



ANNUAL BUDGET 2021



A YEAR LIKE NO OTHER

stories of hope, challenges and resilience

ANNIN



ANNUAL BUDGET

FISCAL YEAR 2021

GENERAL FUND BUDGET
ADOPTED BY THE
BLOOMINGTON CITY COUNCIL
DECEMBER 7, 2020

OTHER FUNDS ADOPTED
OCTOBER THROUGH
DECEMBER 2020

**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience





March 1, 2021

Dear Reader,

2020 was a memorable year—one like no other. We're at about the one-year mark since the first COVID-19 cases were confirmed in Minnesota. The pandemic impacted municipal budgets worldwide and Bloomington was no exception.

The pandemic created the largest economic downturn since 2008's Great Recession. That has translated to millions of dollars lost from lodging and admissions taxes, mostly paid by people who come to Bloomington and are not residents. Bloomington's hospitality industry is a multi-billion-dollar economic engine for the state of Minnesota and about 20% of the City of Bloomington's tax base.

Lodging tax revenues from the more than 9,000 hotel rooms in the City and admission tax revenues from entertainment venues such as Nickelodeon Universe usually generate about 12% of the City's general fund revenues, which fund City services, including essential services like Police, Fire and Public Works. We felt a larger impact locally in 2020 because Bloomington relies on tourism as a major contributor to the budget, and 2021 and 2022 will continue to be challenging years.

With difficult decisions on the horizon, the City Council formed the first Community Budget Advisory Committee (CBAC) in May to ensure community voices were at the forefront of all 2021 budget decisions. The committee's main task was to conduct research and provide the City Council three options of assorted property tax levy amounts and service reductions. The City Council adopted one of these scenarios in December with a few minor adjustments. CBAC and the City coordinated more public engagement around the budget than ever before with four virtual engagement events and a digital platform where residents could provide feedback.

Another way the City gathered resident viewpoints in 2020 was through its annual survey. The National Community Survey™ was conducted in Bloomington from July to September of last year. A majority of residents gave positive ratings to the City's governance. Respondents offered record-high score of 86% rating the overall customer service provided by City employees as excellent or good.

This document presents the City's approved 2021 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 2021 Comprehensive Annual Financial Report at blm.mn/financialreports.

Lori Economy-Scholler
Chief Financial Officer

Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Bloomington

Minnesota

For the Fiscal Year Beginning

January 1, 2020

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, 2020. This was the 25th 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.

TABLE OF CONTENTS

Introduction and Overview **11 – 38**

| | |
|--------------------------------|----|
| City Council | 13 |
| Executive Leadership Team | 14 |
| Strategic Goals and Strategies | |
| Mission Statement and Vision | 15 |
| Community Profile | 15 |
| Goals and Strategies | 16 |
| City Manager’s Budget Message | 19 |
| Budget Overview | 33 |

Financial Structure, Policy and Process **39 – 114**

| | |
|---|-----|
| Organizational Chart | 41 |
| Fund Descriptions and Structure | 42 |
| Department Fund Relationship | 50 |
| Basis of Accounting and Basis of Budgeting | 51 |
| Financial Management Policies | 54 |
| Organizational Mission and Preamble | 55 |
| Audit | 57 |
| Budgetary and Financial Control | 58 |
| Cash/Investment | 61 |
| Capital Improvement Program Policy | 74 |
| Debt | 75 |
| Economic Development | 86 |
| Fund Balance Year-End Classification Policy | 92 |
| Procurement | 95 |
| Revenue Policy | 98 |
| Financial Management Policies Index | 99 |
| Budget Process | 101 |
| Budget Calendar | 105 |

Financial Summaries **115 – 130**

| | |
|---------------------------------------|-----|
| Budget Summary | 117 |
| Consolidated Fund Financial Schedules | 118 |
| Changes in Fund Balance | 122 |
| Revenue Source Descriptions | 124 |
| Long Range Financial Plans | 127 |

Capital and Debt **131 – 142**

| | |
|----------------------------------|-----|
| Capital Projects | 133 |
| Debt Overview | 138 |

Departmental Information **143 – 326**

| | | |
|---|-----------------------|---------|
| Position Summary Schedule | | 146 |
| City Council | General Fund | 150 |
| Administration | | 152-167 |
| Administration | General Fund | 152 |
| City Manager | General Fund | 154 |
| Human Resources | General Fund | 156 |
| City Clerk | General Fund | 158 |
| Cemetery | Special Revenue Fund | 160 |
| Motor Vehicle | Enterprise Fund | 162 |
| Employee Benefits | Internal Service Fund | 164 |
| Accrued Benefit | Internal Service Fund | 166 |
| Community Development | | 168-185 |
| Community Development | General Fund | 168 |
| Administration | General Fund | 170 |
| Planning | General Fund | 172 |
| Building and Inspection | General Fund | 174 |
| Environmental Health | General Fund | 176 |
| Assessing | General Fund | 178 |
| Creative Placemaking | Special Revenue Fund | 180 |
| South Loop Rev. Dev. | Special Revenue Fund | 184 |
| Community Services | | 186-203 |
| Community Services | General Fund | 186 |
| Administration | General Fund | 188 |
| Comm. Outreach & Engmnt | General Fund | 190 |
| Public Health | General Fund | 194 |
| Communications | Special Revenue Fund | 198 |

| | | |
|--------------------------------|------------------------|---------|
| Support Services | Internal Services Fund | 202 |
| <u>Finance</u> | | 204-217 |
| Finance | General Fund | 204 |
| Administration and Budget | General Fund | 206 |
| Financial Operations | General Fund | 210 |
| Risk Management | General Fund | 214 |
| Self-Insurance | Internal Services Fund | 216 |
| <u>Fire</u> | | 218-231 |
| Fire | General Fund | 218 |
| Fire Pension Fund | Special Revenue Fund | 226 |
| Public Safety Tech. and Equip. | Internal Services Fund | 228 |
| Information Technology | | 232-235 |
| Information Technology | Internal Services Fund | 232 |
| <u>Legal</u> | | 236-239 |
| Legal | General Fund | 236 |
| <u>Parks and Recreation</u> | | 240-263 |
| Parks and Recreation | General Fund | 240 |
| Administration | General Fund | 242 |
| Recreation | General Fund | 244 |
| Creekside Community Center | General Fund | 248 |
| Park Grants | Special Revenue Fund | 252 |
| Golf Courses | Enterprise Fund | 254 |
| Ice Garden | Enterprise Fund | 258 |
| Center for the Arts | Enterprise Fund | 260 |
| Aquatics | Enterprise Fund | 262 |
| <u>Police</u> | | 264-289 |
| Police | General Fund | 264 |
| Administration | General Fund | 266 |
| Operations | General Fund | 268 |
| Support Division | General Fund | 272 |
| Police Grants | Special Revenue Fund | 276 |
| DWI Forfeiture | Special Revenue Fund | 278 |
| Enhanced 911 | Special Revenue Fund | 280 |
| Fed. DOJ Forfeiture | Special Revenue Fund | 282 |
| Fed. Treasury Drug Forfeiture | Special Revenue Fund | 284 |
| State Drug Forfeiture | Special Revenue Fund | 286 |
| Contractual Police | Enterprise Fund | 288 |
| <u>Public Works</u> | | 290-319 |
| Public Works | General Fund | 290 |
| Administration | General Fund | 292 |
| Engineering | General Fund | 294 |

| | | |
|---|-----------------------|---------|
| Maintenance Admin. | General Fund | 298 |
| Street Maintenance | General Fund | 300 |
| Water Utility | Enterprise Fund | 302 |
| Wastewater Utility | Enterprise Fund | 306 |
| Storm Water Utility | Enterprise Fund | 308 |
| Solid Waste Utility | Enterprise Fund | 312 |
| Fleet Maintenance | Internal Service Fund | 316 |
| Facilities and Parks Maint. | Internal Service Fund | 318 |
| Component Units | | 320-326 |
| Housing and Redevelopment Authority | | 320 |
| Port Authority | | 324 |

Glossary

327-335

INTRODUCTION AND OVERVIEW



City of Bloomington

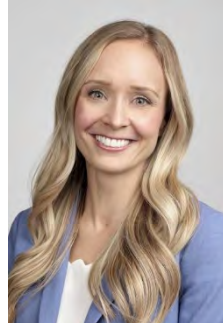
City Council

Mayor



Tim Busse
Term Expires January 2024

Council Members



Jenna Carter – At Large
Term Expires January 2024



Nathan Coulter – At Large
Term Expires January 2022



Dwayne Lowman – District I
Term Expires January 2024



Shawn Nelson – District II
Term Expires January 2024



Jack Baloga – District III
Term Expires January 2022



Patrick Martin – District IV
Term Expires January 2022

Housing and Redevelopment Authority

Chairperson

Mark Thorson

Commissioners

Jack Baloga
Victoria Hoogheem
Cheryl Lewis
Jon Oleson

Port Authority

President Robert Erickson

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

Executive Leadership Team

City Manager James D. Verbrugge
Kristine Wilson

Assistant City Manager

Department Heads

| | |
|-------------------------------------|----------------------------|
| Heather Worthington, Interim Dir. | 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 |
| Mike Hartley, Interim Police Chief | Police |
| Karl Keel, Director | Public Works |
| Faith Jackson, Coordinator | Racial Equity |
| Aarica Coleman, Administrator | Housing & Redev. Authority |
| Schane Rudlang, Administrator | Port Authority |

Strategic Goals and Strategies

Organization Mission

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

Community Vision

To build and renew the community by providing services promoting renewal and guiding growth in an even more sustainable, fiscally sound manner. Bloomington's vision of success is centered on its people, neighborhoods, businesses and government.

Community Profile



Located just south of the Twin Cities of Minneapolis and St. Paul, Bloomington is a thriving community of approximately 87,000 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.

Council's Goals and Strategies

In April 2016, the City of Bloomington's leadership team and staff engaged with the City Council on a strategic planning process for the three-year period of 2017-2020. The strategic plan consisted of a set of six strategic priorities – issues of highest priority for the City Council. Within each strategic priority was a set of desired outcomes, key outcome indicators, and performance targets which described expected results and how the results would be measured. In May-June 2016, City staff and community partners developed strategic initiatives for each priority that defined the actions that would be taken to achieve the targeted outcomes.

The City Council amended the strategic plan in February 2020 to add “engagement and transparency” as a seventh pillar. Communication and engagement are key components of most City projects and initiatives. This will be the case even more so in the future with the new emphasis on engagement and transparency. This pillar will encourage staff and Council to think more intentionally about when it is appropriate to use various forms of engagement (ranging from the most basic tactic of informing all the way to empowerment). This pillar also puts an emphasis on how the City communicates its plans and expectations with residents and stakeholders. The City Council and staff will identify desired outcomes, key indicators, performance targets and strategic initiatives for this priority at a future date.

Community Amenities – Maintain and Expand – A

- Expand the CIP to include all capital needs.
- Develop a plan for a Community Center based on recommendations of the Taskforce.
- Create customized community engagement strategies for City-owned amenities and park/recreation facilities.

Community Image – I

- Create a One Bloomington branding campaign.
- Develop comprehensive media strategies.
- Establish a joint marketing strategy with the school district.
- Develop an art and placemaking plan for the entire city.

Environmental Sustainability – ES

- Establish an Environmental Sustainability Commission.
- Maintain and update water reports.
- Create a solid waste diversion plan.

Focused Renewal – R

- Create a developer and stakeholder engagement plan.
- Adopt strategy and funding for neighborhood and commercial renewal.
- Establish resident engagement on neighborhood innovation and improvement.

High Quality Service Delivery – S

- Establish financial sustainability targets and standards.
- Implement High Performing Organization (HPO) training and incorporate five service areas for targeted customer service improvement.

Inclusion and Equity – IE

- Create a leadership program for underrepresented populations.
- Expand marketing and outreach to underrepresented and underserved populations.
- Adopt pathways and internship programs that target underrepresented populations.
- Create a hiring and retention strategy for people of color.
- Train City staff on diversity.
- Create a racial equity toolkit.

Engagement and Transparency – ET

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



City Manager's Budget Message

A year like no other: Stories of Hope, Challenges and Resilience

2020 was a memorable year—one like no other. Working from home, wearing masks, social distancing—it may come as a surprise that it's been almost 12 months since the way we live our lives changed seemingly overnight. But it's true. We're at about the one-year mark since the first cases of COVID-19 were confirmed in Minnesota.

In that time, like many governmental entities, the City of Bloomington had to quickly figure out how to continue to provide necessary and highly valued city services in this new environment. Ensuring engagement and transparency in how we do our business meant quickly pivoting to new tools and new behaviors to accomplish our work.

In addition to a public health crisis, the Twin Cities region experienced significant civil unrest in 2020. Words cannot express the sadness and disappointment I felt when George Floyd was killed in Minneapolis. It seems, through the lens of hindsight, to be a pivotal moment that both set us back as a society and galvanized us forward to address historical inequities.

Addressing racial disparities is not a new topic for the City of Bloomington. Since the City Council adopted its current strategic plan in 2016, we have made progress on the strategic priority of advancing equity and inclusion. However, there's still so much more work to be done.

Of course, the “how” is the tricky part—especially in the middle of a global pandemic. Fortunately, we have strong resources in place that can help us. The efforts of our Community Outreach and Engagement Division, and the Bloomington Police Department's Community Liaison and Multicultural Advisory Team give us the structure to continue to build relationships and break down barriers. And the City's Racial Equity Coordinator, a newly established position in late 2019, is an outstanding resource for all of us in this area.

Nothing about 2020 was normal. COVID-19 impacted municipal budgets worldwide, and Bloomington was no exception.

The pandemic caused the largest global economic downturn since the Great Depression. In an age when the world has become so interconnected and local economies are more quickly impacted by economic shifts across the globe, it is no surprise that the Bloomington, Minnesota economy was affected. Bloomington is a significant contributor to the regional economy and is just as significantly affected when the region feels economic strain.

Across the region, businesses have closed, people have lost their jobs or been laid off, and many industries have come to a grinding halt. One of the industries most impacted is the tourism and hospitality sector.

In Bloomington, that has translated to millions of dollars lost from lodging and admissions taxes, mostly paid by visitors to Bloomington, rather than residents. Bloomington's hospitality industry is a multi-billion-dollar economic engine for the state of Minnesota and about 20% of the City of Bloomington's tax base.

Lodging tax revenues from the more than 9,000 hotel rooms in the city and admission tax revenues from entertainment venues such as Nickelodeon Universe usually generate about 12% of the City's General Fund revenues, which fund City services, including essential services like Police, Fire and Public Works.

We felt a larger impact locally in 2020 because Bloomington relies on tourism as a major contributor to the budget, and 2021 and 2022 will continue to be challenging years.

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 on property taxes as other cities, which represents about two-thirds of General Fund revenues.

Since March, City staff have proactively worked with the Public Health Division to understand the pandemic and with Finance staff to identify the extent of the budget shortfall. We involved residents more than ever in budget development by convening a Community Budget Advisory Committee. The committee helped bring resident voices to the forefront of planning for the 2021 budget and ensured the voice of the community was reflected in the budget process values and priorities.

The City's Annual Budget for fiscal year 2021 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 its healthy budget.

Renewing community

2020 was another active year in Bloomington for new development and property renovations, despite the challenges the COVID-19 pandemic presented. The City's budget dedicates resources to implement plans for community renewal citywide. The following projects, most of which meet the City's strategic objective of Focused Renewal, were under construction or completed construction in 2020:

- The Fenley, a six-story, 402-unit apartment building with 40 units affordable at 80% area median income (AMI).
- 108 Place Apartments, a three-story, 42-unit apartment building with all units affordable at 60 % AMI.
- Friendship Village expansion with 93 independent senior units and a 140-bed senior health center.
- Cambria Suites Hotel, a 164-room hotel with a restaurant, banquet space and a separate attached 7,400-square-foot restaurant.
- Tru/Home2Suites, a four-story, dual flag 182-room hotel.
- Hyatt House, a four-story, 151-room extended stay hotel.

- Element by Westin, a seven-story, 144-room hotel.
- HOM Furniture Expansion, a two-story, 103,000-square-foot retail expansion.
- RBCU (Richfield Bloomington Credit Union)-Lyndale, a two-story, 12,700-square-foot office expansion.
- Fire Station 3, a new two-story, 29,800-square-foot fire station.
- Luther Subaru, a new 37,000-square-foot, two-story auto dealership.
- Skywater Technology Foundry Expansion, a 67,000-square-foot addition to the semiconductor fabrication facility.
- The District, a four-story, 248-unit apartment building with 50 units affordable at 50% AMI.
- Hayden Grove Senior Living, a four-story, 166-unit senior living facility with 34 units affordable at 50% AMI.
- Founder's Ridge Senior Rental, 71 apartments and 40 brownstones.
- Donaldson Expansion, a 14,000-square-foot new industrial building.
- Olive Garden, a new 9,500-square-foot restaurant.
- Walser Collision Addition, a 4,200 sq. ft. addition
- Cherrywood Pointe, a 118 unit assisted living facility
- The Pointe Senior Apartments, 133 units for independent seniors
- Lyndale Flats, a 81 unit apartment building with all 81 units affordable at 60% AMI
- U-Haul Self Storage, a four-story, 115,000 sq. ft. self-storage facility
- Village Club Apartments, 172 units affordable at 30% to 70% AMI

Bloomington Housing Market

The value of the median home rose from \$283,900 to \$286,400, a 0.9% increase. In the past 20 years, the median home value has increased an average of 3.9% annually. This is despite six years in a row of declining value that started in 2008 following the last recession. The 2020 median value of \$286,400 is now 15.5% above the previous cyclical highpoint of \$247,900 set in 2007. Looking ahead, the real estate impacts from COVID-19 and continued record low mortgage rates will become significant factors for the 2021 assessment. It is expected that strong growth in residential values will more than offset weakness in some sectors of commercial, leading to a slightly higher tax base in total. And despite COVID, a strong development cycle continues for multifamily properties.

Meeting demands for high quality services

Whether it's safe roads, neighborhoods, or tap water, you don't have to look far to find signs of high-quality City services in Bloomington. Resident and business satisfaction with those services and the City in general remained high in 2020, according to the National Community Survey™.

Residents feel positive about living in Bloomington, according to a recent survey. Ninety-two percent of residents who responded to the annual National Community Survey™ said

Bloomington is an excellent or good place to live. The same number—92%—reported they would recommend living in Bloomington to someone who asks.

High ratings for City services

A key question on the survey is how respondents perceive the value of City services for the taxes they pay. This year, 70% of those polled said the value of City services for taxes paid was excellent or good. This is a 7% increase from the 2019 and 2018 surveys. It is also higher than the national benchmark of jurisdictions in the National Community Survey™ database.

Other findings

- With a 91% approval rating, the City’s drinking water ranked third among all jurisdictions polled nationwide.
- Overall customer service by Bloomington employees had a record high rating of 86% excellent or good.
- Ninety-six percent of respondents feel safe in their neighborhood and 92% feel safe in commercial areas during the day.
- Snow removal received excellent or good ratings from 82% of residents, up five percent from 2019 and higher than most jurisdictions in the nationwide database.
- Sixty-nine percent of residents reported they were in excellent or good health, the highest score since tracking began on this question in 2014.

This was the ninth year in a row that the National Community Survey™ was conducted in Bloomington. Polling for the scientific, random sample survey took place from July 31 to September 15. It was performed by the National Research Center of Boulder, Colorado.

To ensure Bloomington remains an innovative community, the City Council reviews and prioritizes all property tax-supported City services annually. The most critical property tax-supported services, such as public safety and infrastructure, comprise 70% of the City’s total General Fund expenditures. Community development and park maintenance services constitute approximately 20% of each homeowner’s monthly City property tax dollar. Many arts and recreation services generate significant user revenue. In addition, these services help reduce public safety costs and add to the health and well-being of all Bloomington residents.

Retaining excellent financial integrity

The City continues to make efforts to stabilize taxes through long-term budgeting, systematic replacement of assets, and establishing strategic reserves that allow for refinements to temper unexpected circumstances, as necessary. Strong financial management through such planning has resulted in numerous acclamations from our external auditors and financial advisors. Bloomington is one of only 40 cities nationwide to obtain three triple-A bond ratings. The City maintains triple-A ratings from Moody’s, Standard & Poor’s and Fitch Ratings, the highest bond ratings awarded by those agencies.

According to the agencies, Bloomington's triple-A status reflects the City's healthy economic growth, conservative fiscal management, and manageable debt burden.

Factors influencing decisions – Strategic Priorities

In 2016, the City Council created the One Bloomington strategic plan to guide the City through the following five years. It has seven priorities, which are focused renewal, equity and inclusion, high-quality service delivery, environmental sustainability, community amenities, engagement and transparency, and community image. The following projects fall within those priority areas and influenced budget decisions in 2021.

Focused Renewal

City Provided Small Business Loans

The City created the Small Business Emergency Assistance Loan Program (SBEAL) as a means to assist Bloomington businesses that had been negatively impacted by the COVID-19 pandemic. The SBEAL program offered forgivable loans to eligible businesses within the City. The loans were administered by the City and Port Authority staff, with administrative assistance from the Metropolitan Consortium of Community Developers (MCCD) and other community partners.

The program had a total of \$1,300,000 available for assisting businesses; with \$1,000,000 for small businesses and \$300,000 for self-employed/independent contractors.

The SBEAL Program could be used for working capital purposes, examples including, mortgage and rent payments, payroll costs, accounts payable, utility payments, inventory costs or paying other direct business-related bills.

City Established an Affordable Housing Trust Fund

In late 2019, the City launched a \$15 million Affordable Housing Trust Fund. The City worked to identify a strategy to raise the needed capital for the affordable housing trust fund without placing any financial burden on taxpayers, leveraging existing City resources along with assistance from Old National Bank. This is a significant and innovative investment in retaining economic diversity in Bloomington. Few suburban cities have trust funds dedicated to preserving and creating affordable housing. Hennepin County only recently approved \$15 million for a similar countywide trust fund.

Gateway Development District

The City Council approved the creation of the Gateway Development District in 2019, beginning a transformational opportunity in an area of the city where development and redevelopment has been largely overlooked for decades. By encouraging the redevelopment of Bloomington's aging neighborhood commercial centers within the district, the City increases the likelihood of more business owners and residents naming Bloomington as their community of choice. More importantly, the district's focus is on

creating a quality place for current residents and businesses by building on past successes, present opportunities, and future trends.

Lyndale Avenue Corridor Suburban Retrofit

The City is making moves to transform the Lyndale Avenue corridor from an auto-oriented, aging thoroughfare into a series of walkable neighborhood centers. To do that, staff partnered with Stantec, a consulting company that specializes in neighborhood redevelopment, and the community to produce a strategic vision and development strategy that builds upon the assets already in the area.

The contract between the City and Stantec was approved by the City Council in September 2019. The project included significant community engagement in 2019 and 2020 and will continue in 2021. The purpose of this work is to attract public and private investment that will create a variety of housing and mobility options, appealing and inclusive public spaces, and vibrant retail environments using suburban retrofit strategy—a process that takes existing spaces and refashions them to create walkable areas that encourage community gathering.

Equity and Inclusion

Racial Equity Business Plan Approved by City Council

The City continues to make progress on the Council's strategic priority of advancing equity and inclusion. Hiring a full-time Racial Equity Coordinator in late 2019 moved this priority forward. The Racial Equity Coordinator is responsible for integrating race and equity principles into all operations, projects, and services of the City. The coordinator is accomplishing this through the application and integration of best practices, training City staff, and tracking and measuring outcomes.

The City Council adopted a Racial Equity Business Plan in October 2020. The plan includes specific goals and strategies that will guide the City's racial equity work in the future. The final plan comes after months of work and a series of community listening sessions.

"The adoption of this plan is a step in the right direction. People are less concerned with what we say and more concerned with what we will do," Racial Equity Coordinator Faith Jackson said. "I am proud of the courageous leadership of the Council both in words and deeds. I trust we will show our commitment by implementing the strategies set forth with urgency and being transparent about our progress along the way."

