



corporate
report
to the
community

fiscal year end

2022

BLOOMINGTON.

tomorrow. together.

INSIDE

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CITY OF BLOOMINGTON ORGANIZATIONAL CHART

Bloomington's Charter provides for a council-manager government. The stability of our organization is reflected in the City having only three city managers in the last 50 years.

The City Council and mayor, who serve part time, are elected by the people, exercise legislative power and determine overall City policies. Advisory boards and commissions gather information and advise the City Council on specific issues.

The Housing and Redevelopment Authority and Port Authority are component units of the City that are responsible for redevelopment, and the full housing continuum.

Policy development and day-to-day operations are directed by the council-appointed city manager. The city manager oversees the 10 departments that carry out the services, activities and policies of the City of Bloomington.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Bloomington
Minnesota

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Merrill
Executive Director/CEO

THE MONTHLY VALUE OF YOUR TAX DOLLARS AT WORK



COMMUNITY SERVICES \$4.26



COMMUNITY DEVELOPMENT \$6.52



CAPITAL DEBT \$8.70



PARKS AND RECREATION \$5.65



FIRE \$10.87



POLICE \$37.64



PUBLIC WORKS \$27.37



TOTAL \$101.01



WHAT THE OWNER OF A MEDIAN-VALUED HOME PAID IN 2022

The City Council approved a 2022 property tax levy of \$68.3 million—a 2.75% increase over 2021. Before the Council voted on the budget, staff were out and about engaging with residents, gathering input on what City services were most important to them.

The average 2022 tax levy increase for 15 similar metro area cities was around 5%. At 2.75%, Bloomington's levy increase was the lowest among those 15 cities. Most of the new spending was an investment in public safety. The \$1.15 million in additional expenses was for new staffing costs for police and fire services.

The cost of City services in 2022 for the owner of a median-valued, single-family home in Bloomington with an assessor's market value of \$307,200 was \$101.01 per month. Public safety services such as police and fire account for \$48.51 of the \$101.01 monthly cost. Property taxes also fund services such as environmental health, engineering, park maintenance, public health, arts, and cultural events. The tax cost per month of \$101.01 was the amount required for tax support after allocating grants, program fees, lodging and admission taxes and other non-property tax revenue to the appropriate services.



31¢ Hennepin County

32¢ City of Bloomington

30¢ Bloomington School District

7¢ Other agencies

YOUR 2022 PROPERTY TAX DOLLAR

Your single-family residential tax dollar is divided among several governmental entities. As the graphic at left shows, for every dollar of taxes paid, 32 cents was spent on City services. The actual amount of taxes owed is based on a property's market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity's respective boundaries using tax capacity, a function of market value and property type. While the City sets a total property tax dollar amount to be levied, as all local Minnesota jurisdictions do, the portion each property pays is solely a function of the State of Minnesota property tax law based on market value and tax classification. A Bloomington homeowner with a median-valued home paid \$3,841.05 in property taxes in 2022. Of that, \$1,212.12, or \$101.01 per month, went to the City for services. The remaining \$2,628.93 or \$219.08 per month, went to other taxing districts.



HIGH-QUALITY SERVICES RESIDENTS CAN RELY ON

In the 2022 National Community Survey™, overall customer service provided by City employees was rated excellent or good by 84% of respondents. A key question asked on the survey is how respondents perceive the value of City services for the taxes they pay. Sixty-two percent of those polled said the value of City services for taxes paid was excellent or good. The following service areas were standouts in 2022.

SNOW REMOVAL SERVICES SURPASS EXPECTATIONS IN RECORD-SETTING YEAR

Bloomington's 2022 – 2023 winter was the third snowiest on record with a total of 89.7 inches. Nine more inches and this past winter season would be in the top slot. City plow operators had their work cut out for them this year. Fortunately, they have the skills needed to excel under pressure. Snow removal received scores of excellent or good from 81% of respondents, which is higher than the national average.

