling, including taxes and fees for a resident with a medium garbage cart	\$22.78	\$23.74
City Organics Recycling	\$5.50	\$5.50
Curbside Cleanup Fee	\$4.42	\$3.71



*Bloomington Family Participating in New Curbside Organics Recycling Program (left)
Hosted a Garden Tool Swap at Moir Park in May 2022 (below)*



First annual Citywide Recycling Drop-Off Event took place Saturday, September 24th at Western Maintenance Facility 2022 (above)

Hosted a Compost Giveaway Event at Moir Park in May 2022 (right)

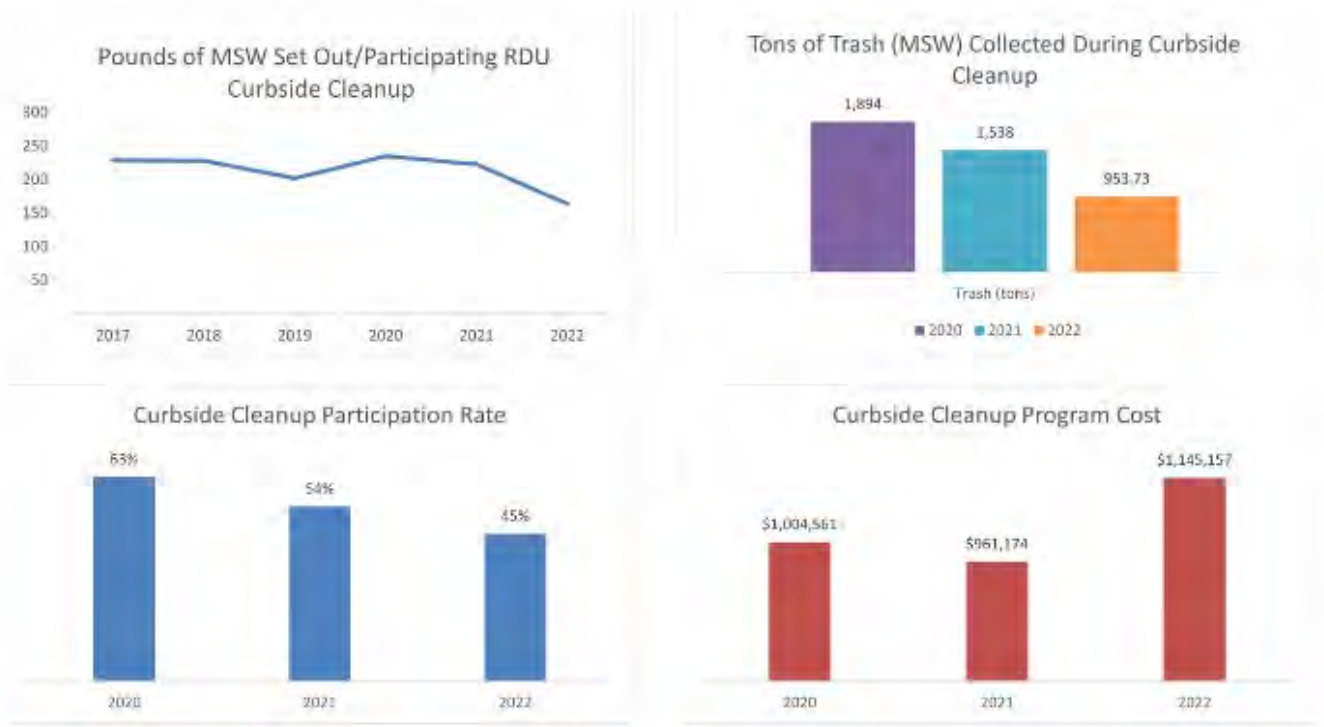


2020-2022 Curbside Cleanup Statistics

During Curbside Cleanup, residents can place bulky items such as appliances, brush, scrap metal and trash at their curb and the City contracts with the Consortium of Haulers to make one pass through each neighborhood to pick it up. Large appliances, brush and scrap metal are collected separately for recycling, and all other material is collected and landfilled. Beginning in 2022, this service is now offered every other year, on even years only, and new limitations on the amount of trash that can be set out were implemented. The changes were made to reduce the number of items that are landfilled during the Cleanup. New bulky item management services that encourage reuse and recycling are now offered, as described above.