The Racial Equity Business Plan is an outcome of the work being done since the City of Bloomington identified equity and inclusion as a strategic priority in 2016.

Recruiting and Hiring a More Diverse Workforce

Of the more than 100 individuals hired for full-time City positions since January 2016, 24% identify as persons of color. Having a workforce that reflects the community builds connections, enhances trust, and expands perspectives.

Hosting a Series of Training Sessions for Staff and Council

Training is designed to help City staff and Councilmembers recognize institutional and systemic barriers to services and opportunities for Black, Indigenous, and People of Color (BIPOC) communities. Updating job descriptions to identify and remove unwarranted barriers to entry and add racial equity as a core competency required of all staff positions. The City conducted a series of department-specific safe-space discussions. These facilitated discussions allowed staff to share thoughts and feelings following the killing of George Floyd, and the resulting protests and civil unrest. Of the staff who participated in a follow-up survey, 42% said their understanding of their department's commitment to advancing racial equity increased as a result; 78% said that they would like to participate in future discussions.

Forming Staff Racial Equity Action Teams

Staff-driven teams are advancing racial equity work from the unique perspectives of individual departments and divisions. This fall, 60 employees (10% of the organization) volunteered to act as change agents in their departments.

High-Quality Service Delivery

Assessment of City Services

Several years ago, the City Council and City Staff initiated a process to do deeper dives into the services the City provides to ensure that those services are meeting customer expectations and being run efficiently. In 2020, City staff delivered reports on two major service assessments – Fleet Maintenance Operations and Fire Service. In both cases, recommendations in the service assessments contributed to both near-term capital and operating changes as well as long-term budget savings that resulted of those changes.

New Fire Station 3 Completed, Fire Station 4 Underway

A few of the City's fire stations are more than 50 years old and no longer meet the needs of the community or the Bloomington Fire Department. One of those facilities, Fire Station 3, was rebuilt at 2301 86th Street East in 2020. The City used South Loop funds to build the new station. City staff is currently in the planning stages for building a new Fire Station 4. The current Station 4 was built in 1970 and does not provide adequate space to safely operate fire services. On-call firefighter staffing models and retention of fire staff is changing. The current building does not support those changes. The new Station 4 is expected to be complete in 2023.

Stations 2, 5 and 6 also need to be replaced in the future.

Organizational Culture and Staff Development

The City is also taking steps to engage employees in new ways and increase efficiency at work. More than 400 employees have completed High Performance Organization (HPO) training initiated in 2016 and more will continue to be trained in 2021.

HPO training is about empowering people at all levels of our organization to demonstrate leadership, participate in decisions, and make improvements in their areas of expertise. This means more people are working to proactively meet the organization's goals.

Engagement and Transparency

New Video Features on Social Media

In 2020, Communications staff produced two new video series that give 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 and any upcoming discussions. Former Police Chief Jeff Potts also worked with Communications staff to create a Q&A with Bloomington Police Department series that answers residents' questions each week. Both of these series are posted on the City's social media accounts and on YouTube.

Televised Council Meetings and Changed Start Time

In December, the City Council approved its 2021 meeting schedule with one notable change from years past. Each meeting will begin at 6 p.m. This will allow for more reasonable times in the evening for resident participation in public comments and public hearings. Starting meetings earlier should also help prevent taking up items too late in the evening for public participation or constructive Council discussion.

This followed a change to begin the 2020 year with all City Council meetings being held in the Council Chambers and televised. For many years, Council study sessions had been held in a different conference room and were only accessible to the public via meeting minutes or requests for an audio recording. The additional transparency was championed by the City Council to ensure that the entire public process of policy development is open and available for the community to see.

City Debuted New Digital Engagement Forum Let's Talk Bloomington

In 2020, City staff kicked off a new way for residents and stakeholders to let the City know what they think about current projects and services. Let's Talk Bloomington is a digital forum where staff share information about City initiatives and connect with community members. A few examples of active page topics on Let's Talk Bloomington in 2020 are the Community Budget Advisory Committee (CBAC), the Park System Master Plan and the Lyndale Avenue retrofit project.

Registration is required to participate on the site so project organizers can understand the demographics of those who engage with the content. The public can read information on

the page without registering and are prompted to register to participate in commenting, polls or other engagement. Let's Talk Bloomington is one of many tools in the City's engagement toolkit.

Sustainability

City Takes A GreenStep Up

In 2020, the City moved up to Step 4 in the Minnesota GreenStep Cities program. Out of the 132 Minnesota cities and Tribal Nations that participate in the program, only 17 other communities have achieved this step.

This accomplishment reflects the work of more than 20 staff members from six different departments. To reach Step 4, cities must gather and submit sustainability metrics under five categories: buildings and lighting, transportation, land use, environmental management, and economic and community development. These categories help benchmark both citywide sustainability and municipal operations. The City will use Step 4 data to set goals and guide sustainability initiatives to achieve Step 5 of the program—demonstrating quantifiable improvement.

Curbside Organics Recycling Under Consideration

The City has begun considering how to offer curbside organics recycling to comply with Hennepin County Ordinance 13. The ordinance requires cities with more than 10,000 residents to make curbside organics recycling available by January 1, 2022.

Cities have two options for meeting the County requirement; to make organics available by contracting for service citywide, or to require haulers through licensing to provide the service upon request.

The City intends to comply with Hennepin County ordinance and make organics recycling service available in 2022. The collection of organic material at the curb is important to the City's sustainability and overall solid waste reduction goals, including the City Council's Strategic Priorities related to reducing the citywide carbon footprint, reducing the volume of solid waste delivered to landfills/incinerators and improved customer service.

A Joint Solid Waste Working Group made up of City Council and Sustainability Commission members met in 2021 to review options and provide a formal recommendation to the City Council for consideration.

Voters Decide to Continue City Organized Collection

Bloomington residents voted to keep City-organized collection in place last November. On the first ballot question, residents voted to amend the City Charter to give residents the chance to vote on changing to a City-organized waste-hauling system. On the second question, residents voted to allow the City to organize trash hauling, with more than 70%

of voters in favor of keeping City-organized collection in place. In October 2016, haulers began pickup under the organized collection program in Bloomington. The service goals were to reduce the number of garbage trucks on collection day, mitigate air and noise pollution, minimize wear and tear on the roadways, improve neighborhood livability and, in most cases, save each household money.

City Facilities Grew Greener in 2020

There were a number of upgrades to City buildings, equipment and procedures that made City operations more sustainable last year. Some of the building upgrades that led to better energy efficiency include new LED lighting and improvements to the building heating systems. Operators also began more efficient use of the City's water pumps.

Organics recycling also debuted in Civic Plaza and other City facilities for employees. This reduced the amount of waste that went to landfills.

Community Amenities and Community Image

Park System Master Plan

In 2019, Parks and Recreation staff began gathering resident input and doing research to craft its Park System Master Plan. Staff continued gathering community feedback in 2020 in a variety of ways, including on the Let's Talk Bloomington platform. The purpose of the Park System Master Plan is to establish a clear, 20-year vision for the Bloomington park, trail, recreation, and open space systems.

There are nearly 9,000 acres of parkland and open space in Bloomington, of which 3,882 acres are City-owned. Nearly 36% of the City's 38.3 square miles is parkland or open space.

Veterans Memorial Planning In Progress

Local veterans and volunteers established a nonprofit in 2018 with one project in mind—building a permanent veterans tribute in the city they call home. The nonprofit, Bloomington Remembers Veterans, has since worked closely with the City planning for a future memorial on the grounds of Civic Plaza over the last few years.

The group chose a design by Leo A. Daly to be constructed on the east lawn of Civic Plaza in late 2020. The design was approved by City Council in November.

Bloomington Remembers Veterans is dedicated to the mission of honoring and recognizing all veterans, educating the public as to why wars were fought, and showing why we should continue to honor these heroes for the freedoms we enjoy.

Community support will be critical in making this project come to fruition. Learn more about donating or volunteering with the project at bloomingtonveteransmemorial.org.

Old Cedar Avenue Bridge Turned 100

In 2020, Bloomington's Old Cedar Avenue bridge turned 100. The recently restored amenity is well-used by walkers, runners, cyclists, and bird watchers alike.

Dred Scott Wheelhouse Improvements Complete

In the summer of 2020, a new wheelhouse was completed at Dred Scott Playfield, 10820 Bloomington Ferry Road. The new facility contains a concession stand, restrooms and drainage system, which replaces the two-story wheelhouse used for years. The new concession area is more protected from the sun and rain. The building is designed to be water resistant and low maintenance. Concrete and coated surfaces are noticeable throughout the facility. Interior wood trim softens the look and adds a connection to nature. Americans with Disabilities Act compliant bathrooms are self-contained and easily accessed by all. Modern lighting controls function at the touch of a button.

Community Partners

Early in 2020, newly elected Mayor Tim Busse declared his intent to focus on alignment as a major initiative to make sure that the governmental, educational, not-for-profit, and community organizations of Bloomington were moving forward together to better serve the community.

That initiative was unexpectedly propelled by the COVID-19 pandemic. At the very outset of the public health crisis and its corresponding community impact, the City invited in institutional partners to better coordinate how Bloomington would respond to emerging needs in the community.

This year-long collaborative effort included Bloomington Public Schools, Normandale Community College, Bloomington Chamber of Commerce, Cornerstone, Oasis for Youth, and VEAP. Success stories from this initiative include improved interagency volunteer coordination, increased resources for community members experiencing food and housing insecurity, and enhanced assistance to businesses.

Residents expect the institutions of their community to be working together. As we look to the future, the success of this collaboration serves as a jumping off point to continue growing partnerships that will more systemically address needs and issues in Bloomington.

Key Changes in the 2021 Budget

The City's budget was challenged by COVID-19 and its impact on the local hospitality and retail industries in 2020.

Community Budget Advisory Committee

In a year of unprecedented events, many cities experienced budget challenges. Bloomington was no exception. COVID-19 had a large impact on the hospitality industry, which greatly impacted the City's local lodging and admission tax revenues.

With difficult budget decisions on the horizon, the City Council formed the first Community Budget Advisory Committee (CBAC) in May to ensure community voices were at the forefront of all 2021 budget decisions.

The committee's main task was to conduct research and provide the City Council with three options of assorted property tax levy amounts and service reductions. The City Council adopted one of these scenarios in December with a few minor adjustments.

CBAC and the City coordinated more public engagement around the budget than ever before with four virtual engagement events and a digital platform where residents could provide feedback. That robust online engagement is one practice the City plans to continue moving forward.

"It is important to engage residents and businesses in budget and tax levy discussions so their community preferences are reflected in decisions about their local government services," Budget Manager Kari Carlson said.

City Council's 2021 Final Approved Budget and Property Tax Levy

In December, the City Council adopted a property tax levy of \$66,468,834, an increase of 2.75%. This is the lowest property tax increase the Bloomington City Council has approved in nearly a decade.

The tax levy increase of 2.75% for 2021 was meant to limit the financial impact to taxpayers during very difficult economic times. For 2021, the median valued home in Bloomington will see an overall property tax reduction of about \$50 when considering the City, County, School District and other taxing jurisdictions.

A tax levy stabilization strategy was used which allowed the Council to control the levy and limit reductions in service to the community. Before the City Council voted on the budget, the Community Budget Advisory Committee provided three tiers of reductions to consider. The Council chose the first tier, which mostly included service changes that would be largely unnoticeable to residents; a notable exception being elimination of the Motor Vehicle Office. The second and third tiers included increasingly impactful and difficult reductions. Bloomington's Motor Vehicle Office will close on March 31, 2021.

The budget framework presented to the City Council before budget adoption had these core values:

- Honor the work of the CBAC and the perspective of residents impacted by these decisions. Limit the impact of property tax increases to the greatest extent possible during a year that will financially challenge many taxpayers in the community.
- Minimize the impact of City service reductions to the greatest extent possible, recognizing that many people in the community rely on these services as necessary for quality of life, health and safety.
- Consider the implications and impacts on future budget years.

With those values in mind, the budget approved by the City Council is best summarized with these points:

- Property tax levy increase of 2.75% for 2021.
- Majority of reductions to City services included in CBAC's first tier option were incorporated into the budget, with some additions and subtractions suggested by City staff.
- Creation of a tax levy stabilization line in the strategic priorities fund as a balancing strategy to buffer tax levy increases.
- A conceptual 2022 property tax levy increase of 0%.

CBAC made it clear to the City Council that they focused on preserving the core functions of government, with special emphasis on not making reductions that would impact public safety. The recommendation to include the first tier changes honored the work of CBAC and reflected the voice of the community in the process.

The City uses multi-year modeling and industry information to track revenue and expenditures to predict upcoming trends for 2021. City staff also uses a 10-year planning model that considers both the short-term and future needs of the community to recommend a preliminary levy. The City continues to be cost effective in providing quality services that meet public demand.

Conclusion

As one of only 40 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. 2020 was a year that gave us unprecedented budget challenges, making Bloomington's strong foundation more important than ever. The 2021 budget outlined in this book will continue the tradition of sound budget management at the City of Bloomington.

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

2021 Budget Overview

The budget is the blueprint for services and plans for fiscal year 2021. It communicates the allocation of resources and the plan to achieve the City's goals and objectives.

Adopted 2021 Budget

Budgeted revenues for all funds total \$180,733,136 and budgeted appropriations for all funds total \$190,549,195. The \$9,816,059 difference is for funding planned capital expenditures and to bring balances in line with fund goals, as appropriate.

General Fund

The General Fund budget is balanced, with both revenues and expenditures equaling \$79,453,928. The General Fund expenditure budget includes a contingency of 2.5% of proposed expenditures or \$1,937,901 that is available for emergencies or unanticipated expenses.

Special Revenue Funds

Budgeted total revenues of all of the Special Revenue Funds equal \$4,636,588. Budgeted expenditures are \$5,414,071 resulting in a net reduction of working capital balance of \$777,483 for planned expenses for funds accumulated in prior years that can only be used for specific purposes.

Enterprise Funds

The Enterprise Funds' budgets have total budgeted revenues of \$52,635,491 and expenses of \$57,023,748 resulting in a net loss \$4,388,257. The majority of the budgeted decrease is for large capital projects in the Storm Water fund.

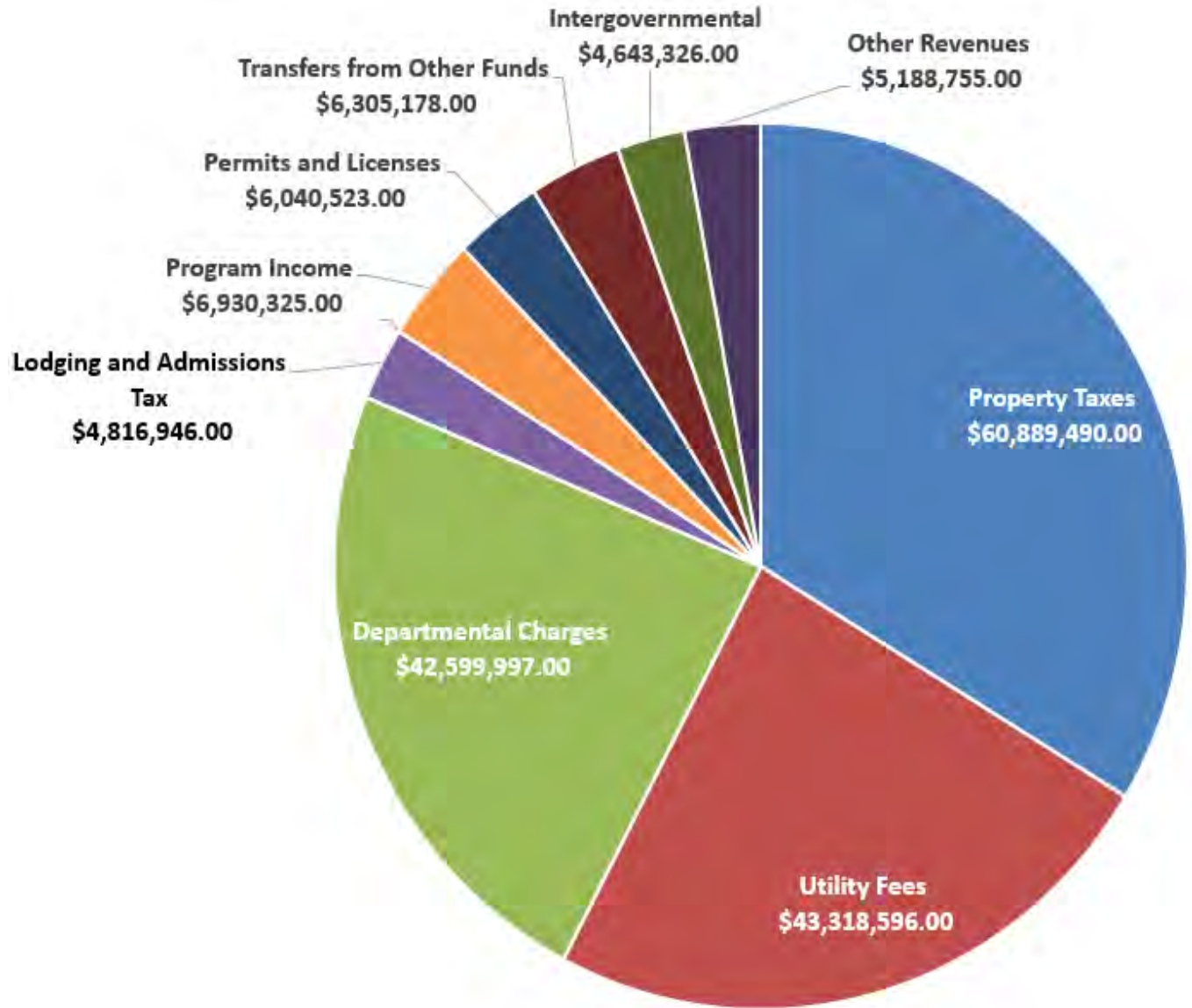
Internal Service Funds

The \$4,650,317 decrease in the Internal Service Funds results from budgeted revenues of \$44,007,129, being less than the budgeted expenses of \$48,657,446. This is due in part to the Facilities Fund spending down working capital for projects as well as trying to keep overall expenses for departments low by keeping internal charges flat. 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 \$180,733,136.

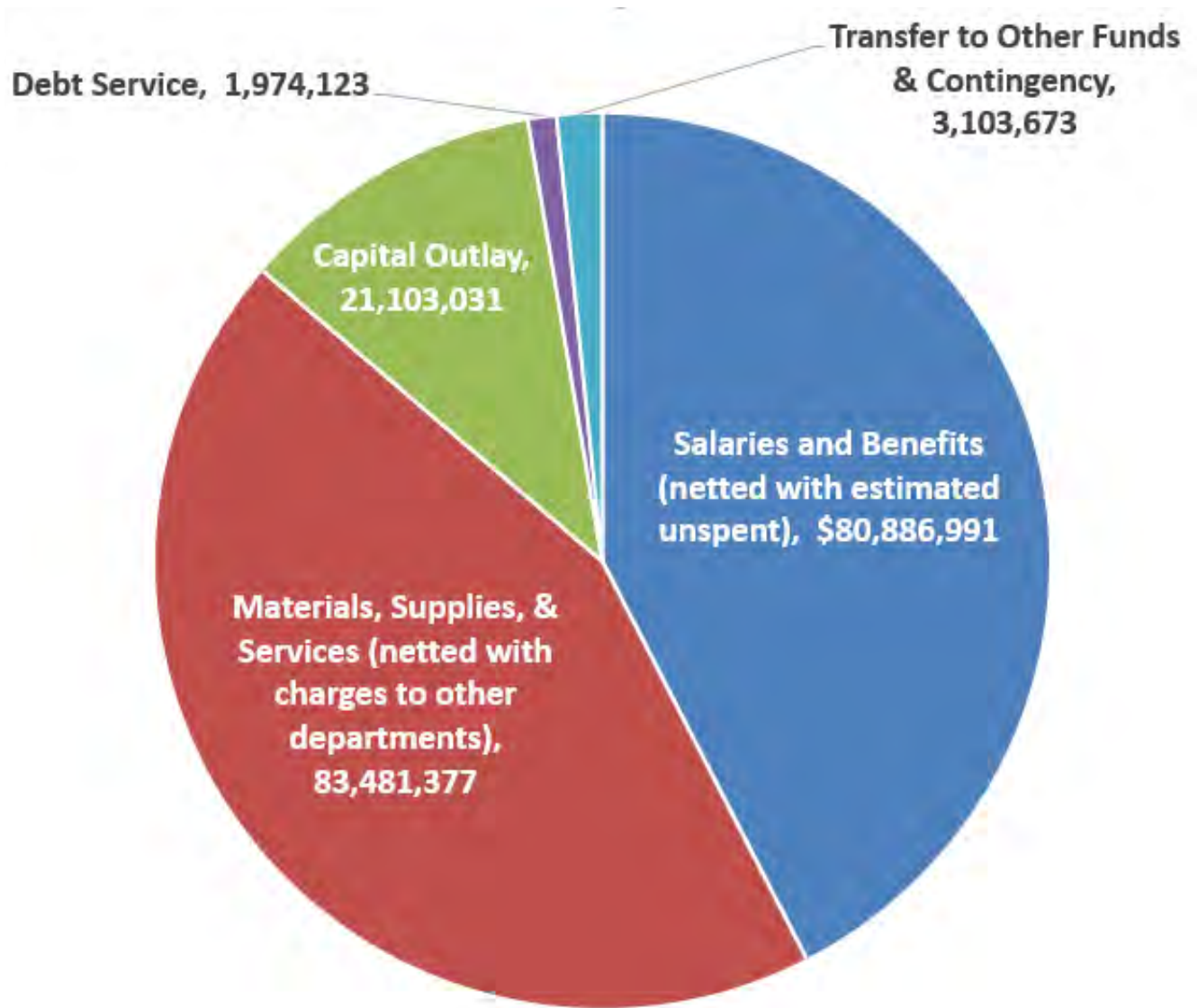
2021 Budgeted Revenues - All Funds



Budgeted Appropriations – All Funds

Budgeted appropriations for all funds total \$190,549,195.

2021 Budgeted Appropriations - All Funds

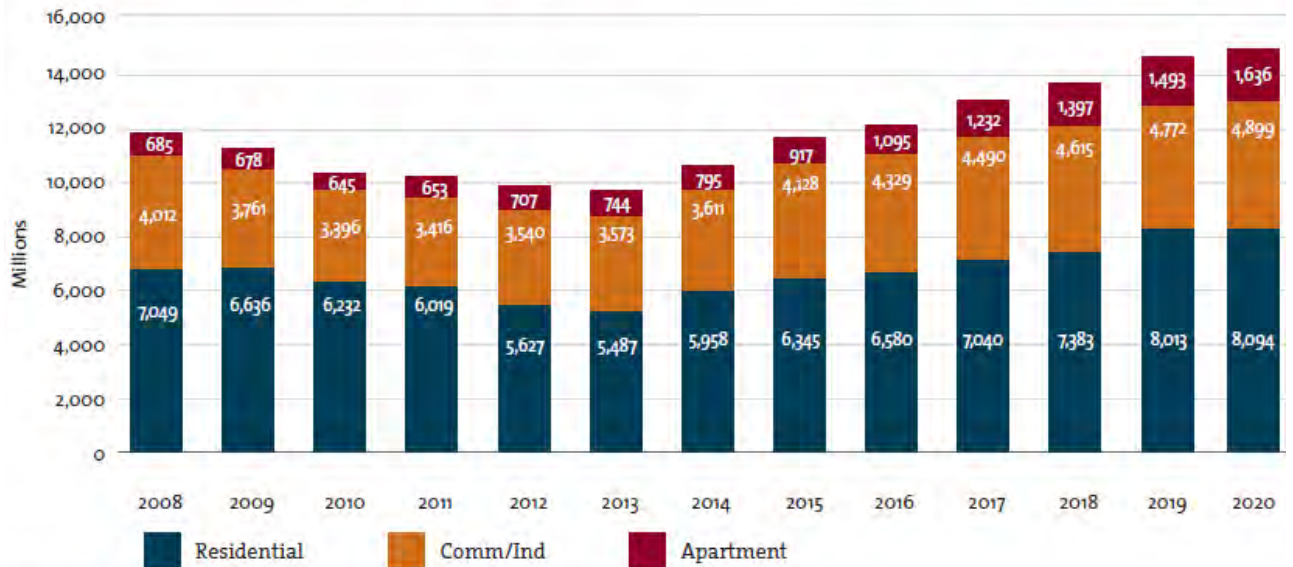


Property Tax Value Information

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. This was the case last year, as values increased by 10.5% from \$256,900 to \$283,900 for the 2020 tax levy assessment while commercial properties only experienced modest growth. However, this was not the case for the property valuations effecting the 2021 tax levy as residential home values only saw a modest growth increase to \$286,400 which was 0.9% increase.

| Average and Median Value History | | | | |
|----------------------------------|---------------|-------|--------------|-------|
| Assessment Year | Average Value | % Chg | Median Value | % Chg |
| 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) |
| 2012 | 221,200 | (6.1) | 194,500 | (6.2) |
| 2011 | 235,500 | (3.5) | 207,300 | (2.6) |
| 2010 | 244,100 | (5.5) | 212,800 | (6.9) |
| 2009 | 258,300 | (5.5) | 228,600 | (5.8) |
| 2008 | 273,400 | (2.6) | 242,800 | (2.1) |
| 2007 (Previous peak) | 280,700 | 0.9 | 247,900 | 1.3 |

13 Year Market Value History by Property Segments



Note: Residential includes Condos, Townhouses and Cooperatives above.