The City generally declares three or four snow emergencies per winter. This past winter, there were seven. Keeping all 2,016 miles of streets clear and safe to travel has plow operators hitting the streets as early as 2 a.m. during a snow event. It also takes a lot of coordination in advance of a snow event to keep operations running smoothly.

"The focus before snow flies is making sure the trucks and equipment are ready to go—fueling, inspecting and making any last-minute repairs," Assistant Maintenance Superintendent Mike Kalis said. "We also come up with a game plan for how the event is going to play out to be sure our operations can keep the roads as safe as possible for the public."

Bloomington's plow operators were recognized and thanked by the community for their outstanding work this past winter:

"Job well done! Thank you to each one of them. You're a blessing to Bloomington!"

"I thought streets were remarkably well kept up which was why I responded previously. I like that they were acknowledged. It's so much easier not to bother with thanks. Good job, Bloomington."

"Ya'll really did a bang-up job this winter! Thank you!"

"Best in the state!!!"



SURVEY SAYS...

Most residents remain pleased with the quality of life in Bloomington, according to the recent National Community Survey™. Here are a few highlights of feedback provided by survey respondents in 2022:

90% Would recommend Bloomington to others.

90% Said Bloomington is an excellent or good place to live.

86% Rated overall quality of life in Bloomington as excellent or good.

84% Plan to remain in Bloomington.



PUBLIC SAFETY SERVICES REMAIN STRONG, A DRAW FOR RESIDENTS

Nearly all respondents—94%—reported feeling safe in their neighborhoods during the day. Ninety-four percent of respondents gave favorable reviews to fire services and 93% rated ambulance/emergency medical services favorably.

More than 8 in 10 survey respondents reported high levels of satisfaction with police services and animal control, fire prevention and education, and emergency preparedness. Nearly 8 in 10—77%—also gave excellent or good ratings to the overall feeling of safety in the city. Compared to 2021, Bloomington residents were more likely to report feeling safe from property crime in 2022.



REMARKABLE: BLOOMINGTON'S WATER AMONG THE BEST

The City's drinking water ranked No. 2 among the nearly 300 cities and counties polled nationwide, with an approval rating of 91% in 2022. Bloomington residents consistently rank the city's water highly, keeping it in contention for the No. 1 ranking among peer cities since the first National Community Survey™ was conducted in 2012. Learn more about Bloomington's water in the Water Quality Report included in this mailing.



CULTIVATING BLOOMINGTON'S TOMORROW TOGETHER

Over the last two years, more than 400 residents, City staff and City Councilmembers worked together on core planning, action and measurement teams to shape the future of the community with the City's new community-based strategic plan *Bloomington. Tomorrow. Together.*

The resulting mission statement is: **to cultivate an enduring and remarkable community where people want to be.** It describes Bloomington as unique, special and distinct—a noteworthy community with a rich history that stands on its own merits and attracts people because of these attributes.

Starting with this mission, a set of agreed-upon core values, and strategic objectives and strategies developed by community participants, City staff created a work plan focused on three priority areas. Each priority area has three desired outcomes. Read on for an overview of the three priority areas and highlights of the work that has been happening in the city over the last year.



A CONNECTED, WELCOMING COMMUNITY

The first priority in the *Bloomington. Tomorrow. Together.* strategic plan is being a connected, welcoming community. The City will measure success in terms of people being connected to their neighbors, welcomed by the City and valued by the community. These are a few initiatives that are already underway:

WELCOME TO BLOOMINGTON DESIGN GROUP

The Welcome to Bloomington Design Group has been working together since October to find better ways to make people who are new to Bloomington, and those who have long been underrepresented in Bloomington, feel more welcome.