Funding for this program comes from the utility fee shown above per month per household.

Curbside Cleanup By The Numbers



Solid Waste Utility - Enterprise Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 185,000	\$ 185,000	\$ 185,000
Utility Fees	7,919,698	8,893,237	9,440,738
Other Revenue	182,022	318,229	757,000
Intergovernmental	122,690	336,407	329,260
Interest Income	(468)	(20,487)	14,304
Bond Proceeds	-	-	-
Transfers from Other Funds	-	-	-
Total Revenues	8,408,942	9,712,386	10,726,302
Expenses			
Salaries and Benefits	279,584	212,887	429,090
Materials, Supplies, & Services	7,958,974	10,031,088	9,472,075
Capital Outlay	3,150	-	-
Transfer to Other Funds	309,000	-	-
Total Expenses	8,550,708	10,243,975	9,901,165
Working Capital			
Net Change	(141,766)	(531,589)	825,137
Working Capital at Beginning of Year	1,945,197	1,803,431	1,271,842
Working Capital at End of Year	\$ 1,803,431	\$ 1,271,842	\$ 2,096,979

Facilities Maintenance

The Facilities Fund is an Internal Service fund that pays for the costs related to capital repair and maintenance of the main City buildings, fire stations and cemetery property. Revenues are from internal department charges.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
ASSISTANT MAINTENANCE SUPERINTENDENT	1	1	1
FACILITIES MANAGER	0	1	1
FACILITIES MAINTENANCE SUPERVISOR	1	1	1
SERVICE TECHNICIAN	9	9	9
CIVIC PLAZA MAINTENANCE WORKER	0	0	1
MAINTENANCE WORKER	1	1	1
Grand Total	12	13	14

2023 Goals and Objectives

- To support a connected, welcoming community through efficient and sustainable operation and planned maintenance of the City’s buildings by:
 - Implement utilization and automation of work order management system
 - Develop tracking for building improvements
- Guide capital improvement process to prioritize and cost out improvements to City facilities. Prepare the Capital Improvement Plan to go to the City Council in March.
 - Deliver capital improvements on time and on budget
 - Assist other areas of the City in the delivery of their capital improvement projects
- Explore improved maintenance options that are environmentally sustainable and
 - Use a sustainability lens when planning maintenance projects
 - Advocate for sustainable equipment replacement and repairs

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, Welcoming Community	Work orders are entered and completed on time per their service level	n/a	n/a	n/a	80%
Health Community (Human)	Adjust building systems and procedures to maintain healthy buildings	n/a	n/a	n/a	In depth evaluation of one building per year
Health Community (Environment)	Review generator efficiency	n/a	n/a	n/a	2 per year

Connected, Welcoming Community	Complete CIP projects	n/a	n/a	n/a	80%
Department Specific	Onboard new Civic Plaza Facilities Attendant			Facilities Manager Onboarded	1 person



Facilities - Internal Service Fund Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 12,664,566	\$ 6,489,697	\$ 6,480,044
Interest Income	(68,872)	(385,743)	150,000
Other Revenues	37,825	24,265	-
Bond Proceeds	-	-	-
Transfers from Other Funds	684,000	774,901	-
Total Revenues	13,317,519	6,903,120	6,630,044
Expenses			
Salaries and Benefits	4,120,786	1,245,207	1,731,171
Materials, Supplies, & Services	6,262,057	3,008,617	3,256,492
Capital Outlay	831,247	6,190,113	2,370,000
Debt Service	641,387	-	-
Transfer to Other Funds	1,236,252	500,000	-
Total Expenses	13,091,729	10,943,937	7,357,663
Working Capital			
Net Change	225,790	(4,040,817)	(727,619)
Working Capital at Beginning of Year	14,603,038	14,828,828	10,788,011
Working Capital at End of Year	\$ 14,828,828	\$ 10,788,011	\$ 10,060,392