Property Tax Levy Components

The dollars levied in 2021 by levy category as compared to the 2020 levy are illustrated in the following table:

| | 2020 Tax Levy | 2021 Tax Levy | 2021 Tax Levy \$ Change | 2021 Tax Levy % Change |
|--|---------------------|---------------------|-------------------------|------------------------|
| Property Tax Levy Allocation: | | | | |
| General Fund | \$54,041,504 | \$57,520,260 | \$3,478,756 | |
| Communications Fund | \$250,000 | \$175,000 | (\$75,000) | |
| Motor Vehicle Fund | \$125,000 | \$0 | (\$125,000) | |
| Forestry / Diseased Trees (Solid Waste Fund) | \$185,000 | \$185,000 | \$0 | |
| Fire Pension Fund | \$1,050,000 | \$1,050,000 | \$0 | |
| Aquatics Fund | \$1,226,000 | \$515,000 | (\$711,000) | |
| Art Center Fund | \$1,000,000 | \$1,000,000 | \$0 | |
| Golf Fund | \$300,000 | \$161,343 | (\$138,657) | |
| Ice Garden Fund | \$80,000 | \$80,000 | \$0 | |
| Tax Abatement District | \$950,000 | \$300,000 | (\$650,000) | |
| Non-Debt Service Subtotal | \$59,207,504 | \$60,986,603 | \$1,779,099 | 2.75% |
| Debt Service | \$5,482,359 | \$5,482,231 | (\$128) | 0.00% |
| Total Tax Levy | \$64,689,863 | \$66,468,834 | \$1,778,971 | 2.75% |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



ANNIN UAI

FINANCIAL STRUCTURE, POLICY AND PROCESS

FINANCIAL STRUCTURE,
POLICY AND PROCESS



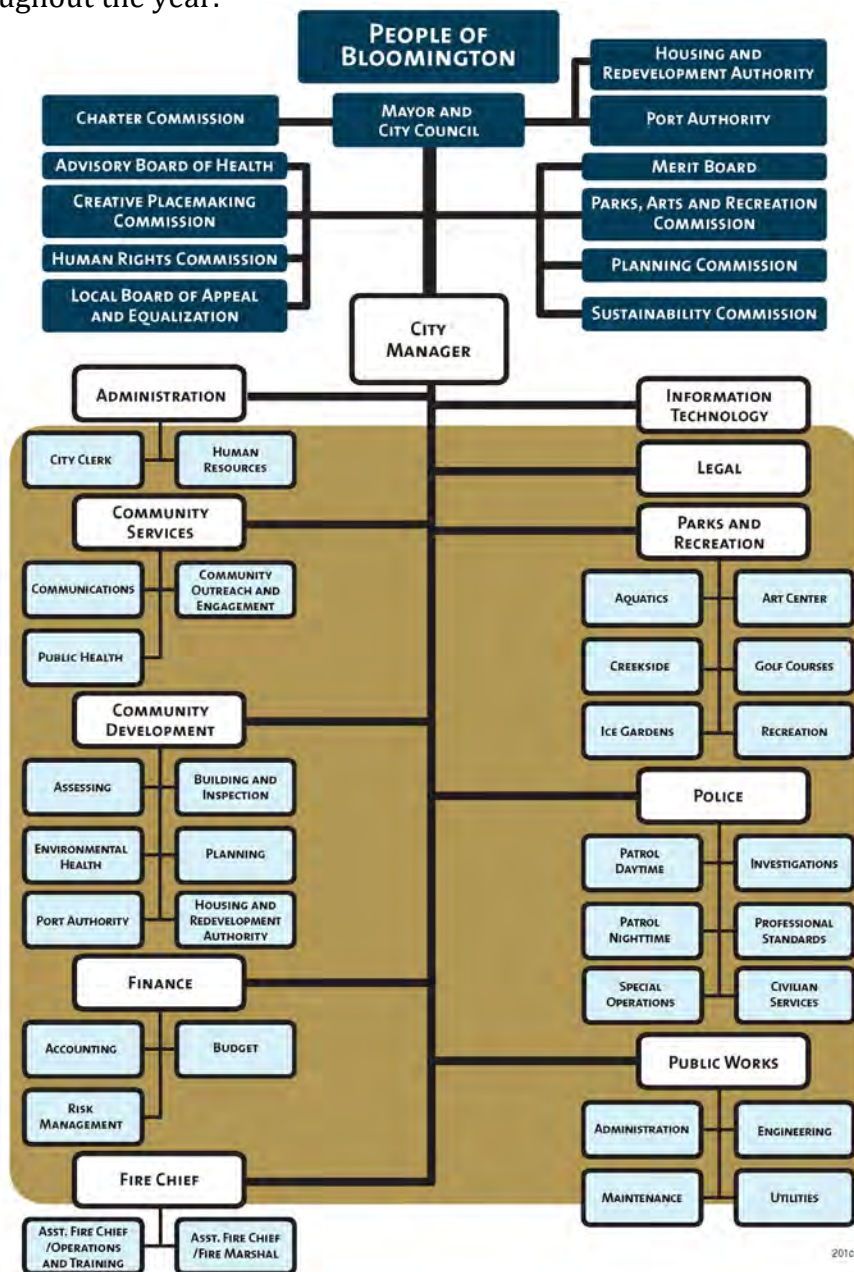
20 21

**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

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.



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 communications 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, 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 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

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.

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.

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 the above 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 two golf courses operated by the City of Bloomington - Dwan and Hyland Greens. 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. Hyland Greens is the smaller of the two golf courses 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. Motor Vehicle

The Motor Vehicle/Deputy Registrar Office provides driver's license and motor vehicle license services. For every transaction processed at the registrar office, the filing fee portion stays in Bloomington to support the City's ability to offer this service at the local level. Services provided include license tab renewals, driver's license renewals, and vehicle registrations. 2021 will be the last year for a Motor Vehicle Fund budget. For several years, the fees collected for this activity have not been enough to cover the operating cost of providing this service. The fees, which are set by the state legislature, cannot be changed by the City and have not kept pace with costs. Given other demands for the City's limited financial resources, the City Council voted to no longer allocate property tax revenues for this service and to close the office effective March 31, 2021.

19. 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.

20. Solid Waste Utility

The Solid Waste Utility Fund accounts for the City-wide garbage, recycling, and yard waste program; the spring Curbside Cleanup; 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.

21. 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.

22. 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.

23. 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

24. 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 of 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.

25. 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.

26. Facilities and Parks Maintenance

The Facilities and Parks 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.

27. 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.

28. 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.

29. Public Safety Technology and Equipment

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

30. 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.

31. 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 | | |
| Motor Vehicle | 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 Parks & Maint. | | | | | | | | | | | 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 is 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 |
| Motor Vehicle | X | X | | |
| Stormwater Utility | X | X | X | X |
| Wastewater Utility | X | X | | |
| Water Utility | X | X | X | X |
| | | | | |
| Internal Service Funds | | | | |
| Facilities and Parks Maint. | X | X | X | X |
| Fleet Maintenance | X | X | | |
| Information Technology | X | X | | |
| Public Safety Tech. & Equip. | X | X | | |
| Support Services | X | X | | |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



FINANCIAL MANAGEMENT POLICIES

The complete listing of the City of Bloomington’s Financial Management Policies is available on the City’s Finance Department website – <https://www.bloomingtonmn.gov/fin/finance-department>.

Table of Contents

| | |
|---|----|
| Organizational Mission and Preamble | 55 |
| Audit | |
| External Auditor Independence Policy | 57 |
| Budget | |
| Budgetary and Financial Control Policy | 58 |
| Cash/Investment | |
| Forfeited Funds Policy | 61 |
| Investment Policy | 63 |
| Capital Improvement Program Policy | 74 |
| Debt | |
| Conduit Debt Policy | 75 |
| Debt Policy | 79 |
| Post-Issuance Compliance Policy for Tax-Exempt Gov. Bonds | 80 |
| Economic Development | |
| Abatement District Policy | 86 |
| Tax Increment Policy | 88 |
| Fund Balance Year-End Classification Policy | 92 |
| Procurement | |
| Purchasing Policy | 95 |
| Revenue Policy | 98 |
| Financial Management Policies Adoption Index | 99 |

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).

AUDIT

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

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)

CASH/INVESTMENT

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

Capital Improvement Program Policy

- A. The City will develop a multi-year plan for capital improvements and update it annually. The two-year budget capital improvement will be approved and incorporated into the operating budgets. The following year's budget will be adopted with the year after that conceptually approved on a cycle consistent with the operating budgets.
- B. 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.
- C. 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.
- D. 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.
- E. 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 whose operating and maintenance costs have been included in operating budget forecasts.
- F. 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.

(Revised 1/2/2018)

DEBT

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 affect 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 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.

- 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)

Debt Policy

- A. The City will confine long-term borrowing to capital improvements, equipment or projects that have a life of more than 4 years and cannot be financed from current revenues.
- B. The City will endeavor to keep the total maturity length of general obligation bonds below 20 years and at least 50% of the principal shall be retired within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
- C. Total net (after deducting sinking funds and reserves) general obligation debt (net of utilities supported portion and any portion supported by others, such as the State of Minnesota) shall not exceed 75% of the dollars per capita debt limit for the current year. For example, the 2006 per capita debt limit was \$3,502, which translates into a cap of \$ 2,626. Net debt as defined here is to include Port Authority and HRA debt.
- D. Net general obligation debt (as defined above) will not exceed the statutory limit of 2% of the estimated Full Market Value of taxable property in the City as required by Minnesota Statute, Section 475.53.
- E. Where possible, the City will use revenue (including G.O. backed revenue) or other self-supporting type bonds instead of general obligation bonds.
- F. The City will not use long-term debt for current operations (including repairs).
- G. The City will maintain frequent and regular communications with bond rating agencies about its financial condition and will follow a policy of full disclosure in every financial report and bond prospectus. The City will comply with Securities Exchange Commission (SEC) reporting requirements.
- H. The City will strive to maintain a full funding policy for the Fire pension plan (no unfunded liability) and will maintain a continuing overview of the investments of the Fire plan. The City will aggressively protect its rights to any positive balance in the Fire Relief Funds. Where appropriate, the City will utilize the 10% reduction allowed by Minnesota Statute, Section 69.773, Subd. 4, to reduce the Fire Pension tax levy. Any unfunded actuarial accrued liability calculated will be amortized over a period of 20 years effective December 31 in the year of the change according to Minnesota Statute, Section 69.773, Subd. 4.
- I. Interfund borrowing for periods of more than one year shall only be undertaken for capital expenditures. A reasonable payment schedule for repayment of the borrowed amounts and enforceable covenants, established to ensure recourse if the schedule is not adhered to, shall be approved by the City Council. Interest charges shall be included to compensate the lender for the use of its financial resources. Interest charges for interfund loans utilizing tax increment bonding will follow Minnesota Statutes , Section 469.178, Subd. 7.

Interfund borrowing that does not meet the criteria noted above shall not be considered as a loan in financial reports.

(Revised 5/20/2002)

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)

ECONOMIC DEVELOPMENT

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)

PROCUREMENT

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

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 complete listing of the City of Bloomington’s Financial Management Policies is available on the City’s Finance Department website – <https://www.bloomingtonmn.gov/fin/finance-department>.

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 Revision Date | Page # |
|--|------------------|--------------------|------------|
| Financial Management Policies | 8/31/1987 | 2/22/2021 | All |
| Abatement District Policy | 5/20/2002 | 1/27/2020 | 35 |
| Budgetary and Financial Control Policy | 1/23/2012 | 1/2/2018 | 7 |
| Business Subsidy Policy | 11/19/2007 | 11/18/2019 | 37 |
| Capital Improvement Program Policy | undated | 1/2/2018 | 23 |
| Conduit Debt Policy | 4/10/1978 | 11/18/2019 | 24 |
| Debt Policy | undated | 5/20/2002 | 28 |
| External Auditor Independence Policy | 5/20/2002 | 1/23/2012 | 6 |
| Forfeited Funds Policy | undated | 1/23/2012 | 10 |
| Fund Balance Year-End Classification Policy | undated | 12/19/2011 | 47 |
| Investment Policy | 3/3/1997 | 12/1/2014 | 12 |
| Mileage Reimbursement Policy | undated | 4/20/2018 | 72 |
| Post-Issuance Compliance Policy for Tax-Exempt Govt. Bonds | 6/22/2009 | 1/27/2020 | 29 |
| Public Purpose Expenditure Policy | undated | 5/22/2017 | 50 |
| Purchasing Policy | 5/20/2002 | 9/12/2011 | 54 |
| Revenue Policy | 8/31/1987 | 1/23/2006 | 60 |
| Risk Management Policy | undated | 1/19/2006 | 62 |
| Self-Insurance Reserve Policy | 1/23/2012 | 1/23/2012 | 63 |
| Tax Increment Policy | 6/10/1991 | 1/27/2020 | 43 |
| Travel Policy | 11/1/1980 | 2/4/2019 | 65 |
| Uniform Grant Guidance Policy | 2/22/2021 | 2/22/2021 | 57 |
| Utility Collection Policy | 10/21/2013 | 10/21/2013 | 61 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Budget Process

The City of Bloomington follows a calendar fiscal year. The 2021 budget was developed for 31 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 2021 Budget

Reflection on Last Year's Process – January and February 2020

In January and February 2020, the Budget Manager and Chief Financial Officer met individually with the Mayor and each of the six Councilmembers to obtain guidance and direction for the 2021 budget process. The Budget Manager then met individually with Department Heads in early March 2020. Consolidation of proposed process improvements and innovative ideas were shared in a memo to the City Council.

March 2020 – Addressing Economic Impacts of the COVID-19 Pandemic

In mid-March 2020, revenue forecasts changed dramatically with the arrival of the COVID-19 pandemic. Bloomington has a robust hospitality industry with numerous hotels and that benefit from their close proximity to the Minneapolis St. Paul International Airport and being in the same city as the Mall of America. The local hospitality and entertainment industry generates lodging and admission taxes that help fund City operations like Police, Fire, and Public Works. Those local tax revenues saw immediate declines as businesses were shut down and travel plummeted as a result of the coronavirus pandemic. The Budget Manager met with the Executive Leadership Team to discuss a plan to address the immediate 2020 budget shortfall that the City was facing as well as discuss strategies to address the forecasted shortfall for the 2021 budget. Departments reduced their planned 2020 expenses significantly by delaying capital projects, leaving vacant positions open, and cancelling services such as pavement sealcoating and mowing right-of-way areas. Along with concerns for reduced lodging and admission taxes, there were concerns of delinquent property taxes. Bloomington typically collects close to 100% of all taxes levied, but there were concerns that would not be the case in 2020 as the economic impacts of the pandemic unfolded. In April 2020, the Budget Manager presented a plan for addressing the 2020 revenue shortfall to the City Council and also shared the forecasted 2021 challenges the City was facing from the economic impact of the COVID-19 pandemic.

Salary and Benefit Projections and Internal Service Fund Charges – April 2020

Also during April 2020, the Budget Manager reviewed, analyzed, and calculated charges for the Internal Service Funds in coordination with the Internal Service Fund managers. Because of the budget challenges, the decision was made to keep internal charges to departments flat where possible with minor re-allocation between departments where necessary. These

internal service charges were then pre-loaded into the budget module of the City's financial software. 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 2021 budget. The Police Officers union and Police Supervisors union had both settled their 2021 contracts in February 2020 before the pandemic and they each had an increase. All other employees had a wage freeze budgeted for 2021. Due to the economic impacts of the pandemic, the remaining unions settled with a wage freeze for 2021. Non-represented employees also had a wage freeze for 2021.

Addressing the forecasted 2021 Budget Shortfall – May 2020

On May 4, 2020, City staff gave a presentation to the City Council to close the Motor Vehicle Office and Creekside Community Center to address the forecasted 2021 Budget shortfall. However, the Council was not comfortable making a decision to close those facilities without an in depth analysis and discussion of other potential service reductions. On May 11, 2020, the City Assessor and the Budget Manager gave a presentation to the City Council Manager highlighting the 2020 Assessing Report and property tax support necessary for funds outside of the General Fund.

Budget Kick-Off for City Staff – May 2020

On May 28, 2020 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 "Budget Kick-Off" is traditionally and in person event, but due to many employees working from home, the Kick-Off was a virtual event and was recorded for people who couldn't attend the live event. 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 in to 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.

Department Requests Reviewed with City Manager June – July 2020

Department budget meetings occurred in June and July to analyze requests and identify challenges and opportunities. 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.

Community Budget Advisory Committee (CBAC) June – October 2020

The City of Bloomington was facing a multi-million dollar budget shortfall for 2021 as a result of the economic impacts from COVID-19 on the hospitality and entertainment industry that significantly reduced lodging and admission tax revenue. In an effort to ensure budget discussions reflected community preferences, the Mayor and Council appointed a new Community Budget Advisory Committee (CBAC) at the Council meeting on May 18, 2020. Nine residents who had knowledge of local government and finances were appointed to the committee. They met weekly from June through October to study the City's services and budget and prioritized potential budget reductions. All of the CBAC meetings were publically noticed and televised as well as recorded for viewing later on the City's website. They had a total of 17 meetings which are detailed in the "Budget Calendar" section of this budget document.

The committee was charged with providing three budget scenarios to the Council in early November. They analyzed 2021 revenue forecasts with a focus on lodging and admission tax revenue. They decided to take a conservative approach and base their budget options on a worst case revenue scenario that forecasted a slow recovery for the hospitality and entertainment industries. Some of the initial decisions made to lower the tax levy were to reduce funding for projects in the Normandale Lake Abatement district, eliminate the yearly funding set aside for a future pool vessel replacement, no cost of living increases for non-union employees or unsettled bargaining units, holding internal charges flat, and keeping the debt service amount in the tax levy relatively flat.

However, there was still close to \$5 million of reductions needed to balance the budget if the Council wanted to have a 0% increase in the tax levy. The CBAC prioritized over 100 budget reduction options in order to form three different budget scenarios for the Council to consider. Scenario A was a \$1.6 million reduction with a 5% tax levy increase. Scenario B was a \$2.9 million reduction with a 5% tax levy increase. And Scenario C was a \$4.8 million reduction for a 0% tax levy increase. The CBAC co-chairs gave monthly status updates to the Council and worked with City staff to create a communications plan around the City’s budget challenges as well as community engagement opportunities to obtain resident input on budget decisions. There were four virtual community engagement budget listening sessions. The community listening sessions in September provided input from residents on City Services and the City’s budget shortfall. The listening sessions in October were an opportunity for the public to share reactions and reflections on the three proposed CBAC 2021 budget scenarios.

The CBAC and other residents that participated in community listening sessions expressed support for the Police and Fire Departments. Those proposed budget reductions were ranked lower on the list than other proposed cuts. The majority of cuts that were proposed for Police only came in effect in the proposed 0% Tax Levy scenarios. Below is a breakdown of the CBAC’s proposed reductions by department that was presented to the City Council:

CBAC’s Proposed Budget Reduction Scenarios

| | 5% levy Amount_ | 3% levy Amount_ | 0% levy Amount_ | Total Amount_ |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| Admin. | \$348,000 | | | \$348,000 |
| Comm. Dev. | \$144,791 | \$298,857 | \$109,176 | \$552,824 |
| Comm. Serv. | \$148,000 | \$50,474 | \$26,512 | \$224,986 |
| Finance | \$64,000 | | | \$64,000 |
| Fire | | \$122,936 | \$3,500 | \$126,436 |
| IT | \$15,000 | \$172,500 | \$37,500 | \$225,000 |
| Legal | \$100,700 | | | \$100,700 |
| Parks & Rec. | \$461,148 | \$188,358 | \$810,381 | \$1,459,887 |
| Police | | \$101,823 | \$868,824 | \$970,647 |
| Public Works | \$316,850 | \$352,900 | \$93,000 | \$762,750 |
| Grand Total | \$1,598,489 | \$1,287,848 | \$1,948,893 | \$4,835,230 |

September 2020 - Preliminary Tax Levy 5%

The CBAC recommended to the Council in August that the preliminary 2021 tax levy be set at an increase of 6.44% over the 2020 tax levy. However, the City Council decided that was too

high of an increase. On September 14, 2020, the City Manager presented the Preliminary 2021 General Fund Budget and Tax Levy at a City Council Meeting which was approved by the City Council. The preliminary tax levy was a 5.0% increase from 2020. Direction was given to City staff that the final tax levy would need to be lowered before the end of the year.

October 2020 – (Non-Property Tax) 10 Special Revenue Budgets Approved

At the October 19, 2020 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) 2021 Budget Requests were approved.

November 2020 – City Council Decisions on Final Levy and Budget

In early November, the CBAC Co-Chairs gave their three budget scenario recommendations to the City Council. Then later in the month, the Budget Manager gave a presentation to the City Council at the Study Session on November 16, 2020 of a proposed 2021 tax levy and corresponding budgets incorporating Scenario A from the CBAC with some minor changes from the Council and City Staff and using a transfer of funds from the Strategic Priorities Fund to arrive at a 2.75% 2021 tax levy from 2020. 2021 budgets presented included the General Fund, Communications, Fire Pension, Golf Courses, Ice Garden, Art Center, Motor Vehicle, Employee Benefits, Accrued Benefits, and Information Technology.

November 2020 – 2021 Utility Rates Hearing and Budgets & Internal Service Fund Budgets

The Budget Manager presented the 2021 Utility Rates and budgets at the Utility Rate Public Hearing and the City Council approved the four Utility Fund (Water, Wastewater, Stormwater, and Solid Waste) 2021 Budgets. The Council also approved five of the 2021 Internal Service Fund budgets (Fleet, Public Safety Technology & Equipment, Insurance, Support Services, and Facilities).

December Final Budgets Approved – Truth in Taxation Hearing and Final Tax Levy 2.75%

The Truth in Taxation Public Hearing was held during the December 7, 2020 City Council meeting and the Council adopted the final 2021 General Fund Budget and Tax Levy. The City Council approved a final 2021 property tax levy that was 2.75% more than the 2020 property tax levy. Other 2021 fund budgets approved included Communications, Fire Pension, Golf Courses, Ice Garden, Art Center, Employee Benefits, Accrued Benefits, and Information Technology. The 2021 Tax Levy and budget for the HRA was also approved on December 7th. The final City Council meeting of the year was held on December 21, 2021 where the final 2021 Motor Vehicle Budget was approved which only provided funding until March 31, 2021 when the office will close which was one of the recommendations from the Community Budget Advisory Committee. The 2021 Port Authority Budget was also approved.