The group hopes to facilitate connections and create an inclusive community. Here are four ideas the group has been working on to bring its vision to life:

- Create a Bloomington bucket list. This list will include places to go, activities to participate in and must-see attractions in the city.
- Host an annual cultural fair, including multicultural performances and entertainment, food trucks, crafts and multigenerational activities.
- Organize monthly meetings where City staff can provide general information for new residents about Bloomington, and about services the City provides. The meetings could be held around the city and at Civic Plaza.
- Hold local welcoming events and activities that are neighborhood organized and neighborhood specific.

THE NEW OFFICE OF RACIAL EQUITY, INCLUSION AND BELONGING

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

RACIAL EQUITY ACTION TEAMS MAKE AN IMPACT

Each department at the City also has a racial equity action team. One example of success: the Bloomington Police Department's racial equity action team hosted a cookout at Blooming Meadows apartments 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 co-leader Desmond Daniels said.



A HEALTHY COMMUNITY

The second priority in the *Bloomington. Tomorrow. Together.* strategic plan is being a healthy community. The City's high-level goals in this area are improved environmental health, improved human health, and increased safety and security. Many initiatives are in progress to help meet these goals. Here are a few examples:

NEW TOBACCO ORDINANCE

The City has long held sustainability as a priority. Bloomington is also a leader in public health initiatives. In 2021, the City Council continued its leadership role protecting youth against the harms of commercial tobacco products by adopting a new tobacco ordinance. The effort is twofold. First, it prohibits the sale of flavored tobacco products, and second, it stops new tobacco retail licenses. Beginning January 1, 2022, retailers could no longer sell flavored tobacco products in Bloomington. Starting June 30, 2022, the City stopped issuing new retail licenses for tobacco.

This measure is in response to trends of youth tobacco use. Flavored tobacco products, including menthol, target youth. Research shows that decreasing the number of tobacco retailers in a community and removing flavored tobacco from stores and social circles reduces the number of youth who start smoking.

A MORE SUSTAINABLE CURBSIDE CLEANUP

Curbside Cleanup also became more sustainable this year with a new plan for handling bulky waste items. The updates—including Curbside Cleanup every other year, a new annual drop-off event, swap events, and more—is to reuse and recycle more, and landfill less.

CURBSIDE ORGANICS RECYCLING

Many sustainability initiatives went into effect in 2022. The City's curbside organics recycling service began in March to help residents divert organic materials from the city's waste stream. Doing so 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 the garbage is taken and burned for energy.

ENERGY DISCLOSURE ORDINANCES

Two energy disclosure ordinances took effect last year, one of which helps homebuyers. The time-of-sale energy disclosure ordinance leverages the City's existing time-of-sale inspection to gather and disclose information about a home's energy assets. The City will produce an energy disclosure report and require sellers to display it 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. This also helps the City connect residents with resources to improve inefficient homes.



A COMMUNITY WITH EQUITABLE ECONOMIC GROWTH

Equitable economic growth is the third priority in the City’s strategic plan. A few ways staff will measure progress in this area are expanded diversity in business ownership and equitable job growth. Here are a few projects that have been happening over the last year:

SMALL BUSINESS DEVELOPMENT CENTER COMING SOON

Work in this priority area has already begun. The soon-to-be-launched small business development center will uplift and support Bloomington’s business community. An important goal of this project is to support the entrepreneurial efforts of underrepresented groups, women-owned businesses, youth and artists. But the resources and services of the small business development center will be available to anyone in Bloomington who is looking to start, expand or improve their business. Construction is expected to begin this fall, with a grand opening in 2024.

HOUSING AND REDEVELOPMENT AUTHORITY FOCUSING ON FULL HOUSING CONTINUUM

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

AFFORDABLE HOUSING CREATION AND PRESERVATION

Creating and preserving affordable housing is a focus for the City. Through the opportunity housing ordinance and affordable housing trust fund, the City can work with developers to provide housing people can afford. The most recent numbers show that Bloomington is now at 86% of its 2030 affordable housing goals.