Fleet Maintenance Fund

The Fleet Maintenance Fund is an Internal Service Fund that pays for the costs related to the operations, maintenance, repair, and replacement of City vehicles and equipment. Departments are charged for vehicles used by their department. Part of the internal fee is to pay for operations; the other part is allocated for the replacement of the equipment. Any new equipment or additions to the Fleet are funded by the requesting department.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
FLEET MANAGER	1	1	1
FLEET MAINTENANCE SUPERVISOR	1	1	1
FLEET TECHNICIAN	9	9	9
OFFICE SUPPORT SPECIALIST	1	1	1
Grand Total	12	12	12

2023 Goals and Objectives

- Replace the vehicle wash system
- Expand EV charging stations for fleet vehicles Implement Vehicle Use Policy

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Department specific	Turnaround Time - % of repairs completed in < 24hrs <i>Industry standard is 70%</i>	70%	70%	69%	70%
	Percentage of work orders that are proactive, not reactive	56%	58%	51%	60%
Health Community (Environment)	Number of diesel units on last tier emissions	35	31	31	27

2022 Accomplishments

- Performed vehicle utilization study and recommended ways to increase usage on identified assets
- Expanded telematics to include all Maintenance and Utility vehicles
- Completed long term budget forecasting with 20-year vehicle replacement plan
- Identified units to be replaced by EVs when they are due for replacement
- Reallocated seasonal equipment to decrease cross department subsidation
- “By the numbers”
 - 575 Vehicles serviced and maintained
 - \$41 million value of fleet
 - 2.5 million miles traveled 2022

- 285,946 gallons of fuel
- 120 different classes of vehicles
- 3470 services and repairs performed
- \$890,000 parts needed for service, repairs, and stockroom



Fleet Maintenance - Internal Service Fund

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Departmental Charges	\$ 7,467,791	\$ 7,089,135	\$ 7,485,521
Intergovernmental	-	-	-
Interest Income	(21,383)	(230,300)	25,000
Other Revenues	366,966	157,024	200,000
Transfers from Other Funds	-	440,040	-
Total Revenues	7,813,374	7,455,899	7,710,521
Expenses			
Salaries and Benefits	1,343,676	1,399,917	1,497,360
Materials, Supplies, & Services	3,490,520	3,708,016	4,109,741
Capital Outlay	2,042,179	2,016,078	3,390,000
Transfer to Other Funds	1,785,699	-	-
Total Expenses	8,662,074	7,124,011	8,997,101
Working Capital			
Net Change	(848,700)	331,888	(1,286,580)
Working Capital at Beginning of Year	6,344,250	5,495,550	5,827,438
Working Capital at End of Year	\$ 5,495,550	\$ 5,827,438	\$ 4,540,858

Housing and Redevelopment Authority

The Housing and Redevelopment Authority in and for the City of Bloomington (HRA) mission is to help provide affordable housing opportunities for those who are not adequately served by the marketplace, coordinate the City's efforts to preserve existing neighborhoods and promote development and redevelopment that enhances Bloomington. The HRA accomplishes its mission through various policies, programs and services, along the housing continuum, to help those unstably housed, renters, homeowners, and homebuyers in Bloomington. Funding comes from federal, state, regional and local sources. The HRA is governed by a seven-member board appointed by the Mayor, with approval of the City Council.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
HRA ADMINISTRATOR	1	1	1
HRA PROGRAM MANAGER	1	1	0
HOUSING & REDEVELOPMENT ANALYST	1	1	0
PROGRAM SPECIALIST II	6	6	6
OFFICE COORDINATOR	1	1	1
OFFICE ASSISTANT	1	1	0
Grand Total	11	11	8

2023 Goals and Objectives

- Implement and expand programs and initiatives for housing stabilization
- Acquire real property for affordable homeownership redevelopment opportunities
- Support residential energy efficient policy and programs through coordination and implementation
- Support mixed income housing redevelopment with a focus on 30% - 50% AMI unit creation
- Provide home improvement loan programs and activities prioritizing those not adequately served by the marketplace
- Support and encourage creation of missing middle type housing
- Support implementation and administration of the Opportunity Housing Ordinance
- Maintain highest possible utilization of Housing Choice Voucher program and offerings
- Implement technological updates for internal and external service delivery
- Continue to expand homeownership and financial education
- Strengthen engagement and service delivery in and with underserved and culturally specific communities