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.

2021 Budget Process Calendar

Jan. – Feb. 2020

The Chief Financial Officer and the Budget Manager had individual meetings with Councilmembers and the Mayor to obtain feedback, concerns, and new ideas for the 2021 Budget process.

March, 2020

The Budget Manager had individual meetings with Department Heads to obtain feedback, concerns, and new ideas for the 2021 Budget process.

March - April 2020

The Budget Manager met with the Executive Leadership Team to discuss expense reduction strategies for addressing the immediate 2020 Budget shortfall as well as strategies for addressing the forecasted 2021 Budget shortfall due to the economic impact of COVID-19.

April 20, 2020

The Budget Manager gave a presentation to the City Council on the strategies that the City could use to address the economic impact of the COVID-19 pandemic on 2020 revenues at the City Council Business Meeting.

April 27, 2020

The Budget Manager gave a presentation on the economic impact of the COVID-19 pandemic and potential 2021 budget reduction options at the City Council Study Meeting.

May 2020

Expenses are pre-loaded in Munis for payroll, benefits, fleet and equipment, facilities, radios, MDC's, IT, mailroom, phones, insurance, and General Fund chargebacks.

May 4, 2020

City staff gave a presentation at the City Council Business Meeting on recommendations to close the Motor Vehicle Office and Creekside Community Center.

May 11, 2020

The City Assessor shared the 2020 Assessing report and the Budget Manager gave a presentation on property tax support for funds outside of the General Fund at the City Council Study Session.

May 18, 2020

A Community Budget Advisory Committee (CBAC) is appointed by the Mayor and approved by the Council at the City Council Business Meeting, and the decision is made to re-open the Motor Vehicle Office and "Mothball" the Creekside Community Center for the rest of 2020 with only food service programs continuing operations.

May 27, 2020

The Budget Manager has a pre-budget kick-off meeting with the team assigned to help with Department Budgets (CFO, Finance Manager, Assistant Finance Manager, and Accountants).

May 28, 2020

The Budget Manager and City Manager host a virtual Budget Kick-Off event on WebEx for City staff and the event is recorded and posted on the City's internal Budget Website. A Budget Book manual is sent out electronically to City Staff and also posted on the internal Budget Website page.

May 28 – June 15, 2020

Departments enter their 2021 budget requests in Munis for the property tax supported funds which include the General Fund, Recreational Facilities funds, Communications, Motor Vehicle, Solid Waste, Fire Pension, and the Internal Service Fund budgets. Budget lock out is June 15th.

June 5, 2020

A new website page is created on the City's website for the Community Budget Advisory Committee.

June 10, 2020

CBAC Meeting #1 All of the CBAC meetings are publically noticed and televised as well as recorded for viewing later on the City's website. The first meeting was an overview of the committee's charge from the Mayor, followed by introductions of the nine committee members and City staff that would be working with the committee over the coming months. The City Manager presented a draft project charter for the committee with the scope of work and other details for the process. Then the Budget Manager gave a "Budget 101" presentation that covered the economic impacts of COVID-19, City Council's strategic priorities, the property tax levy, the City's department and fund structure, the basis of accounting vs. budgeting, and important dates for the budget process.

June 15 – July 2, 2020

Finance staff worked with assigned Departments to review and analyze budget requests by line item to ensure there were adequate explanations in the notes when necessary, and ask and answer questions.

June 17, 2020

CBAC Meeting #2 The Budget Manager provided information in regards to sources used in developing economic forecasts and samples of property tax statements illustrating various taxing jurisdictions. The City Manager reviewed the committee's draft project charter document and received input from the committee on additions necessary to finalize the charter. The Budget Manager then continued with a "Budget 101" presentation that covered budgeted funds that receive property tax support; types of revenue, categories of expenses; property tax support and tax levy components; and analyzing the costs of City services.

June 24, 2020

CBAC Meeting #3 The Budget Manager provided information from the Office of the State Auditor on General Fund balance reserves and information about the City's Special Revenue Fund revenues and in what ways they are restricted. The committee then approved their final Project Charter document. The City Assessor gave a presentation on Assessing and Property Valuations followed by a presentation on Racial Equity by the Racial Equity Coordinator which included an exercise to use a Racial Equity Impact Assessment (REIA) to examine how different racial and ethnic groups could be affected by changes in the property tax levy. The City Manager then reviewed the local socioeconomic indicators of Bloomington with the Committee.

July 6, 2020

The CBAC Co Chair gave a presentation to the Council at the City Council's meeting on the Community Budget Advisory Committee's charter, planned deliverables, and timeline.

July 6 – July 31, 2020

The City Manager, Assistant City Manager, CFO, and Budget Manager had budget meetings with Departments to review budget requests and upcoming CBAC presentations.

July 8, 2020

CBAC Meeting #4 The Budget Manager shared information on incorporating racial equity in the CBAC's process and on current racial equity programs and poverty reduction services in the General Fund. The City Manager shared communications tools available to the CBAC and the Community Outreach and Engagement Coordinator presented information on tools to engage the community and discussed options that the committee could incorporate in their engagement plan. The consensus of the CBAC was to reach as many stakeholders as possible to inform and consult people on the City's budget and engage them in the conversation on the services that the City provides. The committee then had a discussion of their approach for formulating the budget options for the City Council. The consensus was that the committee would mainly take a revenue based modeling approach by identifying different revenue scenarios and directing departments to present different budget options that would fit in to those options. They decided to consider options that would strategically position the City for the future.

July 15, 2020

CBAC Meeting #5 The Budget Manager provided additional information from the Public Health Division in response to questions from the previous meeting. The Tax & Assessment Analyst and Budget Manager provided information and analysis of budget projections for 2021 revenues including lodging and admission taxes, permits, licenses, program revenue, and intergovernmental revenue. They also presented information on the main categories of the property tax levy. The Chief Financial Officer presented information on Debt Service as well as options and risks of issuing debt for lost revenues. Information on property tax increase impacts on the median value home and a comparison of Bloomington's property taxes and service fees to peer cities was also shared. The committee members had an opportunity after each presentation to ask follow up questions, weigh in on policy options, and share their feedback and ideas.

July 22, 2020

CBAC Meeting #6 The Budget Manager provided information about South Loop revenues, multi-family senior housing property taxes, lodging and admission tax delinquencies, CARES Act funding for reimbursable COVID-19 expenses, and the status of new multi-family development projects. The focus of the rest of the meeting was on the City's Internal Service Funds including Facilities and Park Maintenance, Fleet, Information Technology, Insurance, Support Services, Employee Benefits, and Accrued Benefits. After receiving information on the services, challenges, opportunities, and budget information on each fund, the committee members asked questions, shared ideas, and discussed policy options with the staff who manage the various Internal Service Funds.

July 27, 2020

The Budget Manager gave a 2021 budget timeline and process update to the Council at the City Council Meeting.

July 31, 2020

Deadline for entering all remaining non-property tax Special Revenue Funds and Enterprise Funds 2021 budgets requests in to Munis (ex. Police Grants, South Loop Special Revenue, Utility Funds).

August 1 – 31, 2020

Finance staff worked with assigned departments for the remaining (non-property tax) Special Revenue and Enterprise budgets to review and analyze budget requests.

August 3, 2020

The CBAC Co Chair gave a presentation to the Council at the City Council's meeting with an update on the Community Budget Advisory Committee's planned deliverables and timeline, agenda topics, and key areas of consensus.

August 5, 2020

CBAC Meeting #7 The Budget Manager provided additional information prepared by Planning and Assessing in response to questions raised regarding unemployment rates and property tax levy impacts in different districts of the City. The Fire Department then presented an overview of Fire Department services. The 2021 Fire Department budget request was followed by questions and discussion with the committee. There was then a presentation of the Police Department services and 2021 Police Department budget request by the Chief of Police that was followed by questions and discussion with the committee.

August 12, 2020

CBAC Meeting #8 The Budget Manager presented information on revenue forecasts for 2021 lodging and admission taxes and explained how the different scenarios of revenue reduction could impact tax levy increases, service reductions, or a combination of both. The committee had a discussion to build consensus around the preliminary tax levy number to recommend to the Council. The Budget Manager also gave an update on the CBAC Engagement Plan details of engaging the community in the budget process which included video conference community

listening sessions, conversations with community partners, and using the new digital engagement platform on the City's website called "Let's Talk Bloomington."

August 18, 2020

CBAC members and City Staff had a Community Partners Focused Budget Discussion with Latina/Latino Community Leaders

August 19, 2020

CBAC Meeting #9 The Budget Manager shared information about the sources and approach used by the team of people from the Port Authority, Assessing, and Finance that were being used to forecast future lodging and admission tax revenues as well as information on engaging youth in the committee's engagement plan and how to measure the success of CBAC's planned engagement events. The Budget Manager also reviewed impacts of a 6.44% tax levy increase on the median value house as well as other examples of residential districts across the City and examples of impacts on different multi-family properties. A 6.44% tax levy increase would have increased taxes by \$5 per month (\$60/year) for the median value home. The committee finalized discussion on their recommendation to the Council for a preliminary tax levy increase of 6.44% to present to the City Council. Then the Directors for Parks and Recreation, Community Development, and Community Services presented an overview of their department's services and 2021 budget requests followed by questions and discussion with the committee.

August 26, 2020

The new digital engagement platform "Let's Talk Bloomington" launched on the City's website with a section for the Community Budget Advisory Committee with a budget survey and questions about valued City services.

August 26, 2020

CBAC Meeting #10 The Budget Manager responded to questions from the previous meeting with information about the percentage split between residential and commercial permit revenues and the amount of revenue that Edina and Richfield pay Bloomington for local public health services as well as health grants received in Bloomington on behalf of Edina and Richfield. Then the Port Authority Administrator presented information and answered questions about the Bloomington's Tax Increment Financing and Development districts as well as information on the maximum 2021 levy limits for the HRA and Port. The HRA levies the maximum amount but the Port has never levied taxes. Then the Director of Public Works presented an overview of Public Works services and 2021 budget requests followed by questions and discussion with the committee.

August 31, 2020

The CBAC Co-Chair presented the Committee's preliminary 2021 tax levy recommendation to City Council. The recommendation was a 6.44% increase from the 2020 tax levy.

September 1, 2020

CBAC members and City Staff had a Community Partners Focused Budget Discussion with African and Black Community Leaders.

September 1 – 30, 2020

The City Manager and Assistant City Manager had budget meetings with Departments and Finance to review remaining non-property tax Special Revenue and Enterprise Fund budgets.

September 2, 2020

CBAC Meeting #11 The Budget Manager responded to questions from the previous meeting with information about the Internal Service Funds as well as information about upcoming Community Engagement video conference events in September and October and the “Let’s Talk Bloomington” digital engagement web page for CBAC. Then the Department Heads for Legal, Administration, and Finance presented an overview of their department’s services and 2021 budget requests followed by questions and discussion with the committee.

September 9, 2020

CBAC members and City Staff had a Community Partners Focused Budget Discussion with Creekside Senior Community Leaders.

September 14, 2020

The City Manager presented the Preliminary 2021 Tax Levy and preliminary General Fund budget was brought to the City Council for approval at the City Council Meeting. The preliminary tax levy is set at a 5% increase from the 2020 tax levy.

September 16, 2020

CBAC members and City Staff had a Focused Budget Discussion with the Bloomington Business Community hosted by the Bloomington Chamber of Commerce.

September 16, 2020

CBAC Meeting #12 The Budget Manager responded to questions from the previous meeting with follow-up information in regards to fees paid by the City, Port, and HRA for outside legal services and provided information about Hennepin County’s preliminary 0% tax levy increase for 2021. She also reviewed the Co-chairs’ plans for the next few meetings of discussing and prioritizing budget reduction options and provided feedback on community engagement to date. The committee then discussed the potential budget reduction ideas that have been submitted from the community and CBAC members to date and determined which items they want staff to develop proposals for budget savings. They then determined that there three revenue scenarios for the 2021 budget would include tax levy increases at 0%, 3%, and 5%.

September 17 & 19, 2020

The CBAC Co-Chair and City Staff host Community Listening Session Video Conference events to provide input from residents on City Services and the City’s budget shortfall.

September 21, 2020

The Budget Manager presented five of the 2021 Internal Service Fund budgets with long-term models to the City Council at a Study Session. Fleet, Public Safety Technology & Equipment, Insurance, Support Services, and Facilities budgets were presented.

September 23, 2020

CBAC Meeting #13 The Community Outreach and Engagement Coordinator gave an update to the Committee on community engagement efforts to discuss the budget and facilitated a discussion on the initial feedback from the community. Then the Executive Leadership Team answered clarifying questions from the Committee about the departments' 2021 budget reduction proposals. CBAC members then engaged in an exercise to prioritize the proposals. During the meeting, the Assistant City Manager shared a spreadsheet summarizing the staff reductions that would result from proposed cuts to the 2021 budget. While a significant majority of the positions proposed for elimination were currently vacant, there were 8.875 FTEs, held by 10 individual employees, which would result in layoffs.

September 24, 2020

CBAC members and City Staff had a Community Partners Focused Budget Discussion with alumni from the "Bloomington Learn to Lead" Program.

September 25, 2020

2021 Budget Requests for 10 Special Revenue Funds (6 Police Funds, Park Grants, South Loop Development, and Creative Placemaking) and 1 Enterprise Fund (Police Contractual Overtime) were shared with the City Council as attachments to their "One Weekly" communication.

September 25, 2020

Preliminary 2021 Tax Levy and budget filing with the County completed.

September 30, 2020

CBAC Meeting #14 The Committee sorted more than 90 potential budget reduction options into order of priority, providing a first look at which proposals might be included in a 5%, 3% and 0% levy for 2021.

October 7, 2020

CBAC Meeting #15 The Budget Manager shared information about the County and School District preliminary tax levies and the combined property tax impact on the median value home at different City tax levies. The CBAC finalized its changes to the preliminary budget scenarios that it will present to the community for input. The 5% levy increase scenario would reduce the 2021 budget by approximately \$1.6 million. A 3% levy would decrease the budget by approximately \$2.9 million, while the 0% levy increase would cut \$4.8 million from the 2021 budget. The CBAC reordered several items in its rankings.

October 12, 2020

The CBAC Co-Chair updated the Council on the committee's progress and walked through potential budget scenarios.

October 12, 2020

The Budget Manager, Utilities Superintendent, Water Resources Manager, and Public Works Project Coordinator presented the four Utility Funds (Water, Wastewater, Stormwater, and Solid Waste) 2021 Budgets and proposed 2021 Utility rates at a Council Study Session.

October 15 & 17, 2020

The CBAC Co-Chair and City Staff host Community Listening Session Video Conference events for the community to share reactions and reflections on the three proposed CBAC budget scenarios.

October 19, 2020

10 Special Revenue Funds (6 Police Funds, Park Grants, South Loop Development, and Creative Placemaking) and 1 Enterprise Fund (Police Contractual Overtime) 2021 Budget Requests were approved by the Council at the City Council meeting.

October 21, 2020

CBAC Meeting #16 The City Manager and CBAC Co-Chair shared information from the October 15th and 17th community listening sessions on the budget. During the meeting, the Committee made some adjustments to the budget reduction rankings based on community feedback. There was also a discussion on future items for the Council to consider that will be included in the final CBAC report.

October 28, 2020

CBAC Meeting #17 The Budget Manager shared recent community survey results and the history of the full-time budgeted positions from 2008-2020. Then the committee reviewed the final report to City Council. There was discussion about selecting a preferred budget scenario to present to the Council, but the consensus was to present the three different options that the Council.

November 9, 2020

CBAC Co Chairs presented three budget scenarios to the City Council. This was immediately followed by a final recap CBAC meeting of the Committee members to discuss the outcome of the presentation and wrap up the CBAC's work on the 2021 Budget Recommendations.

November 16, 2020

Presentation to Council at Study Session of a 2021 tax levy and corresponding budgets incorporating Scenario A from the CBAC with some minor changes from the Council and City Staff and using a transfer of funds from the Strategic Priorities Fund to arrive at a 2.75% 2021 tax levy from 2020. 2021 budgets presented included the General Fund, Communications, Fire Pension, Golf Courses, Ice Garden, Art Center, Motor Vehicle, Employee Benefits, Accrued Benefits, and Information Technology.

November 23, 2020

The Budget Manager presented the 2021 Utility Rates and budgets at the Utility Rate Public Hearing and the City Council approved the four Utility Fund (Water, Wastewater, Stormwater, and Solid Waste) 2021 Budgets. The Council also approved five of the 2021 Internal Service Fund budgets (Fleet, Public Safety Technology & Equipment, Insurance, Support Services, and Facilities).

December 7, 2020

The Truth in Taxation Public Hearing was held during the City Council meeting and the Council adopted the Final 2021 General Fund Budget and Tax Levy. The City Council approved a final 2021 property tax levy that was 2.75% more than the 2020 property tax levy. Other 2021 budgets approved included Communications, Fire Pension, Golf Courses, Ice Garden, Art Center, Employee Benefits, Accrued Benefits, and Information Technology. The 2021 Tax Levy and budget for the HRA was also approved.

December 21, 2020

Final City Council meeting of the year was held and the 2021 Motor Vehicle Budget was approved with funding until March 31, 2021 when the office will close. The 2021 Port Authority Budget was also approved.

December 28, 2020

Preliminary 2021 Tax Levy and budget filing with the County completed.

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



ANNUAL

REPORT

FINANCIAL SUMMARIES



20

21

**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

FINANCIAL
SUMMARIES

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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | |
| Property Taxes | \$ 55,561,877 | \$ 58,195,804 | \$ 60,889,490 |
| Less Delinquent Taxes & Abatements | \$ (332,929) | \$ (456,337) | \$ (738,167) |
| Utility Fees | \$ 40,484,325 | \$ 41,086,094 | \$ 43,318,596 |
| Departmental Charges | \$ 43,011,853 | \$ 42,913,511 | \$ 42,599,997 |
| Lodging and Admissions Tax | \$ 10,384,886 | \$ 3,227,767 | \$ 4,816,946 |
| Bond Proceeds | \$ 1,739,630 | \$ 3,100 | \$ - |
| Program Income | \$ 7,282,771 | \$ 4,565,076 | \$ 6,930,325 |
| Permits and Licenses | \$ 7,292,567 | \$ 6,997,645 | \$ 6,040,523 |
| Transfers from Other Funds | \$ 9,736,020 | \$ 11,214,723 | \$ 6,305,178 |
| Intergovernmental | \$ 6,386,941 | \$ 5,847,291 | \$ 4,643,326 |
| Other Revenues | \$ 2,827,707 | \$ 2,497,947 | \$ 2,699,737 |
| Franchise & PEG Fees | \$ 1,384,514 | \$ 1,309,315 | \$ 1,315,000 |
| Interest Income | \$ 2,858,122 | \$ 2,984,416 | \$ 1,012,847 |
| Fines & Forfeitures | \$ 757,878 | \$ 466,398 | \$ 595,000 |
| Special Assessments | \$ 626,488 | \$ 667,280 | \$ 304,338 |
| Total Revenues | \$ 190,002,650 | \$ 181,520,030 | \$ 180,733,136 |
| Expenses | | | |
| Salaries and Benefits | \$ 78,365,820 | \$ 82,275,939 | \$ 82,136,991 |
| Materials, Supplies, & Services | \$ 88,909,826 | \$ 84,650,777 | \$ 92,294,706 |
| Capital Outlay | \$ 15,556,191 | \$ 12,949,590 | \$ 21,103,031 |
| Debt Service | \$ 1,284,242 | \$ 1,756,823 | \$ 1,974,123 |
| Transfer to Other Funds & Contingency | \$ 6,802,250 | \$ 3,222,804 | \$ 3,103,673 |
| Charged to Others | \$ (8,527,923) | \$ (9,200,371) | \$ (8,813,329) |
| Budgeted Estimated Unspent | | | \$ (1,250,000) |
| Total Expenses | \$ 182,390,406 | \$ 175,655,562 | \$ 190,549,195 |

| Property Tax Levy Recap | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|
| Tax Levy Amounts in Capital and Debt Service Funds | | | |
| Strategic Priorities | \$ 500,000 | \$ - | \$ - |
| Tax Abatement | \$ 950,000 | \$ 950,000 | \$ 300,000 |
| Debt Service | \$ 4,744,555 | \$ 5,544,059 | \$ 5,279,344 |
| | \$ 6,194,555 | \$ 6,494,059 | \$ 5,579,344 |
| Tax Levy Amounts in Budgeted Funds | \$ 55,561,877 | \$ 58,195,804 | \$ 60,889,490 |
| Total Property Tax Levy | \$ 61,756,432 | \$ 64,689,863 | \$ 66,468,834 |

Total General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Property Taxes | \$ 51,128,914 | \$ 53,356,337 | \$ 56,782,093 |
| Lodging and Admissions Tax | 10,384,886 | 3,227,767 | 4,816,946 |
| Permits and Licenses | 6,875,207 | 6,536,354 | 5,724,523 |
| Intergovernmental | 3,115,263 | 3,050,590 | 3,638,043 |
| Program Income | 1,849,478 | 1,063,918 | 2,239,842 |
| Fines | 673,692 | 394,234 | 500,000 |
| Interest Income | 823,381 | 180,382 | 150,000 |
| Other Revenues | 1,331,326 | 1,487,146 | 992,245 |
| Transfers from Other Funds | 3,348,685 | 8,375,823 | 4,610,236 |
| Total Revenues | 79,530,832 | 77,672,551 | 79,453,928 |
| Expenses | | | |
| Salaries and Benefits | 53,717,131 | 55,395,558 | 57,593,610 |
| Materials, Supplies, & Services | 28,902,816 | 26,813,611 | 29,904,556 |
| Capital Outlay | 1,006,340 | 122,050 | 81,190 |
| Transfer to Other Funds & Contingency | 2,443,645 | 1,976,514 | 1,937,901 |
| Charged to Other Funds | (8,409,702) | (9,200,371) | (8,813,329) |
| Budgeted Estimated Unspent | | | (1,250,000) |
| Total Expenses | 77,660,230 | 75,107,362 | 79,453,928 |
| Working Capital | | | |
| Net Change | 1,870,602 | 2,565,189 | - |
| Working Capital at Beginning of Year | 34,668,847 | 36,539,449 | 39,104,638 |
| Working Capital at End of Year | \$ 36,539,449 | \$ 39,104,638 | \$ 39,104,638 |
| Working Capital Goal | \$ 33,625,273 | \$ 33,095,238 | \$ 33,095,238 |

Special Revenue Funds

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--|---------------------|---------------------|---------------------|
| Revenues | | | |
| Fire Pension | \$ 2,700,558 | \$ 2,253,308 | \$ 1,755,547 |
| Communications | 2,066,808 | 1,958,503 | 1,779,672 |
| Creative Placemaking | 440,783 | 435,453 | 510,000 |
| South Loop Revolving Development | 194,680 | 127,133 | 97,550 |
| Cemetery | 179,288 | 175,081 | 189,415 |
| Park Grants | 127,145 | 449,297 | 95,615 |
| Enhanced 911 | 113,829 | 102,671 | 111,789 |
| DWI Forfeiture | 98,358 | 38,906 | 61,000 |
| State Drug Forfeiture | 5,070 | (70) | 6,000 |
| Federal Dept. of Justice Drug Forfeiture | 635 | 38,990 | 30,000 |
| Federal Treasury Drug Forfeiture | 14 | 1,701 | - |
| Police Grants | 550,254 | 450,469 | - |
| Total Revenues | \$ 6,477,422 | \$ 6,031,442 | \$ 4,636,588 |
| Expenditures | | | |
| Fire Pension | \$ 609,799 | \$ 2,541,359 | \$ 1,879,113 |
| Communications | 2,061,110 | 1,772,849 | 1,920,997 |
| Creative Placemaking | 240,524 | 296,800 | 629,000 |
| South Loop Revolving Development | 1,119 | 17,835 | 278,723 |
| Cemetery | 198,538 | 238,385 | 203,687 |
| Park Grants | 74,408 | 446,427 | 160,707 |
| Enhanced 911 | 145,311 | 153,222 | 112,234 |
| DWI Forfeiture | 48,343 | 25,175 | 69,610 |
| State Drug Forfeiture | - | 50,000 | 50,000 |
| Federal Dept. of Justice Drug Forfeiture | 27,681 | - | 85,000 |
| Federal Treasury Drug Forfeiture | - | 10 | 25,000 |
| Police Grants | 542,588 | 453,084 | - |
| Total Expenditures | \$ 3,949,421 | \$ 5,995,146 | \$ 5,414,071 |