GYROPOLIS EXPANDING IN GATEWAY DEVELOPMENT DISTRICT

Gyropolis, a popular locally owned businesses, is about to triple in size with a 2,400-square-foot expansion to the existing building at Penn and 90th Street. The new construction will include the demolition of the vacant gas station next door. Construction is underway and is projected to be complete in 2024.

The City of Bloomington partnered with Gyropolis by putting together a tax increment financing district, brokering a grant agreement with the Minnesota Department of Employment and Economic Development, and advancing several policies regarding sewer availability changes that made it easier to expand the indoor and outdoor seating areas.



MEASURING PROGRESS

Starting in July, City staff will provide quarterly updates on a public dashboard for initiatives supporting each desired outcome in the *Bloomington. Tomorrow. Together.* plan online at blm.mn/dash. To learn more about the plan, visit blm.mn/btt. The dashboard will show where projects are on track, have some disruption or have major disruption. There will also be quarterly overview reports in the *Briefing*.

ON THESE PAGES

The City of Bloomington reports financial year-end results in its *Annual Comprehensive Financial Report*, a financial document government entities must complete in accordance with accounting requirements set forth by the Governmental Accounting Standards Board. It consists of three sections: Introductory, Financial, and Statistical. The *Annual Comprehensive Financial Report* goes into great detail and spans more than 200 pages.

This document, the *2022 Corporate Report to the Community*, is Bloomington's *Popular Annual Financial Report*, a user-friendly companion to the December 31, 2022 *Annual Comprehensive Financial Report*. Both the reports are consistent with Generally Accepted Accounting Principles and the guidelines established by the Government Accounting Standards Board.

The following pages show 2022 financial results for the City's annually budgeted funds, including the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds.

For a complete review of the financial position in all of the City's funds and component units (the Housing and Redevelopment Authority and Port Authority) for the year ending 2022, consult the *Annual Comprehensive Financial Report* available online at blm.mn/financialreports.



THE GENERAL FUND

The General Fund, which accounts for a majority of City services, is Bloomington's primary operating fund. It uses revenues such as property taxes, lodging taxes, admission taxes, permit revenues, license revenues, program income, and grant revenues to fulfill expense obligations.

	2020 EXPENDITURES	2021 EXPENDITURES	2022 EXPENDITURES
FIRE	\$5,286,011	\$5,235,770	\$6,510,869
POLICE	27,368,958	27,356,191	29,173,044
PUBLIC WORKS	11,181,800	11,922,837	19,087,569
COMMUNITY SERVICES	6,250,036	6,918,858	7,882,827
PARKS AND RECREATION	8,501,688	9,085,610	3,902,314
COMMUNITY DEVELOPMENT	9,805,913	9,343,162	9,891,223
ADMINISTRATION	2,621,626	2,486,919	3,199,923
LEGAL	1,924,462	1,864,714	2,044,379
FINANCE	1,147,789	1,162,090	1,472,742
COUNCIL	505,808	494,081	508,021
TOTAL EXPENDITURES	74,594,091	75,870,232	83,672,911



REMARKABLE: BOB MATHESON

If you walk the trails near Nine Mile Creek in Central Park, chances are you've seen Bob Matheson in action, paint brush in hand. He has been doing *plein air* painting, which is French for open air, by Nine Mile Creek for about 20 years.

"When you're in here painting, you'd think you're someplace out in the country. It's just a gem of a park."

To view Matheson's work, watch the video feature at blm.mn/pleinair.

SPECIAL REVENUE FUNDS

These funds account for revenues used for specific purposes including housing and community development, communications, public health initiatives and law enforcement activities.