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Connected, welcoming community	Maintain highest possible utilization of Housing Choice Voucher Programs and offerings	530 vouchers	550 vouchers	559 ¹ vouchers	565 vouchers
Equitable economic growth	Affordable Housing - Affordable housing as compared to the City Comp Plan Goal	508 units	133 units	89 units ²	141 units
Connected, welcoming community	Strengthen service delivery, access, and engagement with culturally specific communities		15%	25% ³	40%
Equitable economic growth	Implement and expand home ownership opportunities and partnerships – including down payment assistance programming and affordable homeownership development		10%	25% ⁴	50%
Connected, welcoming community	Collect and analyze data for programs and services – including stakeholder surveys		15%	25% ⁵	50%

1. Maintained HCV program at 530 vouchers, including increased portability, and added 6 vouchers, 8 emergency vouchers, 10 FYI vouchers and 5 HUD VASH

2. 60% AMI total number of affordable units created

3. Offered journey to homeownership course; launched customer experience survey with over 60% positive responses; increased language translation services. Coordination with BPS OEE for program advertisement

4. DPA program and partnership with NeighborWorks Home Partners; Partnership with PPL for homebuyer education; Additional funding for Homes Within Reach to rehab a third affordable ownership home

5. Increased participation in survey with feedback. More positive engagement reported and programmatic updates to better serve stakeholders based on feedback and recommendations through a lens of equity.

Component Unit - Housing & Redev. Authority

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes	\$ 2,654,532	\$ 2,718,683	\$ 2,776,969
Delinquent Taxes & Abatements	140,022	(32,225)	-
Intergovernmental	5,799,102	6,227,034	6,742,636
Interest Income	2,336	(1,702)	20,000
Other Revenues	1,748,548	1,238,049	1,331,413
Bond Proceeds	975,000	5,551,460	-
Transfers from Other Funds	500,000	500,000	500,000
Total Revenues	11,819,540	16,201,299	11,371,018
Expenses			
Salaries and Benefits	1,288,701	1,244,633	1,237,906
Materials, Supplies, & Services	7,690,520	7,115,748	9,401,937
Internal Service Fund Charges	251,220	260,440	263,280
Capital Outlay	-	-	-
Debt	212,909	518,195	1,322,425
Transfer to Other Funds	1,475,000	6,051,460	500,000
Total Expenses	10,918,350	15,190,476	12,725,548
Working Capital			
Net Change	901,190	1,010,823	(1,354,530)
Working Capital at Beginning of Year	11,113,399	12,014,589	13,025,412
Working Capital at End of Year	\$ 12,014,589	\$ 13,025,412	\$ 11,670,882

Port Authority

The Port Authority is a component unit of the City of Bloomington, created to provide a coordinated, cost-effective approach for redevelopment within defined development districts established throughout the City, utilizing tax increment and/or revenue bonds as needed. In 2023, the Port Authority will be coordinating development and redevelopment citywide, while also implementing resources and programs to assist small and large businesses. Port Authority commissioners are appointed by the Mayor and confirmed by the City Council. The Port has limited taxing powers (including a levy not used to date) but has extensive authority to issue bonds or notes for public improvements and redevelopment, which are subject to approval by the City Council prior to issuance. The City guarantees some Port Authority debt and contracts staff for administration of the Port Authority.

2023 Key Projects:

Mall of America (MOA) expansion, Development of former Ramada/Thunderbird site, development of former Interstate Diesel and Alpha V parcels, various multi-family apartment projects, further development at Bloomington Central Station, business façade program, small business displacement policy, and small business development center.

Authorized Full-Time Position	2021 BUDGET	2022 BUDGET	2023 BUDGET
PORT AUTHORITY ADMINISTRATOR	1	1	1
ASSISTANT PORT AUTHORITY ADMINISTRATOR	0	0	2
ECONOMIC DEVELOPMENT ANALYST	2	2	4
PORT DEVELOPMENT COORDINATOR	0	0	1
OFFICE SUPPORT SPECIALIST	0	0	1
Grand Total	3	3	9

2023 Goals and Objectives

- To facilitate sustainable development and redevelopment, especially where it can be served by transit, encourage short trip lengths, promote biking and walking, and reduce vehicle miles traveled.
- Oversee debt in a conservative manner to assure repayment and adequate resources.
- Make community investments that in turn encourage private investments consistent with the City’s sustainability objectives.
- Manage the implementation, administration, and monitoring of the Opportunity Housing Ordinance.
- Proactively engage with small business owners.
- Connect business owners to resources offered through Elevate Business HC.