Enterprise Funds Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|----------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Water Utility Fund | \$ 14,192,401 | \$ 15,465,329 | \$ 16,266,432 |
| Wastewater Utility Fund | 13,965,236 | 13,184,402 | 13,398,496 |
| Solid Waste Utility Fund | 7,977,301 | 8,030,221 | 8,238,875 |
| Storm Water Utility Fund | 7,191,770 | 7,139,795 | 7,204,231 |
| Golf Courses Fund | 1,920,541 | 1,739,203 | 2,097,287 |
| Ice Garden Fund | 3,708,413 | 1,223,660 | 1,805,237 |
| Aquatics Fund | 1,600,473 | 1,296,596 | 826,494 |
| Center for the Arts Fund | 1,171,359 | 1,064,825 | 2,137,596 |
| Motor Vehicle Fund | 1,069,354 | 478,386 | 110,843 |
| Contractual Police Services Fund | 934,483 | 558,430 | 550,000 |
| Total Revenues | \$ 53,731,331 | \$ 50,180,848 | \$ 52,635,491 |
| Expenses | | | |
| Water Utility Fund | \$ 14,357,760 | \$ 14,819,362 | \$ 17,212,533 |
| Wastewater Utility Fund | 12,141,304 | 12,870,021 | 12,757,967 |
| Solid Waste Utility Fund | 7,967,127 | 8,355,587 | 8,614,574 |
| Storm Water Utility Fund | 8,618,099 | 6,630,543 | 11,548,423 |
| Golf Courses Fund | 1,840,302 | 1,583,548 | 1,965,300 |
| Ice Garden Fund | 3,778,556 | 1,415,832 | 1,853,359 |
| Aquatics Fund | 1,524,067 | 1,132,936 | 795,148 |
| Center for the Arts Fund | 932,731 | 1,070,916 | 1,440,118 |
| Motor Vehicle Fund | 758,944 | 755,275 | 286,326 |
| Contractual Police Services Fund | 933,996 | 558,421 | 550,000 |
| Total Expenses | \$ 52,852,886 | \$ 49,192,441 | \$ 57,023,748 |

Internal Service Funds

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---|----------------------|----------------------|----------------------|
| Revenues | | | |
| Facilities & Park Maintenance Fund | \$ 13,274,331 | \$ 13,654,393 | \$ 13,368,116 |
| Employee Benefits Fund | 11,553,320 | 10,954,652 | 10,690,670 |
| Fleet Maintenance Fund | 8,163,930 | 7,543,561 | 7,626,190 |
| Information Technology Fund | 6,148,441 | 5,895,238 | 6,179,201 |
| Benefit Accrual Fund | 2,541,603 | 2,141,899 | 1,940,689 |
| Self Insurance Fund | 2,343,426 | 2,299,987 | 2,322,514 |
| Public Safety Technology & Equipment Fund | 4,308,721 | 2,047,993 | 1,348,389 |
| Support Services Fund | 511,275 | 499,549 | 531,360 |
| Total Revenues | \$ 48,845,047 | \$ 45,037,273 | \$ 44,007,129 |
| Expenses | | | |
| Facilities & Park Maintenance Fund | \$ 13,246,054 | \$ 12,041,863 | \$ 16,673,175 |
| Employee Benefits Fund | 11,288,003 | 9,913,617 | 10,751,373 |
| Fleet Maintenance Fund | 9,964,014 | 8,325,697 | 7,948,151 |
| Information Technology Fund | 6,069,586 | 5,600,986 | 6,501,677 |
| Benefit Accrual Fund | 2,570,869 | 3,539,181 | 2,240,179 |
| Self Insurance Fund | 2,618,808 | 2,099,297 | 2,408,841 |
| Public Safety Technology & Equipment Fund | 597,856 | 2,295,424 | 1,605,630 |
| Support Services Fund | 480,642 | 471,100 | 528,420 |
| Total Expenses | \$ 46,835,832 | \$ 44,287,165 | \$ 48,657,446 |

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 Annual 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 2020 Fund Balance | 2021 Budgeted Revenues | 2021 Budgeted Expenses | 2021 Budgeted Net Change | Projected Ending 2021 Fund Balance | % Change |
|--|--|------------------------------|------------------------------|--------------------------------|--|----------|
| General Fund | \$ 39,104,638 | \$ 79,453,928 | \$ (79,453,928) | \$ - | \$ 39,104,638 | 0.00% |
| Fire Pension | 4,509,766 | 1,755,547 | (1,879,113) | (123,566) | 4,386,200 | -2.74% |
| Communications | 532,966 | 1,779,672 | (1,920,997) | (141,325) | 391,641 | -26.52% |
| Creative Placemaking | 627,823 | 510,000 | (629,000) | (119,000) | 508,823 | -18.95% |
| South Loop Revolving Development | 391,475 | 97,550 | (278,723) | (181,173) | 210,302 | -46.28% |
| Cemetery | 445,212 | 189,415 | (203,687) | (14,272) | 430,940 | -3.21% |
| Park Grants | 78,542 | 95,615 | (160,707) | (65,092) | 13,450 | -82.88% |
| Enhanced 911 | 7,420 | 111,789 | (112,234) | (445) | 6,975 | -6.00% |
| DWI Forfeiture | 446,178 | 61,000 | (69,610) | (8,610) | 437,568 | -1.93% |
| State Drug Forfeiture | 269,408 | 6,000 | (50,000) | (44,000) | 225,408 | -16.33% |
| Federal Dept. of Justice Drug Forfeiture | 285,830 | 30,000 | (85,000) | (55,000) | 230,830 | -19.24% |
| Federal Treasury Drug Forfeiture | 83,575 | - | (25,000) | (25,000) | 58,575 | -29.91% |
| Police Grants | - | - | - | - | - | 0.00% |
| | \$ 46,782,833 | \$ 84,090,516 | \$ (84,867,999) | \$ (777,483) | \$ 46,005,350 | -1.66% |

% Changes greater than 10% highlighted are explained below

Communications Fund - Communications is planning for a website redesign in 2021.

Creative Placemaking Fund - Creative Placemaking has several art projects that were delayed in 2020 due to the pandemic that will be completed in 2021.

| |
|--|
| South Loop Revolving Development – 2021 plan for an AUAR (Alternative Urban Area-wide Review) process to look at the cumulative impacts of anticipated development scenarios within South Loop. |
| 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. |
| State Drug Forfeiture Fund – Plans to spend down portion of State forfeiture funds on allowable Police expenses in 2021. |
| Federal Department of Justice (DOJ) Drug Forfeiture Fund – Plans to spend down portion of drug forfeiture funds on allowable Police expenses in 2021. Forfeiture funds that go through the Federal DOJ are required to be held in a separate fund and separate banking account. |
| Federal Treasury Drug Forfeiture Fund – Plans to spend down portion of drug forfeiture funds on allowable Police expenses in 2021. Forfeiture funds that go through the Federal Treasury are required to be held in a separate fund and separate banking account. No revenues were budgeted in 2021 because these types of drug forfeitures are infrequent. |

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 of the Special Revenue, Enterprise, and Internal Service Funds also include beginning, ending, and the net change in Working Capital in their Financial Summaries.

2021 Budgeted Revenue Sources

Budgeted Revenues

The largest budgeted revenue sources are Property Taxes, Utility Fees, Program Income, Permits and Licenses, Lodging and Admission Taxes, and Intergovernmental revenues. These revenues comprise 96% of the City's overall revenue budget.

| Revenue Source | 2021 Budget | % of Overall Budgeted Revenue |
|-----------------------------|----------------------|-------------------------------|
| Property Taxes | \$60,889,490 | 46.2% |
| Utility Fees | 43,318,596 | 32.9% |
| Program Income | 6,930,325 | 5.3% |
| Permits and Licenses | 6,040,523 | 4.6% |
| Lodging and Admission Taxes | 4,816,946 | 3.7% |
| Intergovernmental | 4,643,326 | 3.5% |
| Other Revenues | 5,188,755 | 3.9% |
| Total Revenues | \$131,827,961 | |

(Not including Internal Service Fund revenue of \$42,599,997 or transfers from other funds of \$6,305,178)

Property Taxes – 94% of the budgeted \$60,889,490 in property taxes are expended in the General Fund to support taxpayer services such as Police, Fire, Public Works, Parks and Recreation, and Community Development. The remaining 6% of budgeted property taxes support the Bloomington Family Aquatic Center, Bush Lake Beach, Ice Garden, Golf Courses, the Fire Pension, the Communications Fund, and Forestry and diseased trees in the Solid Waste Fund. Additional property taxes of \$5.6 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 2021 was a 5% increase from the 2020 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 2021 was a 2.75% increase from the 2020 tax levy. The City receives 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.

Water Utility

Recent local weather patterns and conservation efforts have had an effect on 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. Water usage is lower than the last three years and also below the ten-year average. The City Council approved a water utility rate increase of 3.0% for

2021 after a public hearing on November 23, 2020. 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). The City Council did not increase the wastewater utility rate increase for 2021. 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 rate increase of 2% for 2021 was approved by the City Council on November 23, 2020. 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 and Recycling)

Beginning 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.

The following garbage rates increased in 2021. The City Council approved these increases after a public hearing on November 23, 2020:

| Monthly Garbage and Recycling Rates | | | | |
|--|---------|---------|------------|-------------|
| Including State Solid Waste Management Tax and Hennepin County Solid Waste Fee | | | | |
| | 2020 | 2021 | % Increase | \$ Increase |
| Small Garbage Cart + Recycling | \$17.87 | \$18.23 | 2.02% | \$0.36 |
| Medium Garbage Cart + Recycling | \$21.90 | \$22.26 | 1.63% | \$0.36 |
| Large Garbage Cart + Recycling | \$25.93 | \$26.30 | 1.39% | \$0.36 |

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 \$6,172,083 account for 4.6% 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. However, due to the economic impacts of the COVID-19 pandemic, revenues were forecasted conservatively.

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. Lodging and admission taxes have significantly reduced due to the impacts of the COVID-19 on the hospitality and entertainment industry. Hotel occupancy has sharply declined. An interdepartmental team from Finance, Assessing, and Community Development closely monitored hotel industry research and trends throughout 2020 and based on that analysis, revenues budgeted for 2021 were based on a “worst case” slow recovery scenario with a \$5 decline in lodging and admission taxes compared to the 2020 budget.

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 \$650,000 received from the State for the Paid-On-Call Volunteer Firefighter’s pension that is budgeted in the Fire Pension Special Revenue Fund. The majority of intergovernmental revenue in the budget is for the Public Health Division. There is a total of \$2.3 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 2021, the biggest impact on the budget was the significant decline modeled for lodging and admission taxes due to 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. In the long-range model, the lodging and admission taxes are not expected to reach pre-pandemic levels for five years based on industry analysis and trends.

Property tax revenues

Property Taxes are the primary source to fund a number of activities in the City including Public Safety, Public Works, Parks and Recreation, 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 with modest increases for 2021-2025. 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 the majority of the Parks and Recreation programs being cancelled because of the pandemic. A modest increase was budgeted for 2021 and future years to account for fee increases.

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 70% 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. For 2012 through 2019, wage increases averaged 2.5%. In 2020, a 3% increase was budgeted. For 2021 there were no salary increases for the majority of employees due to the budget challenges from the pandemic. The one exception is for police officers and supervisors who settled their 2021 union contracts with the City in February 2020, before the pandemic. Later years of budget forecasts include wage increases of 2.5% for modeling purposes only.

Health Insurance

Health Insurance expense projections have been reduced in long-range models compared to past years due to the City moving to the Public Employees Insurance Program (PEIP) in 2020. The move to PEIP made strong financial sense for the City and its employees and in 2019, the Council approved a contract with PEIP for 2020 and 2021. All employers enrolled in PEIP experience the same annual premium increase from year to year, and over the last 10 years, PEIP has had an average premium increase of just 2.5% per year. In the first year of being part of PEIP, the Employee Benefits Internal Service Fund experienced a gain to working capital of over \$1 million.

Contingency

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

Structural Balance

The General Fund long-term model is a reflection of 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. In reality, the out-years will be tempered with possible levy limits, program choices, and levels of service.

During the past 25 years that this model has been used, budget gaps identified have been closed at least a year before budget adoption through the use of cost reduction and/or revenue enhancement methods.

This General Fund model is part of a larger model the City developed to deal with cyclical 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 2021-2025

| | 2021 Budget | 2022 Projected | 2023 Projected | 2024 Projected | 2025 Projected |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Property Tax Levy | \$57,520,260 | \$57,000,260 | \$59,431,866 | \$60,270,253 | \$62,569,398 |
| Less Delinquent Taxes & Abatements | (738,167) | (731,494) | (762,699) | (773,458) | (802,964) |
| Admissions Tax | 585,151 | 1,185,092 | 1,372,675 | 1,715,251 | 1,796,614 |
| Lodging Tax | 4,231,795 | 6,706,054 | 7,718,694 | 8,960,890 | 9,140,108 |
| Business Licenses | 1,885,434 | 1,912,434 | 1,336,249 | 1,409,109 | 1,437,291 |
| Permits | 3,839,089 | 2,933,380 | 2,918,380 | 2,976,748 | 3,036,283 |
| Fines | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Program Income | 2,239,842 | 2,222,321 | 2,244,544 | 2,266,990 | 2,289,660 |
| Intergovernmental Revenue | 3,638,043 | 3,638,043 | 3,638,043 | 3,638,043 | 3,638,043 |
| Interest | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Transfers from Franchise Fees PMP | 1,312,499 | 1,347,374 | 1,383,295 | 1,420,294 | 1,458,403 |
| Transfers from Franchise Fees for Trails | 170,000 | 175,000 | 180,250 | 185,658 | 191,227 |
| Transfers from South Loop to Police | 1,947,737 | 1,959,107 | 1,819,107 | 1,679,107 | 1,539,107 |
| Transfers from Police COT for Admin | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Transfers from Strategic Priorities - Tax Stabilization | 1,165,000 | 537,949 | | | |
| Miscellaneous Revenue | 992,245 | 1,059,045 | 1,069,635 | 1,080,332 | 1,091,135 |
| REVENUES | 79,453,928 | 80,609,565 | 83,015,039 | 85,494,216 | 88,049,305 |
| City Council | 530,068 | 531,800 | 547,754 | 564,187 | 581,112 |
| Administration | 2,542,461 | 2,723,996 | 2,805,716 | 2,889,887 | 2,976,584 |
| Legal | 1,874,627 | 1,909,151 | 1,966,426 | 2,025,418 | 2,086,181 |
| Finance | 1,118,795 | 1,232,966 | 1,269,955 | 1,308,054 | 1,347,295 |
| Police | 28,243,374 | 28,441,558 | 29,294,805 | 30,173,649 | 31,078,858 |
| Fire | 5,290,782 | 5,314,412 | 5,473,844 | 5,638,060 | 5,807,201 |
| Community Development | 9,414,183 | 9,639,382 | 9,928,563 | 10,226,420 | 10,533,213 |
| Community Services | 5,999,574 | 6,077,761 | 6,260,094 | 6,447,897 | 6,641,334 |
| Parks and Recreation | 9,898,838 | 9,951,655 | 10,250,205 | 10,557,711 | 10,874,442 |
| Public Works | 13,853,325 | 14,070,797 | 14,492,921 | 14,927,709 | 15,375,540 |
| Estimated Unexpended | (1,250,000) | (1,250,000) | (1,300,000) | (1,350,000) | (1,400,000) |
| Total Expenditures | 77,516,027 | 78,643,478 | 80,990,282 | 83,408,991 | 85,901,761 |
| Contingency (2.5% of Total Expenditures) | 1,937,901 | 1,966,087 | 2,024,757 | 2,085,225 | 2,147,544 |
| Expenditures with Contingency | 79,453,928 | 80,609,565 | 83,015,039 | 85,494,216 | 88,049,305 |

Note: Years 2022-2025 are estimates. Property tax increases modeled above will likely be reduced as future budgets are refined through revenue increases and/or reductions of expenses.

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



ANNUAL

REPORT

CAPITAL AND DEBT



20

21

**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

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 draft 2021-2030 Capital Improvement Plan (CIP) was presented to the City Council at the October 26, 2020 Study Session and brought to the Planning Commission on December 3, 2020. The final [2021-2030 Capital Improvement Plan \(CIP\)](#) was approved at a Public Hearing during the December 21, 2020 City Council Meeting. 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 Ten-Year Community Investment Program (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 Community Investment Program Policies, 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. The CIP is available on the City's website under Finance.

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 2021 Capital Funding Projects:

Park Development

Dred Scott Athletic Field Lighting Phase I and Facility Updates **\$ 2,102,650**

This project will replace the athletic field lighting on the softball fields in the wheel at Dred Scott Fields as well as replace all athletic field fencing, replace safety netting on three fields, and replace six tennis courts. Charter bonds will be issued for these projects.

City Facilities

Fire Station 4 Rebuild **Planning Phase**

The planning phase for the Fire Station 4 replacement began in 2021 with a budget of \$8,500,000. The project is scheduled to complete in 2022-2023. CIP Bonds will be issued to fund this project in 2022.

Fire Station 4 will be rebuilt at the same location but will be an energy efficient modern fire and EMS station that accounts for firefighter and citizen safety designed for continuous 24 hour operations to provide a timely, effective response to emergencies. The design costs, estimated at \$500,000 will be covered by internal sources and spent the year prior to construction. The funds will be reimbursed with CIP Bond proceeds.

Public Works Roof **\$ 2,550,000**

The current roof is past its useful life. The Facilities and Maintenance fund will fund this project.

Civic Plaza Exterior Doors

\$ 320,000

The existing doors are beyond their useful life. The Facilities and Maintenance fund will fund this project.

Alternative Transportation

There are no CIP projects under this category in 2021 or 2022. The PMP ROW Trail program is slated to begin in 2023 with a total projected cost of \$7.8 million in the first three years of the project.

Sewer, Water, and Storm Water

28th Ave & EOSR SOLO San Swr Capacity Impv.

\$ 4,870,000

Sanitary Sewer Capacity Improvements at 28th Avenue and East Old Shakopee Road (South Loop) include re-routing sanitary flow and is the first phase of sanitary sewer capacity improvements in the area that will be followed by the American Blvd SOLO capacity improvement project. The project will be funded by the South Loop Development Fund.

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. Anticipated 2021 non-routine capital expenditures include:

American Blvd 28th Ave Approach

\$ 475,000

This concept converts the western northbound through lane to a shared left turn/through lane and the eastern northbound through lane is converted to the right turn lane. The channelized northbound right-turn lane is removed with this concept to improve safety of pedestrians. The 2018 Alternative Urban Areawide Review (AUAR) South Loop Traffic Study identified improvements to better utilize the existing roadway and improve pedestrian safety, based on the 2025 development conditions.

Creative Placemaking

\$ 150,000

Creative Placemaking which engages artists and other creative people in building vibrant, distinctive, and sustainable communities. It bolsters local economies while making physical, place-based improvements and leveraging the distinctive character and cultural resources of a place. This is an ongoing project expecting to be funded over the next 10 years and beyond.

Surface Transportation

There are seven street construction and overlay projects planned as part of the City's ongoing Pavement Management Program in 2021 with a total projected cost of \$16.2 million.

Bridge Maintenance – Auto Club Road, American Blvd, and 106th St. \$ 1,853,000

This project will repair, maintain and extend the life span of the American Blvd, Auto Club Rd and 106th St pedestrian and traffic bridges. Bridge maintenance on Auto Club Road Bridge over Progressive Rail tracks, American Blvd over Normandale Blvd, and 106th St pedestrian bridge. 106th St traffic bridge is also included to have a crack/flood seal completed.

W 106th St. at 35W Street Improvement Project \$ 3,050,000

Reconstruction of W 106th Street at 35W from Lyndale Ave to Verdi Road. This project will improve safety and operations on this roadway corridor for motorists, pedestrians, and cyclists. The project also includes closure of West Bloomington Freeway at W. 106th Street and construction of a cul de sac 300' north of W. 106th Street. At W. 104th Street, West Bloomington Freeway will have modifications made to accommodate bus alighting and turning movements. MnDOT cost participation is to be included for the construction of a portion of the 35W Ramp connections to W. 106th Street and a portion of the signal system at East Bloomington Freeway. The project improvements have been coordinated with the MnDOT 35W/106th bridge replacement, E Bloomington Fwy sidewalk and street reconstruction and also a Creative Placemaking project at the bridge.

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.

In 2021 approximately \$7,361,000 will be invested in street reconstruction and \$4,400,000 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 fairly stable and predictable.

Summary of 2021 Project Costs

| 2021 Project Totals | |
|-------------------------------|----------------------|
| Surface Transportation | \$ 18,175,659 |
| Sewer, Water, and Storm Water | 16,335,000 |
| City Facilities | 4,730,000 |
| Park Development | 3,237,150 |
| South Loop | 807,000 |
| Alternative Transportation | 0 |
| Total | \$ 43,284,000 |

Funding Sources for 2021 CIP Projects

| Funding Source | 2021 Projects |
|-------------------------|----------------------|
| City Funds | \$ 28,736,500 |
| Grants | 5,124,900 |
| CIP Bonds | 0 |
| G.O. Charter Bonds | 2,572,650 |
| PIR Bonds & Assessments | 7,102,900 |
| Other Funds | 3,062,500 |
| Total | \$ 46,600,000 |

Total Estimated Costs

| Category | Costs 2021-2030 | Future |
|------------------------------|--------------------|--------------------|
| Alternative Transportation | \$28,887,000 | \$23,375,000 |
| City Facilities | 206,865,000 | 8,854,800 |
| Park Acquisition | 0 | 15,979,500 |
| Park Development | 43,400,000 | 71,578,000 |
| Sewer, Water, and Stormwater | 124,705,000 | 12,845,400 |
| South Loop | 27,806,000 | 26,750,000 |
| Surface Transportation | 210,992,000 | 27,380,000 |
| Totals | 642,655,000 | 186,762,700 |

Debt Overview

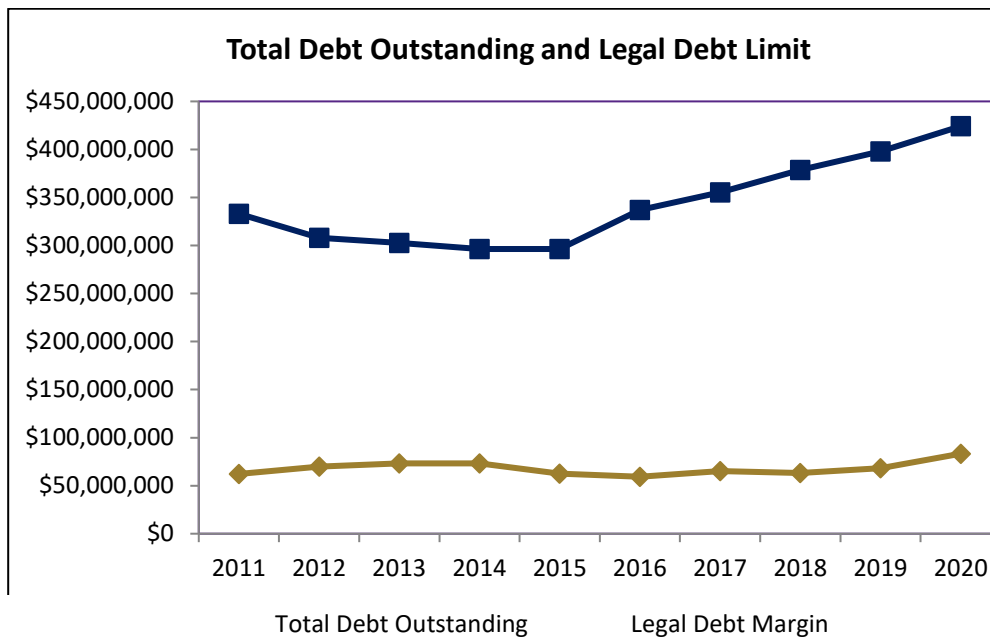
Ongoing positive performance in financial operations and savings from conservative spending assist in reducing the level of annual debt issuance. This results in debt service cost savings and, ultimately, lower debt service levies.