		2020 EXPENDITURES	2021 EXPENDITURES	2022 EXPENDITURES	FUNDING
COMMUNITY DEVELOPMENT	South Loop revolving fund	\$17,835	\$28,491	\$38,785	South Loop building permit surcharge
	Creative placemaking	296,799	544,906	258,923	Transfer from South Loop capital
COMMUNITY SERVICES	Communications	1,772,850	1,925,590	1,917,843	Franchise fees/other fund charges/property taxes
	Public Health special revenue	1,044,332			State grants
PARKS AND RECREATION	Park grants	445,934	57,626	139,876	State and federal grants
PUBLIC SAFETY	Public safety special revenue	3,133,962	2,188,468	1,825,365	Forfeited assets and grants and one-time reimbursement*/property taxes**
ADMINISTRATION	Cemetery trust	238,384	207,747	244,309	Lot/niche sales
TOTAL EXPENDITURES		6,950,096	4,952,828	4,425,101	

* Used for specific police capital and operating expenses.

** If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will generally be the funding source.

ENTERPRISE FUNDS

These funds consist of utilities, recreational facilities, contractual police services and motor vehicle licensing. They are supported by user fees and in some cases also by property taxes.

		2020 EXPENSES	2021 EXPENSES	2022 EXPENSES
PARKS AND RECREATION	Aquatics (Bush Lake Beach and Bloomington Family Aquatic Center)	\$1,326,415	\$865,518	\$975,269
	Center for the Arts	1,066,358	1,032,076	1,209,285
	Golf (Dwan Golf Course)	1,716,752	1,774,745	1,798,147
	Ice Garden	1,652,533	1,869,642	2,147,510
PUBLIC SAFETY	Contractual Police	490,593	696,612	1,021,027
PUBLIC WORKS	Solid Waste Utility	8,046,910	8,241,708	10,254,999
	Stormwater Utility	5,034,317	5,160,877	5,837,396
	Water	14,492,106	14,388,687	16,145,994
	Wastewater Utility	12,068,187	11,349,296	11,895,072
ADMINISTRATION	Motor Vehicle	755,761	261,695	0
TOTAL		46,649,932	45,640,856	51,284,699

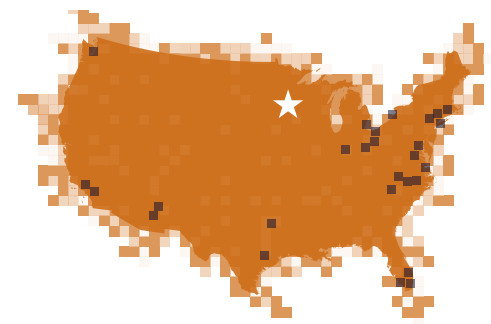
INTERNAL SERVICE FUNDS

These funds finance interdepartmental goods and services on a cost-reimbursement basis. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2020 EXPENSES	2021 EXPENSES	2022 EXPENSES
BENEFIT ACCRUAL	\$3,539,181	\$2,956,868	\$2,778,210
FLEET MAINTENANCE	7,263,912	6,838,059	7,271,943
FACILITIES AND PARK MAINTENANCE**	10,840,210	12,183,117	6,199,131
INFORMATION TECHNOLOGY	5,741,746	5,824,951	6,372,494
EMPLOYEE BENEFITS	9,966,517	10,216,124	10,876,190
PUBLIC SAFETY TECHNOLOGY AND EQUIPMENT	1,041,145	1,582,249	1,487,377
SELF-INSURANCE	1,429,639	2,160,806	3,314,834
SUPPORT SERVICES	475,712	461,053	478,281
PERA PENSION*	(\$2,271,941)	(\$6,289,360)	\$9,753,673
TOTAL	\$38,026,121	\$35,933,867	\$48,532,133

*PERA Pension credit. Credit in 2021 is a result of a change in actuarial assumptions and investment performance of the State's Public Employees Retirement Association (PERA) liability attributed to the City of Bloomington.

**In 2022, Park Maintenance moved to Public Works in the general fund.



THREE TRIPLE-A RATINGS

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 19,000 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, our 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 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.



REMARKABLE: MARVIS KILGORE

As the Sirtify program coordinator at Normandale Community College, Marvis Kilgore recruits and supports Black, African American and African people who identify as male in establishing careers as K-12 teachers. Less than 1% of teachers in Minnesota identify as male and Black.