Performance Measures

Strategic Priority	Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Goal
Equitable economic growth	Affordable Housing - Affordable housing as compared to the City Comp Plan Goal	508	128	89	100
Equitable economic growth	Creative Placemaking - Percentage of BIPOC artists/artist teams hired for public art projects reflects Bloomington BIPOC population (about 30%)	N/A*	67%	48%	40%
Connected, welcoming community	Creative Placemaking - Old Cedar Avenue Bridge AR Tour total view	15,163	29,326	38,290	45,000



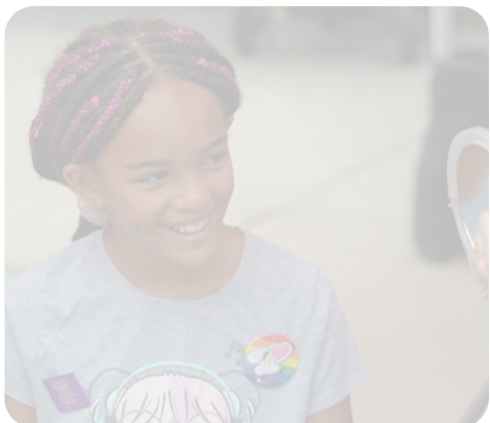
Component Unit - Port Authority

Financial Summary

	2021 Actual	2022 Projected	2023 Budget
Revenues			
Property Taxes			
Intergovernmental Income	\$ -	\$ 250,000	\$ -
Other Revenues	555,000	630,000	2,150,000
Transfers from Other Funds			
Total Revenues	555,000	880,000	2,150,000
Expenses			
Salaries and Benefits	364,720	340,413	1,059,000
Materials, Supplies, & Services	98,038	402,183	375,000
Internal Service Fund Charges	81,209	80,257	184,500
Capital Outlay			
Transfer to Other Funds	-	-	34,000
Total Expenses	543,967	822,853	1,652,500
Working Capital			
Net Change	11,033	57,147	497,500
Working Capital at Beginning of Year	4,986	16,019	73,166
Working Capital at End of Year	\$ 16,019	\$ 73,166	\$ 570,666



glossary



BLOOMINGTON.

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annual
budget
2023

Glossary

Accrual Basis – The basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, regardless that the receipt of cash or the payment of cash may take place in another accounting period.

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

Appropriation – A specific amount of money authorized by the City Council, generally during adoption of the annual budget, used to make expenditures for specific purposes.

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

Audit – An official inspection of an individual's or organization's accounts, typically by an independent body.

Balanced Budget – When expenditures are exactly offset by an equal amount of revenue.

BIPOC (Black, Indigenous, and people of color) - a term specific to the United States, intended to center the experiences of Black and Indigenous groups and demonstrate solidarity between communities of color. It acknowledges that people of color face varying types of discrimination and prejudice. Additionally, it emphasizes that systemic racism continues to oppress, invalidate, and deeply affect the lives of Black and Indigenous people in ways other people of color may not necessarily experience. Lastly and significantly, Black and Indigenous individuals and communities still bear the impact of slavery and genocide.

BIPOC aims to bring to center stage the specific violence, cultural erasure, and discrimination experienced by Black and Indigenous people. It reinforces the fact that not all people of color have the same experience, particularly when it comes to legislation and systemic oppression.

Bond – A written promise to pay a sum of money on a specific date at a specified interest rate as detailed in a bond resolution.

Budget – Line item revenue estimates and appropriations adopted by City Council for the following year.

Budget Adjustment – A revision to the adopted budget occurring during the affected fiscal year as approved by the City Council by an amendment or a transfer.

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

Capital Outlay – Purchases of fixed assets that have a value of \$10,000 or more, and a useful life of more than four years.

Carryover – Re-appropriation of budget authority for an expenditure to the following year to allow completion of a project. Carryovers require City Council approval.