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 2021 is \$14,700,487,800. 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.

| | |
|---|---------------------------|
| | <u>2021</u> |
| General Obligation Debt Limit | \$ 441,014,634 |
| Bloomington's Debt Subject to the limit | <u>5,110,000</u> |
| Debt Margin | <u>\$ 435,904,634</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 40 cities to achieve the "Triple Triple A."

General Obligation Debt Issuances During 2020

In December of 2020, the City issued the following debt:

- \$5,385,000 of General Obligation Permanent Improvement Revolving Fund Bonds. The proceeds were used for specific development projects and the Pavement Management Program to finance curb and gutter, sidewalk and road surfacing improvement projects within the City.
- \$1,975,000 of Taxable General Obligation Tax Increment Refunding Bonds. The proceeds are held in escrow and will be used to refund the 2011B Taxable General Obligation Refunding Tax Increment Bonds in February 2022.
- \$1,573,540 was an additional draw on the 2019 Taxable General Obligation Tax Increment Revenue Bonds. The proceeds were used to establish another project within the Affordable Housing Trust Fund.

Anticipated Debt Issues

The City plans to issue Charter Bonds of up to \$3.0 million in the fall for park improvements and Permanent Improvement Revolving Fund debt of approximately \$8.4 million to replenish funds expended for the Pavement Management Program.

The City's total outstanding tax and assessment supported debt on December 31, 2020, was \$61,978,540 for a per capita amount of \$687 (population 90,271). The per capita limit on the City's debt is \$4,885. The refunding issue of 2020 impacts the total debt outstanding because on December 31st the City is required to carry on its books both the debt that is to be refunded and the new debt that will be used to refund. Netting out the refunding and the original debt, the total outstanding tax and assessment supported debt is \$60,003,540 which would be a per capita amount of \$665.

The total debt principal and interest due in 2021 is \$11,344,793 of which \$1,575,895 is borne by the property tax levy. About 53 percent of the currently issued debt will be paid off in five years and over 85 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 Capital Improvement Plan

2010A Serial (2012-2021) Bonds issued to refund the City Hall Lease Obligation bonds.

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

2010 Permanent Improvement Revolving, Forty-Four Series Build America Bonds (2012-2021)

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)

2016B Art Center Refunding Bonds. Bonds refunded the 2007 Art Center Refunding Bonds. (2018-2021)

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)

Permanent Improvement Revolving Bonds will be retired from special assessments and general property tax levies.

General Obligation Tax Increment

2011B Tax Increment Refunding (2014-2032)

2016A Tax Increment Bonds (2018-2022)

2020B Tax Increment Refunding. Bonds will refund the 2011B Tax Incr. Refunding (2023-2032)

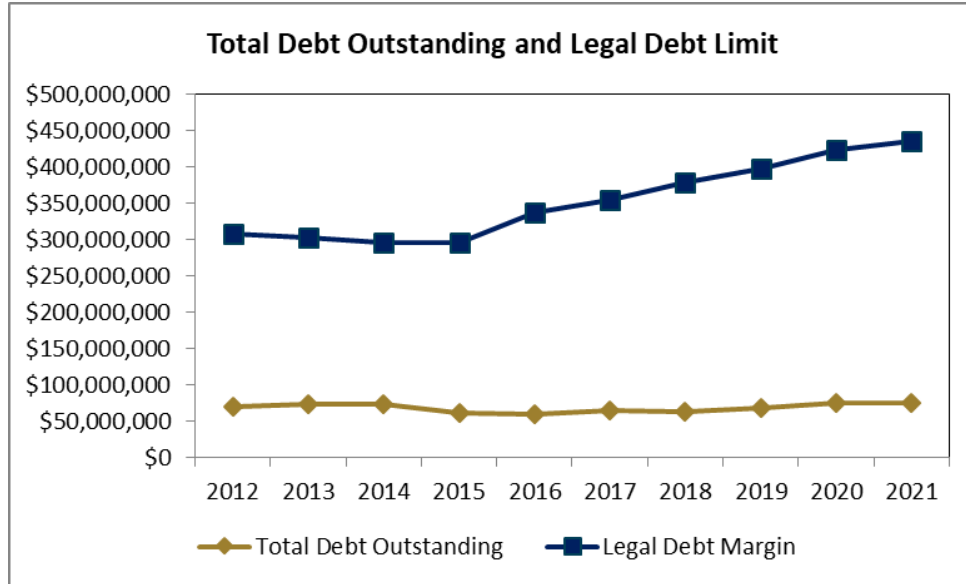
Taxable General Obligation

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 |
| 2021 | 9,100,000 | 2,244,793 | 1,445,000 | 520,802 | 7,655,000 | 1,723,991 |
| 2022 | 8,906,460 | 2,014,751 | 835,000 | 475,107 | 8,071,460 | 1,539,644 |
| 2023 | 7,548,669 | 1,738,611 | 875,000 | 434,932 | 6,673,669 | 1,303,679 |
| 2024 | 7,227,994 | 1,475,685 | 910,000 | 391,832 | 6,317,994 | 1,083,853 |
| 2025 | 7,034,030 | 1,220,007 | 960,000 | 348,632 | 6,074,030 | 871,375 |
| 2026 | 6,056,842 | 988,766 | 990,000 | 306,707 | 5,066,842 | 682,059 |
| 2027 | 5,747,680 | 790,348 | 1,035,000 | 264,189 | 4,712,680 | 526,159 |
| 2028 | 5,081,954 | 618,254 | 935,000 | 221,113 | 4,146,954 | 397,142 |
| 2029 | 4,531,131 | 475,591 | 970,000 | 185,573 | 3,561,131 | 290,019 |
| 2030 | 3,610,210 | 366,246 | 995,000 | 156,046 | 2,615,210 | 210,199 |
| 2031 | 2,614,188 | 282,423 | 835,000 | 124,100 | 1,779,188 | 158,323 |
| 2032 | 1,878,061 | 214,375 | 865,000 | 90,100 | 1,013,061 | 124,275 |
| 2033 | 1,599,164 | 155,383 | 895,000 | 54,900 | 704,164 | 100,483 |
| 2034 | 1,642,805 | 99,851 | 925,000 | 18,500 | 717,805 | 81,351 |
| 2035 | 661,005 | 63,329 | 0 | 0 | 661,005 | 63,329 |
| 2036 | 2,148,347 | 28,379 | 0 | 0 | 2,148,347 | 28,379 |
| 2037 | 60,000 | 900 | 0 | 0 | 60,000 | 900 |
| | \$75,448,540 | \$12,777,691 | \$13,470,000 | \$3,592,534 | \$61,978,540 | \$9,185,158 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



ANNUAL UAL

DEPARTMENTAL INFORMATION



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

20 21

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Position Summary Schedule

Authorized Full-Time Positions

| Dept. | Division | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|-------------------------------------|---|---------------------------------|---------------------------------|---------------------------------|
| ADMINISTRATION | | | | |
| | CITY CLERK - GENERAL FUND | 8 | 8 | 8 |
| | CITY MANAGER - GENERAL FUND | 3 | 4 | 4 |
| | HUMAN RESOURCES - GENERAL FUND | 6 | 6 | 6 |
| | MOTOR VEHICLE (CITY CLERK) - ENTERPRISE FUND | 6 | 6 | 0 |
| ADMINISTRATION Total | | 23 | 24 | 18 |
| CITY COUNCIL | | | | |
| | CITY COUNCIL - GENERAL FUND | 1 | 1 | 1 |
| CITY COUNCIL Total | | 1 | 1 | 1 |
| COMMUNITY DEVELOPMENT | | | | |
| | ADMIN - GENERAL FUND | 4 | 4 | 3 |
| | ASSESSING - GENERAL FUND | 13 | 13 | 12 |
| | BUILDING & INSPECTIONS - GENERAL FUND | 21 | 20 | 20 |
| | CREATIVE PLACEMAKING - SPECIAL REVENUE FUND | 1 | 1 | 1 |
| | ENVIRONMENTAL HEALTH - GENERAL FUND | 17 | 17 | 17 |
| | PLANNING - GENERAL FUND | 9 | 10 | 9 |
| COMMUNITY DEVELOPMENT Total | | 65 | 65 | 62 |
| COMMUNITY SERVICES | | | | |
| | ADMIN - GENERAL FUND | 2 | 2 | 2 |
| | COMMUNICATIONS - SPECIAL REVENUE FUND | 9 | 9 | 8 |
| | COMMUNITY OUTREACH & ENGAGEMENT - GENERAL FUND | 6 | 6 | 5 |
| | PUBLIC HEALTH - GENERAL FUND | 25 | 25 | 24 |
| | SUPPORT SERVICES (COMMUNICATIONS) - INT. SERV. FUND | 1 | 1 | 1 |
| COMMUNITY SERVICES Total | | 43 | 43 | 40 |
| FINANCE | | | | |
| | ADMIN & BUDGET - GENERAL FUND | 3 | 3 | 3 |
| | FINANCIAL OPERATIONS - GENERAL FUND | 20 | 20 | 20 |
| | RISK MANAGEMENT - GENERAL FUND | 1 | 1 | 1 |
| FINANCE Total | | 24 | 24 | 24 |
| FIRE | | | | |
| | FIRE DEPARTMENT - GENERAL FUND | 10 | 11 | 10 |
| FIRE Total | | 10 | 11 | 10 |
| INFORMATION TECHNOLOGY | | | | |
| | INFORMATION TECHNOLOGY - INTERNAL SERVICES FUND | 18 | 18 | 17 |
| INFORMATION TECHNOLOGY Total | | 18 | 18 | 17 |
| LEGAL | | | | |
| | LEGAL - GENERAL FUND | 13 | 15 | 13 |
| LEGAL Total | | 13 | 15 | 13 |

Position Summary Schedule

Authorized Full-Time Positions

| Dept. | Division | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|-------------------------------------|--|---------------------------------|---------------------------------|---------------------------------|
| PARKS & RECREATION | | | | |
| | ADMIN - GENERAL FUND | 4 | 5 | 5 |
| | AQUATICS FUND - ENTERPRISE FUND | 1 | 1 | 1 |
| | CENTER FOR THE ARTS - ENTERPRISE FUND | 2 | 1 | 1 |
| | CREEKSIDE COMMUNITY CENTER - GENERAL FUND | 4 | 4 | 3 |
| | GOLF COURSES - ENTERPRISE FUND | 7 | 6 | 5 |
| | ICE GARDEN - ENTERPRISE FUND | 4 | 5 | 4 |
| | RECREATION - GENERAL FUND | 5 | 5 | 5 |
| PARKS & RECREATION Total | | 27 | 27 | 24 |
| POLICE | | | | |
| | ADMIN - GENERAL FUND | 4 | 4 | 4 |
| | POLICE GRANTS - SPECIAL REVENUE FUND | 1 | 1 | 1 |
| | POLICE OPERATIONS - GENERAL FUND | 120 | 120 | 120 |
| | POLICE SUPPORT - GENERAL FUND | 30 | 31 | 31 |
| | PUBLIC SAFETY TECH & EQUIP - INTERNAL SERV. FUND | 1 | 1 | 1 |
| POLICE Total | | 156 | 157 | 157 |
| PUBLIC WORKS | | | | |
| | ADMIN - GENERAL FUND | 5 | 5 | 5 |
| | ENGINEERING - GENERAL FUND | 29 | 29 | 28 |
| | FACILITY & PARK MAINT - INTERNAL SERV FUND | 40 | 40 | 40 |
| | FLEET & EQUIPMENT - INTERNAL SERV FUND | 15 | 15 | 12 |
| | MAINTENANCE ADMIN - GENERAL FUND | 9 | 9 | 9 |
| | SOLID WASTE UTILITY - ENTERPRISE FUND | 1 | 1 | 1 |
| | 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 | 39 |
| PUBLIC WORKS Total | | 186 | 186 | 182 |
| COMPONENT UNITS | | | | |
| | HOUSING & REDEVELOPMENT AUTHORITY | 10 | 11 | 11 |
| | PORT AUTHORITY | 3 | 3 | 3 |
| COMPONENT UNITS Total | | 13 | 14 | 14 |
| Grand Total | | 579 | 585 | 562 |

Staffing Levels

The 2021 budget has a total reduction of 23 full-time authorized employee positions compared to the 2020 budget. The 2020 budget has 585 full-time authorized positions and the 2021 budget has 562 full-time authorized positions.

During 2020, the Police Department enacted two staffing changes after retirements in the Police Support Division. A Police Records Specialist position was replaced with a new Information Assistant position and an Accounting Assistant position was replaced with a new Accountant position. The Information Technology Department replaced a vacant IT Systems Administrator I position with a new Applications Administrator position.

In the 2021 budget, an Executive Assistant position in the City Manager's Office will replace the eliminated City Manager's Secretary position. In the Information Technology Department, a Desktop Support Specialist will replace a vacant IT Systems Administrator I position. In the Legal Department, an Office Support Specialist position will replace a Legal Administrative Assistant position.

23 Positions Were Eliminated in the 2021 Budget

Motor Vehicle Office (Closing in March 2021): 6 Full-Time Employees

- Motor Vehicle Supervisor (1)
- Office Coordinator (1)
- Motor Vehicle Licensing Assistant (4)

Community Development: 3 Full-Time Employees

- Community Development Project Assistant (1)
- Planner (added in 2020 budget, never filled) (1)
- Commercial Property Appraiser (1)

Community Services: 3 Full-Time Employees

- Communications Specialist BCAT (moving to Part-Time position) (1)
- Office Support Specialist - Community Outreach & Engagement (moving to Part-Time position) (1)
- Public Health Program Manager (1)

Fire Department: 1 Full-Time Employee

- Emergency Vehicle Technician (added in 2020 budget, never filled) (1)

Information Technology: 1 Full-Time Employee

- IT Systems Administrator I (1)

Legal 2: Full-Time Employees

- Office Supervisor (1)
- Office Assistant (moving to two Part-Time positions) (1)

Parks and Recreation: 3 Full-Time Employees

- Creekside Recreation Coordinator (1)
- Golf Maintenance Worker (1)
- Ice Garden Maintenance Supervisor (added in 2020 budget, never filled) (1)

Public Works: 4 Full-Time Employees

- Civil Engineer (added in 2019 budget, never filled) (1)
- Fleet Specialist (1)
- Fleet Technician (1)
- Parts Room Attendant (1)

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 | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| ADMINISTRATIVE ASSISTANT | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- AIIEET** Conduct a community-based strategic planning process to develop the City's next 5-year strategic plan.
- AIR** Develop and guide investment in the community, including the adoption of plans and funding strategies for public infrastructure and amenities and policies and ordinances that guide private investment in the community.
- S** Continue to provide policy direction and organizational governance.

2020 Results of Performance Measures

- Guided the City response to the COVID-19 pandemic, continuously adjusting the City's operations, services and budget to meet changing conditions.
- Advanced proposed Charter Amendments related to organized collection of refuse and recycling and the adoption of ranked choice voting to the November ballot for voters' consideration.
- Continued the City's focus on affordable housing development and preservation in partnership with the City's Housing & Redevelopment Authority.
- Enhanced transparency and resident access to the work of the Council by televising all Council meetings, including study sessions; and adopting a new meeting schedule that moves meeting start and end times earlier in the evening and places the public comment period at the very beginning of Council meetings.



City Council's Strategic Priorities

City Council - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Other Revenues | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - |
| Expenditures | | | |
| Salaries and Benefits | 339,804 | 349,720 | 343,288 |
| Materials, Supplies, & Services | 342,619 | 350,352 | 385,679 |
| Total Expenditures | 682,423 | 700,072 | 728,967 |
| Less Expenses Charged to Other Funds | (193,102) | (197,729) | (198,899) |
| Net Total Expenditures | \$ 489,321 | \$ 502,343 | \$ 530,068 |

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 | 2019 | 2020 | 2021 |
|-----------------------------|--|----------------------|----------------------|----------------------|
| | | Authorized Full-Time | Authorized Full-Time | Authorized Full-Time |
| ADMINISTRATION | | | | |
| | CITY CLERK - GENERAL FUND | 8 | 8 | 8 |
| | CITY MANAGER - GENERAL FUND | 3 | 4 | 4 |
| | HUMAN RESOURCES - GENERAL FUND | 6 | 6 | 6 |
| | MOTOR VEHICLE (CITY CLERK) - ENTERPRISE FUND | 6 | 6 | 0 |
| ADMINISTRATION Total | | 23 | 24 | 18 |



The City Manager addresses the audience at the 2019 State of the City presentation.

Administration - General Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 122,250 | \$ 64,365 | \$ 195,071 |
| Intergovernmental | - | 70,006 | - |
| Total Revenues | 122,250 | 134,371 | 195,071 |
| Expenditures | | | |
| Salaries and Benefits | 2,336,901 | 2,587,763 | 2,464,692 |
| Materials, Supplies, & Services | 847,414 | 684,432 | 740,230 |
| Transfer to Other Funds | - | 53,200 | - |
| Total Expenditures | 3,184,315 | 3,325,395 | 3,204,922 |
| Less Expenses Charged to Other Funds | (643,166) | (654,460) | (662,461) |
| Net Total Expenditures | \$ 2,541,149 | \$ 2,670,935 | \$ 2,542,461 |

Administration - City Manager

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 | 2019 | 2020 | 2021 |
|-------------------------------|----------|----------|----------|
| CITY MANAGER | 1 | 1 | 1 |
| ASSISTANT CITY MANAGER | 1 | 1 | 1 |
| RACIAL EQUITY COORDINATOR | 0 | 1 | 1 |
| EXECUTIVE ASSISTANT | 0 | 0 | 1 |
| CITY MANAGER'S SECRETARY | 1 | 1 | 0 |
| | 3 | 4 | 4 |

2021 Goals and Objectives

- S** Work with the City Council to undertake a community-based strategic planning process for the City’s next five-year strategic plan.
- S** Recruit, hire and onboard new leaders for the key roles of Police Chief and Community Development Director.
- S** Initiate a structured organizational Performance Measurement system.

2020 Results of Performance Measures

- Lead and coordinated the City’s response to the COVID-19 pandemic and resulting organizational and community impacts.
- Facilitated the creation and work of the Community Budget Advisory Committee to recommend strategies for balancing the City’s budget in light of significant revenue loss and economic constraints.
- Significantly increased the quantity and frequency of communication with employees across the organization to enhance transparency and increase engagement on topics including the City’s COVID-19 response, budgetary challenges resulting from the pandemic, and racial equity initiatives and priorities.

Administration City Manager - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Expenditures | | | |
| Salaries and Benefits | \$ 547,047 | \$ 603,970 | \$ 659,899 |
| Materials, Supplies, & Services | 174,539 | 113,225 | 138,693 |
| Capital Outlay | | | |
| Transfer to Other Funds | - | 53,200 | - |
| Total Expenditures | 721,586 | 770,395 | 798,592 |
| Less Expenses Charged to Other Funds | (206,162) | (211,103) | (212,352) |
| Net Total Expenditures | \$ 515,424 | \$ 559,292 | \$ 586,240 |

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 | 2019 | 2020 | 2021 |
|--------------------------------|------|------|------|
| HUMAN RESOURCES MANAGER | 1 | 1 | 1 |
| HUMAN RESOURCES REPRESENTATIVE | 3 | 3 | 3 |
| OFFICE SUPPORT SPECIALIST | 2 | 2 | 2 |
| | 6 | 6 | 6 |

2021 Goals and Objectives

- S** Enhance the City's efforts towards employee recognition.
- S** Complete an organization-wide update to the City's written job descriptions to better reflect current responsibilities, expectations and necessary qualifications by year-end.
- ES S** Move to paperless personnel files.
- I S IE** Create an HR Analytics dashboard.
- S IE** Continue building toward a more diverse City workforce through continuous improvement of the City's recruitment and selection processes.

2020 Results of Performance Measures

- Set the foundation to move to paperless personnel files.
- Staff were engaged at all levels in a comprehensive review and updates to the City's onboarding process.
- Settled five (5) labor agreements.

Administration Human Resources - Gen. Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Expenditures | | | |
| Salaries and Benefits | \$ 726,701 | \$ 770,543 | \$ 738,768 |
| Materials, Supplies, & Services | 300,613 | 183,658 | 230,882 |
| Total Expenditures | 1,027,314 | 954,201 | 969,650 |
| Less Expenses Charged to Other Funds | (320,592) | (327,790) | (330,209) |
| Net Total Expenditures | \$ 706,722 | \$ 626,411 | \$ 639,441 |

Administration – City Clerk

The activities of the City Clerk’s office which are located 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 and supervises the off-site Deputy Registrar Motor Vehicle Office which is accounted for in a separate Enterprise Fund.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--|----------|----------|----------|
| 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 |
| | 8 | 8 | 8 |

2021 Goals and Objectives

- S** Implement Ranked Choice Voting for municipal elections. Develop and roll-out a comprehensive education and awareness campaign for voters and updated training for election judges.
- S** Develop and implement Records Management and Data Practices training and tools for employees in a variety of roles and skill levels.
- S** Continue to review and update department/division retention schedules and data inventories, with a goal of submitting at least 10 schedules to the state for approval in 2021.
- S** Continue to refine use of CityView licensing software to maximize efficiency.
- S** Conduct a thorough review of Division processes and procedures to enhance operations for a “new normal” that consists of fewer in-person interactions and more digital interactions, with the general public, license holders, voters, election judges, and co-workers.

2020 Results of Performance Measures

- Safely and effectively administered voting for the March Presidential Nominating Primary, August State Primary and November General Elections. A total of 55,364 Bloomington voters cast ballots in the General Election, with 34% of those voting in person on Election Day and 66% voting in advance by mail, in person or via drop-off.
- Developed and rolled-out online election judge training to reduce the amount of staff time and in person contact required to prepare for Election Day.
- Completed an update of the CityView licensing software and associated staff training.
- Served 1,226 passport customers. This is a reduction of approximately 50% from the prior year due to passport services being closed for 6 months in the middle of the year as a result of the COVID-19 pandemic. Upon re-opening, passport services were offered at a reduced level to ensure proper social distancing at the service counter.
- Received and processed 464 data requests, a 30% increase over the previous year.

Administration City Clerk - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 122,250 | \$ 64,365 | \$ 195,071 |
| Intergovernmental | \$ - | \$ 70,006 | \$ - |
| Total Revenues | 122,250 | 134,371 | 195,071 |
| Expenditures | | | |
| Salaries and Benefits | 1,063,153 | 1,213,250 | 1,066,025 |
| Materials, Supplies, & Services | 372,262 | 387,549 | 370,655 |
| Total Expenditures | 1,435,415 | 1,600,799 | 1,436,680 |
| Less Expenses Charged to Other Funds | (116,412) | (115,567) | (119,900) |
| Net Total Expenditures | \$ 1,319,003 | \$ 1,485,232 | \$ 1,316,780 |

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.

2021 Goals and Objectives

- S** Continue to provide compassionate and timely service to individuals and families and excellent caretaking of the cemetery grounds.
- S** Market burial options to the general public and relevant businesses.
- S** Research potential software for cemetery records and GIS tools for online mapping.