"I've often been accused of wanting to change the world," Kilgore said. "And I think I found a position in which I actually can."

Sirtify offers professional and academic support, leadership training, social or cultural experiences and cultural competency training. Kilgore was also recognized as one of Minneapolis/St. Paul Business Journal's 40 under 40 in 2023.



ABOUT THIS REPORT

The City Council presents this corporate report of financial and related information to show how Bloomington's City government performs. This report does not include Housing and Redevelopment Authority or Port Authority budgets.

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City of Bloomington reports financial year-end results in the more than 200-page Annual Comprehensive Financial Report. This 2022 *Corporate Report to the Community* summarizes significant data from the [2022 Annual Comprehensive Financial Report](#) and is consistent with generally accepted accounting principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

The *Corporate Report* and *Annual Comprehensive Financial Report* are both available online at blm.mn/financialreports.

Minnesota state law states that "a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City, 2023 titles and salaries are: Director of Community Services – \$204,308, Chief Financial Officer – \$204,308, Fire Chief – \$204,308, and the Director of Public Works – \$204,308.



CAPITAL PROJECTS

Capital project improvements are funded through a combination of reserves, property taxes, fees, federal grants, state grants, and debt. Capital projects that have expenditures of \$50,000 or more are included in the 10-year Capital Improvement Plan that is approved annually by the City Council at a public hearing. Individual project appropriations are then approved by the Council on a project-by-project basis. Here are some of the capital projects completed in 2022.



PARK IMPROVEMENTS

- Valley View Park dugout construction: \$728,000.
- Dred Scott tennis court replacement: \$524,178.
- Normandale Hills playground equipment: \$166,900.

PUBLIC SAFETY

- New pumper trucks: \$1,082,518.
- Bomb Squad robot: \$189,980

UTILITIES INFRASTRUCTURE

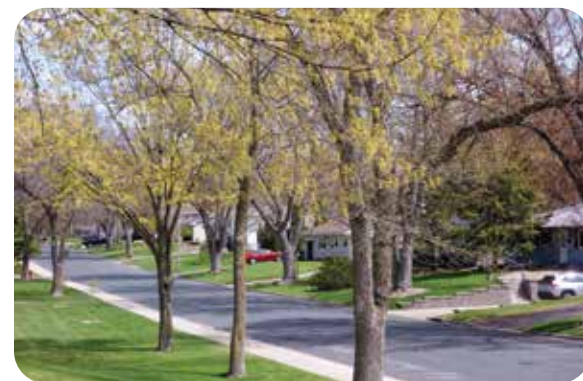
- Stormwater infrastructure improvements: \$5,580,994.
- American Boulevard sanitary sewer improvements: \$3,316,670.
- Northwest water tower rehabilitation: \$1,294,789.



PAVEMENT MANAGEMENT PROGRAM

The Pavement Management Program is a funding and implementation plan for the repair, maintenance and reconstruction of Bloomington roads. It's all about providing the right maintenance at the right time to maximize efficiency of road replacement and repair.

Funding is provided through state aid, assessments and franchise fees after needs are identified. In 2022, the Pavement Management Program expended \$10.7 million. These improvements include over three miles of reconstructed streets and more than nine miles of overlaid streets.



MANAGING DEBT, MEETING COMMUNITY NEEDS

Many community needs must be met by the City of Bloomington in a cost-effective manner, including street and infrastructure work, construction projects and equipment purchases. The ability to issue future debt at lower interest rates provides for our community's upkeep and renewal without substantially increasing property taxes for debt service.

OUTSTANDING DEBT

The City's outstanding debt on December 31, 2022, was \$97,813,998. The legal limit for Bloomington is \$514 million. About 44% of the currently issued debt will be paid off in five years and more than 77% in 10 years—a sign of strong financial management.