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

CIP (Capital Improvement Plan) – A planning tool based on long-range physical planning and financial projections that forecast the City, the Bloomington Port Authority (Port), and Housing and Redevelopment Authority for the City of Bloomington (HRA) capital needs over a ten-year period as building blocks to help achieve the City's strategic vision and mission. The CIP includes a detailed description of every Capital Project anticipated to be initiated during the ten-year period.

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

Contingency (or Undesignated Appropriations) – Budget for expenditures which cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. The contingency fund also serves as a hedge against shortfalls in revenue.

COVID – “COVID-19” or “Coronavirus Disease 2019” is the disease caused by the coronavirus SARS-CoV-2. Symptoms of COVID-19 include cough, fever, and shortness of breath. It is extremely contagious and caused a worldwide pandemic that began in March 2020. While the disease only causes mild to moderate illness in some people, in others it has caused life-threatening pneumonia and death.

Deficit – The excess of expenditures over revenues.

Department – Basic organizational unit of City government responsible for carrying out related functions. Larger departments are subdivided in to divisions.

Depreciation - A reduction in the value of an asset with the passage of time, due in particular to wear and tear.

Division – Basic organizational unit of City government that is functionally unique in its service delivery. Larger departments are subdivided in to divisions.

DOJ (Department of Justice) – Federal executive department of the United States government responsible for the enforcement of the law and administration of justice.

DWI (Driving While Intoxicated) – Driving, operating, or being in physical control of a motor vehicle while: under the influence of alcohol or drugs; knowingly under the influence of a hazardous substance that affects the body and substantially impairs driving abilities;

having a blood alcohol concentration of .08% or greater; or having any amount of a Schedule I or II drug, except marijuana, in the body.

EBT (Electronic Benefit Transfer) - A method of electronically issuing food stamp benefits.

Encumbrance – An account used to record the estimated amount of purchase orders or contracts chargeable to an appropriation. The account is credited when goods or services are received and the actual expenditure of the appropriation is known and recorded.

Enterprise Fund – A fund in which the services provided are financed and operating similarly to those of a private business enterprise, i.e., through user fees.

Estimated Market Value - Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

Expenditure (Expense) – Decreases in financial resources other than through interfund transfers.

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

Five-Year Model – A planning tool used to assess the opportunities and challenges of future budget years based on scenarios of the current budget year.

FTE (Full-Time Equivalent) – Equivalent of one employee working fulltime, or 2,080 hours per year. An FTE can be filled by any number of employees whose combined hours total 2,080 per year.

Fund – An independent fiscal and accounting entity which is segregated for the purpose of performing specific activities or achieving certain objectives.

Fund Balance – Difference between fund assets and fund liabilities (the equity) in governmental funds. Fund balances will be classified as reserved or unreserved.

Reserved Fund Balance - Legally segregated for a specific use. They are not available for discretionary appropriation.

Unreserved Fund Balance - The portion of fund balance that is not reserved. Represents resources that can be used for any purpose of the fund they are reported in.

Designated Funds - Establish tentative plans for, or restrictions on, the future use of financial resources.

Undesignated Fund Balance - The funds remaining after reduction for reserved and designated balances.

In addition, many of the special funds have restricted use, depending on the legal restrictions governing the levy of the funds they contain. Examples are the Debt Service Fund and the Capital Projects Fund.

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

General Fund – The governmental accounting fund supported by ad valorem (property) taxes, licenses and permits, service charges and other general revenues to provide city-wide operating services.

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

GIS (Geographic Information Services) – A computer system for capturing, storing, checking, and displaying data related to positions on Earth's surface.

Governmental Fund – A grouping used in accounting for tax-supported activities completed by the government.

Indirectly Funded Amount – The portion of appropriations not funded by program revenues such as fees and grants. This portion is funded from shared revenues such as property tax, intergovernmental revenues or a City-wide fee not directly attributable to any one program.

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

Local Performance Aid – A state program for cities and counties that is intended to provide an incentive for local governments to develop and maintain performance measurement systems.

Let's Talk Bloomington - The City of Bloomington's interactive website for community conversations.

LMCIT (League of Minnesota Cities Insurance Trust) - A self-insured membership cooperative formed by Minnesota cities.