2020 Results of Performance Measures

- 55 individuals were laid to rest at the Bloomington Cemetery in 2020.
- 45 resting places were sold for current or future use.
(33 ground lots + 12 columbarium niches)



Cemetery - Special Revenue Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Program Income | 165,445 | 170,450 | 184,815 |
| Interest Income | \$ 13,843 | \$ 4,631 | \$ 4,600 |
| Total Revenues | 179,288 | 175,081 | 189,415 |
| Expenses | | | |
| Materials, Supplies, & Services | 198,538 | 238,385 | 203,687 |
| Capital Outlay | - | - | - |
| Total Expenses | 198,538 | 238,385 | 203,687 |
| Working Capital | | | |
| Net Change | (19,250) | (63,304) | (14,272) |
| Working Capital at Beginning of Year | 527,766 | 508,516 | 445,212 |
| Working Capital at End of Year | \$ 508,516 | \$ 445,212 | \$ 430,940 |

Motor Vehicle

The Motor Vehicle Fund is an Enterprise Fund within the Administration Department which is supervised by the City Clerk's Office. The Bloomington Motor Vehicle/Deputy Registrar Office has provided driver's license and motor vehicle license services since 1971. Services provided include license tab renewals, driver's license renewals, and vehicle registrations.

The City Council has adopted an operating budget for this Enterprise through March 31, 2021, at which time the office will be closing.

For several years, the fees collected for this activity have not been enough to cover the operating cost of providing this service. The fees, which are set by the state legislature, cannot be changed by the City and have kept pace with costs. In both 2019 and 2020, \$125,000 in property tax revenues were allocated to this fund to help cover the cost of providing this service. Additional property tax support would have been required to operate the office for a full year in 2021 and beyond. Given other demands for the City's limited financial resources, the City Council voted to no longer allocate property tax revenues for this service and to close the office effective March 31, 2021.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-----------------------------------|------|------|------|
| MOTOR VEHICLE SUPERVISOR | 1 | 1 | 0 |
| OFFICE COORDINATOR | 1 | 1 | 0 |
| MOTOR VEHICLE LICENSING ASSISTANT | 4 | 4 | 0 |
| | 6 | 6 | 0 |

Motor Vehicle - Enterprise Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|------------------|
| Revenues | | | |
| Property Taxes | \$ 125,000 | \$ 125,000 | \$ - |
| Program Income | 669,715 | 342,618 | 110,403 |
| Other Revenue | 137,334 | (237) | - |
| Interest Income | 12,305 | (4,108) | 440 |
| Transfers from Other Funds | 125,000 | 15,113 | - |
| Total Revenues | 1,069,354 | 478,386 | 110,843 |
| Expenses | | | |
| Salaries and Benefits | 619,413 | 613,114 | 250,498 |
| Materials, Supplies, & Services | 139,531 | 139,667 | 35,828 |
| Capital Outlay | - | 2,494 | - |
| Total Expenses | 758,944 | 755,275 | 286,326 |
| Working Capital | | | |
| Net Change | 310,410 | (276,889) | (175,483) |
| Working Capital at Beginning of Year | 156,333 | 466,743 | 189,854 |
| Working Capital at End of Year | \$ 466,743 | \$ 189,854 | \$ 14,371 |

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. As a result, departments have a single employee benefits charge and do not need a distinct budget line item for each of these benefits. The employee benefits charge out to each Department is \$17,510 per employee for 2021 which is the same amount as was charged out in 2020.

2021 Goals and Objectives

- S** Stabilize insurance expenses in departmental budgets and moderate large budget spikes due to increases in benefit costs, especially in the area of health insurance.

2020 Results of Performance Measures

- The City moved to a new health insurance plan with PEIP (Public Employees Insurance Program) to avoid 17-28% premium increases in 2020. The 2nd year of our 2-year contract with PEIP realized a 4.7% increase which the City was able absorb without passing premium increases on to employees.



Employee Benefits - Internal Service Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Departmental Charges | \$ 10,875,656 | \$ 10,818,303 | \$ 10,544,908 |
| Interest Income | 42,054 | 16,199 | 8,000 |
| Other Revenues | 635,610 | 120,150 | 137,762 |
| Transfers from Other Funds | - | - | - |
| Total Revenues | 11,553,320 | 10,954,652 | 10,690,670 |
| Expenses | | | |
| Salaries and Benefits | 139,031 | 204,819 | 229,800 |
| Materials, Supplies, & Services | 11,148,972 | 9,708,798 | 10,521,573 |
| Total Expenses | 11,288,003 | 9,913,617 | 10,751,373 |
| Working Capital | | | |
| Net Change | 265,317 | 1,041,035 | (60,703) |
| Working Capital at Beginning of Year | 2,031,517 | 2,296,834 | 3,337,869 |
| Working Capital at End of Year | \$ 2,296,834 | \$ 3,337,869 | \$ 3,277,166 |

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 of 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 2031.

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.

2021 Goals and Objectives

- S** Be in a fully-funded position by 2026.
- S** Continue providing City employees with fair leave policies to retain and attract good employees.

2020 Results of Performance Measures

- Maintained funding of total liability at 90% with projection of being 100% funded in 2031.

Accrued Benefits - Internal Service Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | |
| Departmental Charges | \$ 2,164,401 | \$ 1,990,349 | \$ 1,787,989 |
| Interest Income | 377,202 | 151,550 | 152,700 |
| Total Revenues | 2,541,603 | 2,141,899 | 1,940,689 |
| Expenses | | | |
| Salaries and Benefits | 2,570,869 | 3,539,181 | 2,240,179 |
| Total Expenses | 2,570,869 | 3,539,181 | 2,240,179 |
| Working Capital | | | |
| Net Change | (29,266) | (1,397,282) | (299,490) |
| Working Capital at Beginning of Year | (1,842,865) | (1,872,131) | (3,269,413) |
| Working Capital at End of Year | \$ (1,872,131) | \$ (3,269,413) | \$ (3,568,903) |

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 in order 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 | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|------------------------------------|---|---------------------------------|---------------------------------|---------------------------------|
| COMMUNITY DEVELOPMENT | | | | |
| | ADMIN - GENERAL FUND | 4 | 4 | 3 |
| | ASSESSING - GENERAL FUND | 13 | 13 | 12 |
| | BUILDING & INSPECTIONS - GENERAL FUND | 21 | 20 | 20 |
| | CREATIVE PLACEMAKING - SPECIAL REVENUE FUND | 1 | 1 | 1 |
| | ENVIRONMENTAL HEALTH - GENERAL FUND | 17 | 17 | 17 |
| | PLANNING - GENERAL FUND | 9 | 10 | 9 |
| COMMUNITY DEVELOPMENT Total | | 65 | 65 | 62 |



Community Development - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 4,481 | \$ 4,829 | \$ 7,010 |
| Permits and Licenses | 133,094 | 103,675 | 90,000 |
| Intergovernmental | 60,477 | 24,581 | 11,000 |
| Other Revenues | 154,982 | 178,486 | 156,500 |
| Transfers from Other Funds | 200,000 | - | - |
| Total Revenues | 553,034 | 311,571 | 264,510 |
| Expenditures | | | |
| Salaries and Benefits | 7,834,042 | 8,070,904 | 8,003,023 |
| Materials, Supplies, & Services | 1,647,515 | 1,773,447 | 1,452,395 |
| Transfer to Other Funds | 21,532 | 52,068 | - |
| Total Expenditures | 9,503,089 | 9,896,419 | 9,455,418 |
| Less Expenses Charged to Other Funds | (43,253) | (42,102) | (41,235) |
| Net Total Expenditures | \$ 9,459,836 | \$ 9,854,317 | \$ 9,414,183 |

Community Development – Administration and Special Projects & Initiatives

Administration and Special Projects & Initiatives coordinate the development and implementation of the Department’s strategic priorities and objectives. These activities are located within the General Fund.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--|------|------|------|
| DIRECTOR OF COMMUNITY DEVELOPMENT | 1 | 1 | 1 |
| SPECIAL PROJECTS & INITIATIVES MANAGER | 1 | 1 | 1 |
| COMM DEV PROJECT COORDINATOR | 1 | 1 | 1 |
| COMM DEV PROJECT ASSISTANT | 1 | 1 | 0 |
| | 4 | 4 | 3 |

2021 Goals and Objectives

- S I E E T** Collaborate with City staff to facilitate inclusive conversations and full participation by all residents, increasing well-being for the community.
- A I E S R S I E E T** Continue seeking projects and initiatives to align with the City’s strategic priorities.
- A I E S R S I E E T** Collaborative approach: engage with partner agencies, community organizations, businesses, residents and other cities in the region to create opportunities for growth.
- I S I E** Support the professional development of our staff.

2020 Results of Performance Measures

- Engaged the community through a large participatory charrette, pop-up events, and online via the new Let’s Talk platform for input on the Lyndale Ave Suburban Retrofit project
- Disbursed small business relief funds of \$843,000 to 152 businesses within the community



Community Dev. Admin. Division - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|-------------------|
| Revenues | | | |
| Intergovernmental | \$ 49,250 | \$ - | \$ - |
| Other Revenues | 16,782 | 21,947 | 10,000 |
| Transfers from Other Funds | 200,000 | - | - |
| Total Revenues | 266,032 | 21,947 | 10,000 |
| Expenditures | | | |
| Salaries and Benefits | 781,559 | 518,484 | 484,895 |
| Materials, Supplies, & Services | 447,825 | 455,630 | 245,627 |
| Transfer to Other Funds | - | 52,068 | - |
| Total Expenditures | \$ 1,229,384 | \$ 1,026,182 | \$ 730,522 |

Community Development - Planning

The Planning Division defines and implements future directions for the City through plan preparation and zoning controls. This 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.

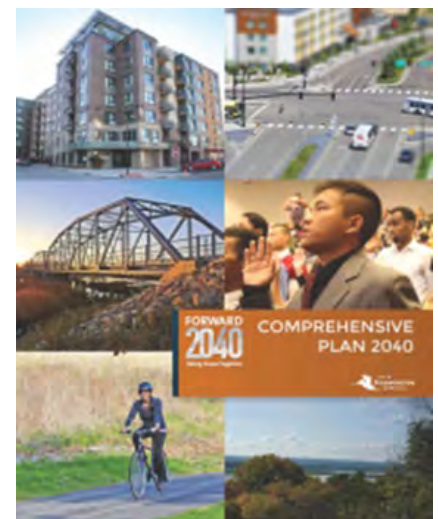
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| PLANNING MANAGER | 1 | 1 | 1 |
| SENIOR PLANNER | 2 | 2 | 2 |
| PLANNER | 4 | 5 | 4 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| PLANNING TECHNICIAN | 1 | 1 | 1 |
| | 9 | 10 | 9 |

2021 Goals and Objectives

- A I E S R I E ET** Promote renewal and guide growth to maximize benefits for Bloomington and Bloomington property owners.
- ES R ET** Review development proposals to ensure Comprehensive Plan and Code compliance.
- A I R S ET** Update the Zoning Ordinance as described in the Planning Commission’s 2021 Work Plan.
- S** Negotiate and administer City wireless and fiber leases.

2020 Results of Performance Measures

- Completed numerous City Code amendments including new standards and updates for bluff protection, RVs, restaurants, small cell towers, taprooms, and food trucks.
- Completed rezoning or reguiding of bluff protection areas, auto dealership sites, Innovation and Technology sites, plus various cleanups.
- Began work on the Lyndale Retrofit Strategy.
- Completed a self-storage moratorium and study.
- Responding to the COVID-19 pandemic, created flexibility measures for restaurants and temporary pandemic housing.
- Reviewed 136 development and land use applications, 79 sign permits and 227 driveway permits.
- Prepared 43 zoning letters.
- Reviewed numerous large development projects.



Community Dev. Planning Div. - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 4,304 | \$ 4,454 | \$ 6,310 |
| Intergovernmental | \$ - | \$ 6,256 | \$ - |
| Total Revenues | 4,304 | 10,710 | 6,310 |
| Expenditures | | | |
| Salaries and Benefits | 1,096,019 | 1,165,209 | 1,119,294 |
| Materials, Supplies, & Services | 160,570 | 183,526 | 210,980 |
| Transfer to Other Funds | 11,000 | - | - |
| Total Expenditures | \$ 1,267,589 | \$ 1,348,735 | \$ 1,330,274 |

Community Development – Building & Inspections

The Building and Inspection Division reviews construction plans 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 programs safety standards. These activities are located within the General Fund.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-----------------------------------|-----------|-----------|-----------|
| BUILDING & INSPECTION MANAGER | 1 | 1 | 1 |
| BUILDING & INSPECTIONS SUPERVISOR | 1 | 1 | 1 |
| PLAN CHECK ENGINEER | 1 | 1 | 1 |
| PROGRAM COORDINATOR | 1 | 1 | 1 |
| GENERAL INSPECTOR | 4 | 4 | 4 |
| BUILDING INSPECTOR | 2 | 2 | 2 |
| ELECTRICAL INSPECTOR | 2 | 2 | 2 |
| PLUMBING INSPECTOR | 2 | 1 | 1 |
| HEATING & VENTILATING INSPECTOR | 2 | 1 | 1 |
| PERMIT TECHNICIAN | 0 | 2 | 2 |
| OFFICE SUPPORT SPECIALIST | 5 | 4 | 4 |
| | 21 | 20 | 20 |

2021 Goals and Objectives

- S** Issue residential remodeling, plumbing, electrical and mechanical permits on the same day the application is taken in.
- S ES** By December 2021, 100% of all permits will be submitted through the customer portal and plans will be reviewed electronically.
- S** Complete 50% of all time of sale (TOS) inspections by City inspectors versus private inspectors.
- S** Complete 98% of all inspections within 48 hours of request.
- S** Complete 90% of all Plan review within 10 working days (electronic plan review).
- ET** Implement a customer satisfaction survey to be delivered to customers to gauge staff service and provide community outreach by July 1st
- S** Continue to have 100% of all field inspections completed on CityView Mobile.
- R** Update the City Code to align with division policies.
- ES** Provide virtual inspection options for minor non-life safety permits.

2020 Results of Performance Measures

- Issued 100% of residential remodeling, plumbing, electrical and mechanical permits on the same day as application.
- By December 2020, 98% of plans were submitted and reviewed electronically.
- Completed 42% of all TOS inspections by City TOS inspectors.
- Provided virtual and in-person inspections during the pandemic so that job sites were not closed down and residents were able to continue with their projects.
- Completed 98% of all inspections within 48 hours of request.
- Completed 90% of all plan review within 7 working days.

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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Permits and Licenses | \$ 133,094 | \$ 103,675 | \$ 90,000 |
| Other Revenues | - | 14,239 | - |
| Total Revenues | 133,094 | 117,914 | 90,000 |
| Expenditures | | | |
| Salaries and Benefits | 2,156,811 | 2,472,200 | 2,504,354 |
| Materials, Supplies, & Services | 383,129 | 462,896 | 377,523 |
| Total Expenditures | \$ 2,539,940 | \$ 2,935,096 | \$ 2,881,877 |

Community Dev. – Environmental Health

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

- 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 **COVID-19 Executive Order** education, outreach, complaint investigation and enforcement to protect the public’s health.
- **Residential and commercial property** complaint and systematic inspections to maintain properties’ appearance and value for those living and working in Bloomington.
- **Rental property** inspection and enforcement to provide safe and well-maintained rental housing.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--|-----------|-----------|-----------|
| ENVIROMENTAL HEALTH MANAGER | 1 | 1 | 1 |
| ENVIRONMENTAL HEALTH SUPERVISOR | 2 | 2 | 2 |
| ENVIRONMENTAL HEALTH PROGRAM COORDINATOR | 2 | 2 | 2 |
| ENVIRONMENTAL HEALTH SPECIALIST | 10 | 10 | 10 |
| OFFICE SUPPORT SPECIALIST | 2 | 2 | 2 |
| | 17 | 17 | 17 |

2021 Goals and Objectives

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



2020 Results of Performance Measures

- COVID-19 outreach to licensees: 26 e-subscribe messages to over 1,000 food, 6 to nearly 500 pool and 2 to over 400 hotel subscribers plus direct phone calls 9 times to food, 4 times to pool and once to hotel establishments regarding executive order requirements.
- *539 routine and 317 follow-up food safety inspections; 38 foodborne illness with 2 confirmed outbreaks and 173 non-illness (142 COVID-related) complaints investigated; 40 food and hotel establishment plan reviews; and 38 temporary food and farmers’ market stands inspected.
- *179 routine, 24 follow-up and 1 complaint inspections at 169 licensed public pools.
- 47 hotels (9,789 rooms) and 10% of rooms inspected and 13 complaints investigated.
- *180 (39%) of 459 (11,673 units) licensed multiple-family rental buildings & 2% of units inspected.
- *472 (29%) of 1,649 licensed single-family and duplex rental dwelling units inspected.
- 2,870 residential, rental and commercial complaints investigated.
- 134 of 176 well permits inspected (76%).
- *Richfield inspection contract: 251 routine and 138 follow-up food, 24 pool, and 3 lodging inspections; 10 foodborne illness and 57 non-illness (37 COVID-related) complaints; 2 pool and lodging complaints; 6 plan reviews and 5 temporary food stand inspections.

* Routine inspections disrupted by the COVID-19 pandemic.

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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Intergovernmental | \$ 11,227 | \$ 18,325 | \$ 11,000 |
| Other Revenues | 138,200 | 142,300 | 146,500 |
| Total Revenues | 149,427 | 160,625 | 157,500 |
| Expenditures | | | |
| Salaries and Benefits | 2,191,802 | 2,238,637 | 2,280,962 |
| Materials, Supplies, & Services | 349,510 | 353,557 | 336,439 |
| Total Expenditures | \$ 2,541,312 | \$ 2,592,194 | \$ 2,617,401 |

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.

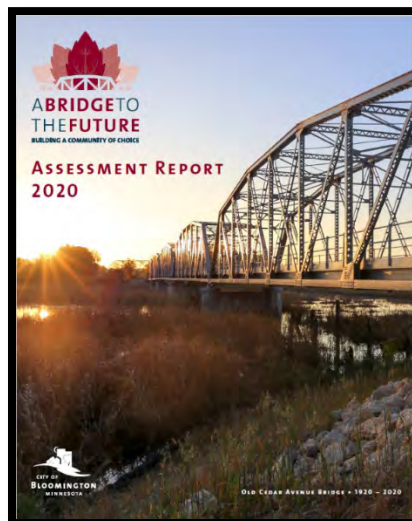
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|----------------------------------|-----------|-----------|-----------|
| CITY ASSESSOR | 1 | 1 | 1 |
| COMMERCIAL APPRAISAL SUPERVISOR | 1 | 1 | 1 |
| RESIDENTIAL APPRAISAL SUPERVISOR | 1 | 1 | 1 |
| COMMERCIAL PROPERTY APPRAISER | 5 | 5 | 4 |
| RESIDENTIAL PROPERTY APPRAISER | 3 | 3 | 3 |
| ASSESSMENT ASSISTANT | 2 | 2 | 2 |
| | 13 | 13 | 12 |

2021 Goals and Objectives

- S** Complete field review and revaluation of required 20% of residential and commercial-industrial parcels annually per State Statute.
- IE** Participate in the City’s Welcome Bag Initiative.
- S** Track improvements and changes to properties completed during the year.
- S** 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 a property sale and the Assessor’s estimated market value. State guidelines say that ratio should be 90% to 105%.

2020 Results of Performance Measures

- Reviewed 20 percent of parcels required –approximately 6,200 of 31,000 parcels.
- Median ratio of actual sales to estimated market value was 95.6%.



Comm. Dev. Assessing Division - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 177 | \$ 375 | \$ 700 |
| Other Revenues | - | - | - |
| Total Revenues | 177 | 375 | 700 |
| Expenditures | | | |
| Salaries and Benefits | 1,607,851 | 1,676,374 | 1,613,518 |
| Materials, Supplies, & Services | 306,481 | 317,838 | 281,826 |
| Transfer to Other Funds | 10,532 | - | - |
| Total Expenditures | 1,924,864 | 1,994,212 | 1,895,344 |
| Less Expenses Charged to Other Funds | (43,253) | (42,102) | (41,235) |
| Net Total Expenditures | \$ 1,881,611 | \$ 1,952,110 | \$ 1,854,109 |

Creative Placemaking

The Creative Placemaking Fund is a Special Revenue Fund with revenue transferred from the South Loop Capital Improvement Fund. Creative Placemaking is an evolving process 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 | 2019 | 2020 | 2021 |
|----------------------------------|------|------|------|
| DIRECTOR OF CREATIVE PLACEMAKING | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

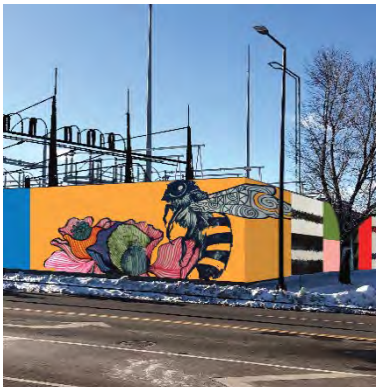
- I A** Engage artists, designers, and performers in building social fabric and making place-based improvements throughout the year.
- I R IE** Engage the community to enhance pride of place and community, building on local assets and local character to strengthen the social and civic fabric.
- I R** 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 creating an action plan in April to accompany practical visioning document.
- I** South Loop Sculpture by Donald Lipski installed in summer.
- I IE** South Loop mural by artist team Ua Si installed in summer.
- I IE** ARTBOX: select 5 designs by local artists, installation in summer.
- I** Creative Sparks: Distribute updated RFP and application in January. Provide info webinar in February. Select up to 5 temp. and permanent sculptures in April to be installed in summer.
- I** Fire Station #3 project: open 40 plots in community garden in April. Select artist/landscape designer by June to design seating, signage, and native landscaping for site – followed by engagement to inform final design.
- I** Develop creative wayfinding budget and scope beginning in April. Partner with MN Valley National Wildlife Refuge.
- I** South Loop Guidebook Audio Tour for Otocast App, release and promote by spring.
- I** South Loop History Report by historian Peter DeCarlo, completed by June.
- I** Tentative Music Series (partner with Parks and Recreation) or Creative Happy Hour in summer (depending on COVID-19 restrictions and guidelines).
- I** Old Cedar Avenue Bridge Celebration: continue coordination with the MN Valley National Wildlife Refuge and other city departments for event tentatively in 2021 (depending on COVID-19 restrictions and guidelines).
- IE** Continued work with consultant to develop equity and inclusion strategies for creative placemaking, develop scope of work by June.
- I R** 86th & Nicollet (neighborhood focus area): implement projects by fall.

2020 Results of Performance Measures

- Creative Placemaking Commission: continue to support work plan and prioritize future projects. Participated in a practical visioning session in November to guide our work for the next three years.
- Raised awareness of creative placemaking activity and South Loop, resulting in increased engagement of social media posts.

Creative Placemaking (continued)

- Self-guided Augmented Reality Tour on Old Cedar Avenue Bridge: 15,163 views, 5,993 plays, 483 shares from October 15, 2019 – October 7, 2020.
- South Loop mural: artist team Ua Si selected, mural installation postponed until 2021 due to impact of COVID-19.
- South Loop Songbird Sculpture: Fabrication of sculpture. Installation postponed to 2021 due to impact of COVID-19.
- January – April, partnered with the MN Valley National Wildlife Refuge and other city departments on engagement and planning for Old Cedar Avenue Bridge Celebration. Event postponed due to impact of COVID-19. Painting commissioned, and completed in October, to be used for future promotion of bridge renovation efforts and event.
- Fire Station #3 project: Partnered with Parks and Recreation to develop community garden for site. 40 plots tilled and soil testing in September.
- Creative Happy Hour event cancelled due to impact of COVID-19.
- ARTBOX – developed and distributed a RFP (Request for Proposals) for designs to wrap utility boxes in November. Intentional outreach to diverse artists and organizations. 91 applications received in December (more than 2 times the applicants than the previous round). Applicant demographics (self-reported): 49% White/Caucasian; 18% No response; 8% Latinx; 7% Mixed Race; 6% African American/Black; 4% Asian; 1% American Indian; 1% Middle Eastern; 1% Pacific Islander. Residence: 42% Bloomington; 27% Minneapolis; 18% Other Twin City Suburbs; 11% Saint Paul; 2% Greater Minnesota.
- Developed South Loop Public Art Itinerary in partnership with BCVB in July, and produced a video highlighting public art in July.
- Participated in Bloomington Scavenger Hunt in August. Social media reach: Twitter – 2,199 engagements in four tweets from the @SouthLoopMN account. Facebook – 6,917 people reached in two posts from Bloomington account.
- Worked with equity consultant to develop Initial Equity Assessment report completed in September.
- City-wide initiatives (outside of South Loop):
 - 106th Street Bridge Mural and Lighting project: Developed and distributed an RFQ (request for qualifications) in July. Selected 4 finalist artist teams from 23 applicants in August. Site visit and development of RFP in September. Project funding eliminated by Council in October.
 - 86th & Nicollet creative placemaking project (previous neighborhood focus area): Researched feasibility of prioritized projects for area. Implementation delayed due to impact of COVID-19.