LRT (Light Rail Transit) – Passenger transportation on rails with a current terminus at the Mall of America.

Major Account Series – Three classifications of expenditures made by the City include:

Salaries, wages and benefits - Costs relating to employees or temporary help, including fringe benefits.

Materials, supplies and services - Costs relating to articles of a non-durable nature such as office supplies, professional and technical services, utilities and maintenance, operations and City support services.

Capital Outlay - Costs of durable goods such as furniture and equipment.

Major Program – The eight departments in the City of Bloomington government: Legal, Human Resources, Finance, Police, Fire, Community Development, Community Services and Public Works and one Technical Services Group.

Major Fund – A fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

MCES (Metropolitan Council Environmental Services) - The joint waste treatment facility for the metro area.

MOA (Mall of America) – Nation’s largest retail and entertainment complex located in Bloomington.

Modified Accrual Basis – Under the modified accrual basis of accounting, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

National Community Survey™ - A benchmarking survey that provides a comprehensive picture of resident perspectives on community livability, performed by the National Research Center of Boulder, Colorado.

Net Assets – The equity associated with general government less liabilities.

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

PMP (Pavement Management Program) – This is an 80-year street overlay and construction plan that provides for the systematic maintenance and replacement of streets based on schedules that indicate the most cost-effective timeframe. The Council has adopted the first 20 years of the plan.

PEG Fees (Public, Educational, and Governmental Fees) –Public, Educational, and Governmental Access programming is supported by the PEG fee that is assessed to each cable subscriber. Funds can only be used to finance the production of PEG Access programming.

Program – Within each Department are several divisions or programs in the City, each charged with carrying out a specific function.

Proprietary Fund – A business-like fund of a state or local government. For example, enterprise fund and internal service fund.

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

RCV (Ranked Choice Voting) - Ranked-choice voting is an electoral system that allows people to vote for multiple candidates, in order of preference. Instead of just choosing who you want to win, you fill out the ballot saying who is your first choice, second choice, or third choice (or more as needed) for each position.

The candidate with the majority (more than 50%) of first-choice votes wins outright. If no candidate gets a majority of first-choice votes, then it triggers a new counting process. The candidate who did the worst is eliminated, and that candidate's voters' ballots are redistributed to their second-choice pick. In other words, if you ranked a losing candidate as your first choice, and the candidate is eliminated, then your vote still counts: it just moves to your second-choice candidate. That process continues until there is a candidate who has the majority of votes.

REAT (Racial Equity Action Team) - Staff-driven teams that advance racial equity work from the unique perspectives of individual departments and divisions.

Retained Earnings – The profits that a company has earned to date, less any dividends or other distributions to investors.

RFP (Request for Proposals) – A request for proposal is a document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals.

Special Revenue Fund – An account established by a government to collect money that must be used for a specific project. These funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.

Strategic Priorities – Refers to the funds available for allocation to one-time or capital projects not funded through the budget process. These funds can be allocated from a direct levy or from any surplus that may result at the end of the budget year.

Tax Capacity – City tax base for the purpose of levying property taxes. Properties are multiplied by a Statutory rate which converts into the tax base (see also Tax Classification Rate).

Tax Capacity Rate – Tax rate applied to tax capacity in order to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

Tax Classification Rate – Rates at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial, farm, etc.) In some cases there are two tiers of classification rates with the rate increasing as the estimated market value increases.

TIF (Tax Increment Financing) – Financing tool originally intended to combat severe blight in areas which would not be redeveloped “but for” the availability of government subsidies derived from locally generated property tax revenues.

TPA (Third Party Administrator) – Claims processor for certain employee benefits.

Truth-In-Taxation – Procedures adopted by the 1989 Minnesota Legislature intended to improve accountability in the adoption of the budget and property tax levy of local governments. These procedures are revised annually.

WCRA (Workers’ Compensation Reinsurance Association) – Insurance coverage that protects the City from catastrophic workers’ compensation losses.

WIC (Women, Infants and Children) A nutrition and breastfeeding program that serves pregnant women, new mothers, babies, and young children. Nutrition education and counseling are the cornerstones of this public health program.

Working Capital – Current assets minus current liabilities. This measure is used as a gauge in determining appropriate fund balances.