South Loop Mural,
Design Concept
Rendering, Detail,
by Ua Si



South Loop Mural,
Selected Artist Team
Ua Si

Creative Placemaking (continued)



"New Old Cedar Ave Bridge" oil painting, by Eric Cornett.



South Loop Songbird Sculpture, in fabrication. By Donald Lipski.



Bloomington Scavenger Hunt, submitted photo from Catherine Malmberg.

Creative Placemaking - Special Revenue Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Interest Income | \$ 10,573 | \$ 5,220 | \$ - |
| Other Revenues | 214 | - | - |
| Transfers from Other Funds | 429,996 | 430,233 | 510,000 |
| Total Revenues | 440,783 | 435,453 | 510,000 |
| Expenses | | | |
| Salaries and Benefits | 88,852 | 94,550 | 102,441 |
| Materials, Supplies, & Services | 123,711 | 52,750 | 221,559 |
| Capital Outlay | 23,961 | 149,500 | 305,000 |
| Transfer to Other Funds | 4,000 | - | - |
| Total Expenses | 240,524 | 296,800 | 629,000 |
| Working Capital | | | |
| Net Change | 200,259 | 138,653 | (119,000) |
| Working Capital at Beginning of Year | 288,911 | 489,170 | 627,823 |
| Working Capital at End of Year | \$ 489,170 | \$ 627,823 | \$ 508,823 |

South Loop Revolving Development Services Fund

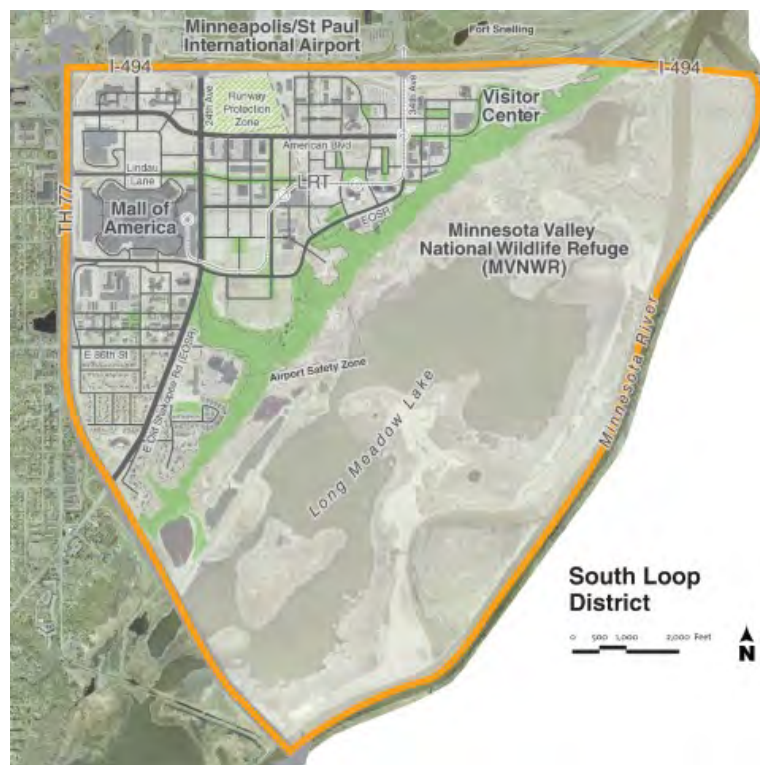
The South Loop Revolving Development Services Special Revenue Fund is supported by a 65 percent building permit surcharge in the South Loop District. The purpose of this fund is to expedite development in the South Loop District, mainly by removing the often, time-intensive studies needed to entitle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

2021 Goals and Objectives

- R A S** 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.
- R A S** To plan for capital improvement projects to support South Loop District Plan goals.
- R A S** To plan and develop programs to conserve and protect resources such as energy, surface and subsurface water, and existing infrastructure.

2020 Results of 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

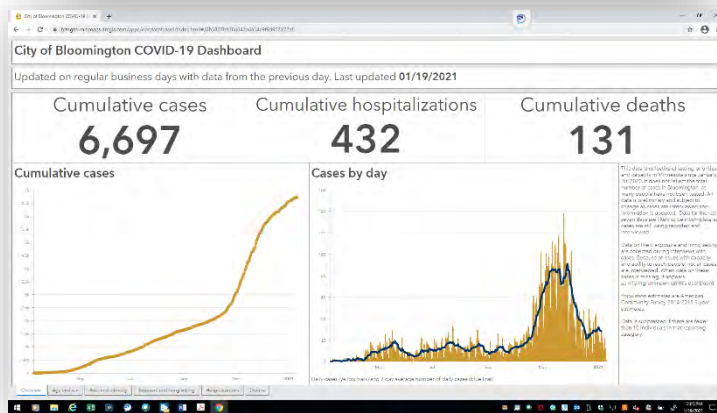
| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Program Income | \$ 188,630 | \$ 123,772 | \$ 95,000 |
| Interest Income | 6,050 | 3,361 | 2,550 |
| Total Revenues | 194,680 | 127,133 | 97,550 |
| Expenses | | | |
| Salaries and Benefits | 1,119 | 2,835 | - |
| Materials, Supplies, & Services | - | 15,000 | 278,723 |
| Total Expenses | 1,119 | 17,835 | 278,723 |
| Working Capital | | | |
| Net Change | 193,561 | 109,298 | (181,173) |
| Working Capital at Beginning of Year | 88,616 | 282,177 | 391,475 |
| Working Capital at End of Year | \$ 282,177 | \$ 391,475 | \$ 210,302 |

Community Services

Community Services provides programs and services that enhance the lives of all who live and work in Bloomington. The department oversees the Public Health, Community Outreach and Engagement and Communications divisions. In 2020, the Community Services Department led the City's response to the COVID-19 pandemic, including 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 | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|---------------------------------|---|---------------------------|---------------------------|---------------------------|
| COMMUNITY SERVICES | | | | |
| | ADMIN - GENERAL FUND | 2 | 2 | 2 |
| | COMMUNICATIONS - SPECIAL REVENUE FUND | 9 | 9 | 8 |
| | COMMUNITY OUTREACH & ENGAGEMENT - GENERAL FUND | 6 | 6 | 5 |
| | PUBLIC HEALTH - GENERAL FUND | 25 | 25 | 24 |
| | SUPPORT SERVICES (COMMUNICATIONS) - INT. SERV. FUND | 1 | 1 | 1 |
| COMMUNITY SERVICES Total | | 43 | 43 | 40 |



Community Services - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 770,314 | \$ 790,824 | \$ 1,041,237 |
| Intergovernmental | 1,371,338 | 1,481,806 | 2,322,793 |
| Other Revenues | 17,781 | 8,965 | 7,500 |
| Transfers from Other Funds | 4,000 | - | - |
| Total Revenues | 2,163,433 | 2,281,595 | 3,371,530 |
| Expenditures | | | |
| Salaries and Benefits | 3,396,778 | 3,647,638 | 4,723,231 |
| Materials, Supplies, & Services | 1,018,495 | 1,138,147 | 1,276,343 |
| Total Expenditures | 4,415,273 | 4,785,785 | 5,999,574 |
| Less Expenses Charged to Other Funds | (76,968) | - | - |
| Net Total Expenditures | \$ 4,338,305 | \$ 4,785,785 | \$ 5,999,574 |

Community Services – Administration

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

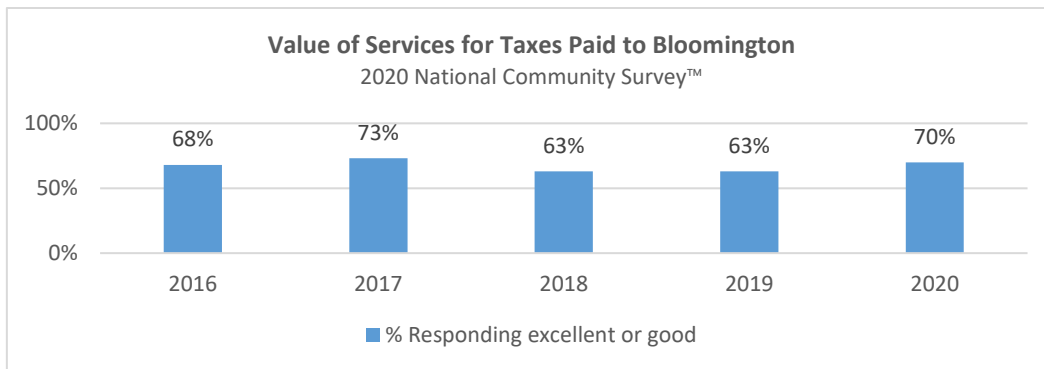
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--------------------------------|------|------|------|
| DIRECTOR OF COMMUNITY SERVICES | 1 | 1 | 1 |
| ADMINISTRATIVE ASSISTANT | 1 | 1 | 1 |
| | 2 | 2 | 2 |

2021 Goals and Objectives

- S I E ET** Continue to lead the City’s local response to COVID-19 with vaccination clinics, community messaging and outreach, etc.
- S ET** Gauge resident satisfaction with City services and amenities by conducting the tenth annual National Community Survey™ by September 2021.
- S** Reorganize the Communications Division to improve efficiency by May 2021.
- S I E ET** Advance work and engage the public on policies and ordinances that improve the quality of life in Bloomington (e.g., tobacco ordinance, racism as a public health crisis resolution, etc.)
- S A I E** Lease and remodel a facility for Public Health clinics and services by September 2021.
- S I E** Develop and launch a work plan for advancing racial equity within the Community Services Department.

2020 Results of Performance Measures

- S I E ET** Established an Incident Command System in Public Health to lead the organization’s response to the COVID-19 pandemic in Bloomington, with major assistance from the Communications and Community Outreach and Engagement divisions for messaging and outreach.
- I E** Introduced a City Council resolution declaring racism as a public health crisis in response to the health inequities experienced by Bloomington’s Black, Indigenous and People of Color communities as a result of the pandemic.
- S ET** Conducted the ninth annual National Community Survey™ of residents, revealing a 7% jump in satisfaction levels for the quality of taxes paid to Bloomington, placing the City higher than other jurisdictions polled nationwide in this category.
- S ET** Polled local businesses via the National Business Survey™, with six in 10 indicating that a decline in business and sales due to the pandemic was a major or minor problem.
- S ET** Enhanced the City’s engagement efforts by launching the Polco online polling platform, generating 4,630 responses to the first three surveys on COVID-19 and budgeting; the City’s success with the platform garnered a Voice of the People Award for online engagement from Polco and the International City/County Management Association.



Comm. Services Admin. Division - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Intergovernmental | \$ - | \$ 570 | \$ 12,500 |
| Total Revenues | - | 570 | 12,500 |
| Expenditures | | | |
| Salaries and Benefits | \$ 271,218 | \$ 283,328 | \$ 282,497 |
| Materials, Supplies, & Services | 59,031 | 72,843 | 75,457 |
| Total Expenditures | 330,249 | 356,171 | 357,954 |
| Less Expenses Charged to Other Funds | (76,968) | - | - |
| Net Total Expenditures | \$ 253,281 | \$ 356,171 | \$ 357,954 |

Community Services – Community Outreach and Engagement

The Community Outreach and Engagement Division (COED) is a leader for equity and inclusion. 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 programs and services. The mission of the division is involving community, influencing greatness.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|------------------------------------|------|------|------|
| COMM OUTREACH & ENGAGEMENT MANAGER | 1 | 1 | 1 |
| COMM OUTREACH COORDINATOR | 4 | 4 | 4 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 0 |
| | 6 | 6 | 5 |

2021 Goals and Objectives

- ET** Educate, advise and design authentic process of engagement for internal and external clients using the IAP2 public participation spectrum to ensure better decisions which incorporate the interests and concerns of all affected stakeholders and meet the needs of the decision making body.
- I** Host and facilitate events and activities designed to provide an opportunity for community members to connect with one another and develop a shared sense of community.
- SR** Provide Division programs and internal leadership and support to city departments to ensure public participation by communities most impacted by the decisions.
- A** Encourage residents to participate in the development and use of public amenities.
- IE** Engage residents of underrepresented communities to provide input in the development of/and access to city services, amenities and programs.
- S IE** Serve as Outreach Team for COVID 19 Incident Command Structure providing health and city information to hard to reach populations.



Community Services – Community Outreach and Engagement (continued)

2020 Results of Performance Measures

Performance measures impacted by COVID 19 and assigned role as Outreach Team within Incident Command Structure

IE Developed and implemented COVID 19 Outreach Team plan for connecting with BIPOC community leaders, residential facilities, faith communities, multi-unit property managers, small business owners and community partners. Plan included weekly emails with COVID 19 health information and other current City news along with monthly virtual meetings.

| Contact Group | Reach |
|------------------------------|---|
| Multi-Unit Property Managers | 46 Properties |
| Faith Communities | Over 44 Churches and Religious Centers |
| Community Leaders | 138 Individuals representing 10 different cultures and age groups |
| Community Partners | Includes 3 Non-Profits, Public Schools, College and Chamber of Commerce |
| Small Business Owners | Over 95 Businesses including Women and Minority owned |
| People with Disabilities | 68 Service Providers and Property Managers |

- I** Hosted virtual listening sessions for Community Budget Advisory Committee, Racial Equity Business Plan and Park System Master Plan. Sessions were designed for community members to provide feedback on budget priorities and components of plans.
- S** Provided internal training on community engagement tools to city departments. Also, provided translations in top 3 most commonly spoken foreign languages including Spanish, Somali, and Vietnamese.
- R** Provided liaison support for six departments to engage with residents on City projects and build relationships within community.
- S IE** Hosted virtual meetings between Police Department and Latino/Latinx and African/Black community leaders to address concerns and identify strategies for improving relationships and to build trust.
- ET** Implemented Let’s Talk Bloomington online digital engagement platform which provided opportunity for residents to provide feedback on major city projects; including Lyndale Avenue, Community Budget Advisory Committee and Park System Master Plan.
- S IE ET** As a result of a request from BIPOC leaders to see people of color reflected in the city’s communication platforms, we put a spotlight on several BIPOC leaders in the Briefing and social media.

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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|-------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ (705) | \$ - | \$ - |
| Intergovernmental | - | - | 8,000 |
| Other Revenues | 12,860 | 2,750 | 2,500 |
| Transfers from Other Funds | 4,000 | - | - |
| Total Revenues | 16,155 | 2,750 | 10,500 |
| Expenditures | | | |
| Salaries and Benefits | 680,033 | 686,616 | 673,362 |
| Materials, Supplies, & Services | 307,656 | 325,368 | 359,900 |
| Total Expenditures | \$ 987,689 | \$ 1,011,984 | \$ 1,033,262 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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.

As a nationally accredited Community Health Board, the City of Bloomington receives state and federal dollars as well as property tax dollars, fees and insurance reimbursement to promote, protect and improve the health of all. The Public Health Division 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). As a national accredited health department, Public Health fulfills its statutory requirements through four program areas:

- **Clinic Services:** includes Women, Infants and Children Clinic (WIC), immunizations, and follow-up investigations on infectious disease cases.
- **Family Health:** includes home visits and intensive 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, community health assessments/community health improvement plans, and accreditation.
- **Administration Services:** includes accounting, contract administration, data support and office administration.

Public Health has provided the above services to Edina and Richfield under contract since 1977.

The 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 | 2019 | 2020 | 2021 |
|--------------------------------|-----------|-----------|-----------|
| PUBLIC HEALTH ADMINISTRATOR | 1 | 1 | 1 |
| ASSISTANT PUBLIC HEALTH ADMIN | 1 | 1 | 1 |
| PUBLIC HEALTH PROGRAM MANAGER | 3 | 3 | 2 |
| PUBLIC HEALTH NURSE SUPERVISOR | 1 | 1 | 1 |
| ACCOUNTANT | 1 | 1 | 1 |
| PUBLIC HEALTH NURSE | 7 | 7 | 7 |
| PUBLIC HEALTH SPECIALIST | 6 | 6 | 6 |
| OFFICE SUPERVISOR | 1 | 1 | 1 |
| COMMUNICATIONS SPECIALIST | 1 | 1 | 1 |
| CONTRACTS COORDINATOR | 1 | 1 | 1 |
| ACCOUNTING ASSISTANT | 1 | 1 | 1 |
| OFFICE ASSISTANT | 1 | 1 | 1 |
| | 25 | 25 | 24 |

Community Services - Public Health (cont'd)

2021 Goals and Objectives

- S** By December 2021, develop an interim strategic plan for our work post pandemic, recognizing that many health issues facing our community have fundamentally changed.
- S** By June 2021, make a decision on next steps with re-accreditation.
- S** By March 2021, provide City Council with three policy options on tobacco point of sale and a timeline for multiunit housing tobacco policy work.
- S** Protect and improve the health of the community through education, promotion of healthy lifestyles, public policy development and clinical services.

2020 Results of Performance Measures

- S** Pivoted our services to virtual delivery while responding to a pandemic.
- S** Assisted in leading the City through the first phase of the COVID-19 pandemic.
- IE** Finalized and adopted the division's workforce development plan.
- ET** Conducted Health in All Policies interviews with 20 City staff members to engage them in this work.



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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 771,019 | \$ 790,824 | \$ 1,041,237 |
| Intergovernmental | 1,371,338 | 1,481,236 | 2,302,293 |
| Other Revenues | 4,921 | 6,215 | 5,000 |
| Total Revenues | 2,147,278 | 2,278,275 | 3,348,530 |
| Expenditures | | | |
| Salaries and Benefits | 2,445,527 | 2,677,694 | 3,767,372 |
| Materials, Supplies, & Services | 651,808 | 739,936 | 840,986 |
| Total Expenditures | \$ 3,097,335 | \$ 3,417,630 | \$ 4,608,358 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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 | 2019 | 2020 | 2021 |
|--------------------------------|----------|----------|----------|
| 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 |
| COMMUNICATIONS SPECIALIST BCAT | 1 | 1 | 0 |
| | 9 | 9 | 8 |

2021 Goals and Objectives

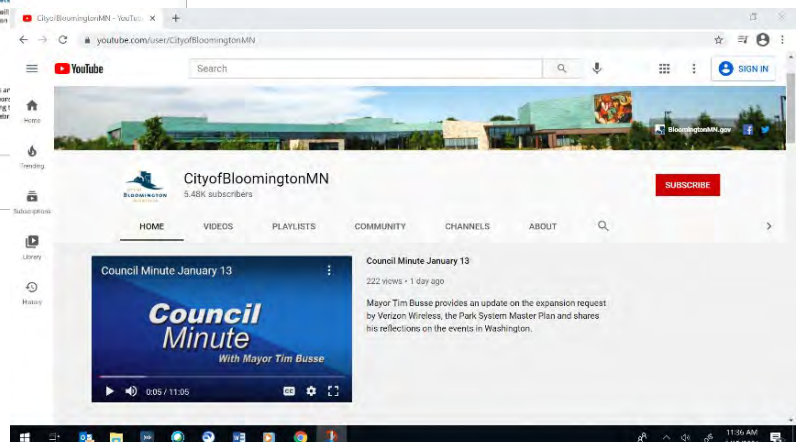
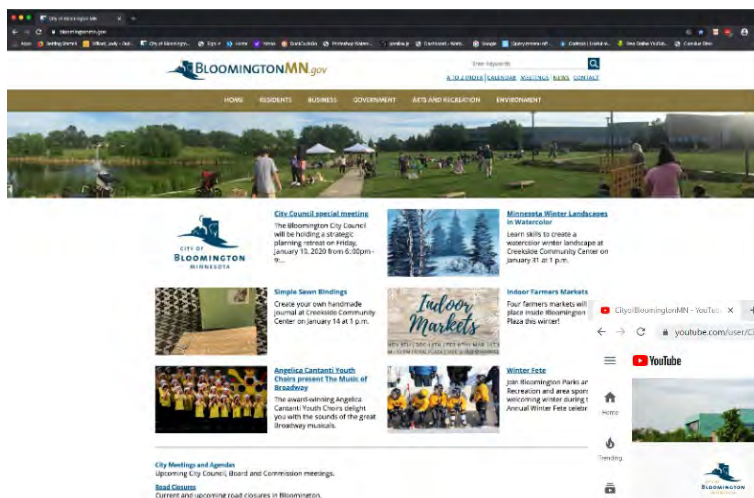
- SI** Reorganize Communications Division, including adding two supervisory positions, changing titles, and job functions for some staff, underfilling an open position and reducing one position to part time for improved operations and an estimated savings of \$40,000 beginning January 2021.
- SIIE** Launch Drupal 8 website update project and work with vendor toward continuous improvement of the website and on defined projects beginning January 2021.
- SIIE** Continue coordinating and delivering important safety communications to the community related to COVID-19 and its effects on the City budget and operations.
- SIIE** Purchase and implement a closed captioning solution for City meetings and City-produced videos and integrate that system into our processes by June 2021.
- SI** Identify a Digital Asset Management system that will house images in a central hub for employees to access beginning July 2021.

2020 Results of Performance Measures

- Identified three Communications staff who served in the PIO Unit in the City's COVID-19 incident command structure and participated in various weekly meetings to review, plan and coordinate the City's tactical communications responses to COVID-19.
- Produced vast amounts of documentation capturing the PIO Unit's and Communications Division's COVID-19 activities, resources and messaging for internal and external audiences; coordinated COVID-19 social media posts, videos and Briefing articles to ensure a regular schedule of messages supporting the City's communication priorities.
- Responded to the “crisis within a crisis” (the killing of George Floyd in May) with not only messaging to the community regarding Bloomington’s response to the Minneapolis incident but also delivering emergency curfew information and other public safety messages.

Communications (continued)

- Delivered consistent information to the public regarding two major election issues: garbage and recycling and ranked choice voting as well as information related to voting during the pandemic.
- Launched “Council Minute, featuring Mayor Busse” for video and social media that included updates on City Council decisions, priorities and COVID-19 updates. Forty episodes were recorded and produced in 2021.
- Launched Parks and Recreation Facebook page in May 2020 and achieved more than 1,500 followers by year's end.
- Increased users to the City’s social media sites, resulting in 12,432 Facebook followers (a 12% increase from 2019) and 6,291 Twitter followers (a 16% increase from 2019).
- Achieved 633,700 views of staff-produced videos on YouTube up 31% from 2019.
- Saw website traffic top almost 3.5 million pageviews, a 23% increase from 2019.
- Televised 69 public meetings and made necessary changes to the council chambers and control room equipment and settings to allow remote meetings to be held successfully for both in-person and remote staff, city council and planning commission members.
- Honored with five awards during the 2020 Minnesota Association of Government Communicator’s Northern Lights Awards virtual event. Most notably, the 2019 Corporate Report to the Community received a first-place Northern Lights Award in the Annual Reports category and was a Best of Show nominee, and the Bloomington Engagement Vehicle also received a first-place award in the Illustration or Graphic category.



Communications - Special Revenue Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Property Taxes | \$ 150,000 | \$ 250,000 | \$ 175,000 |
| Franchise & PEG Fees | 1,384,514 | 1,309,315 | 1,315,000 |
| Program Income | 102,740 | 79,828 | 75,900 |
| Interest Income | 4,802 | (993) | 2,000 |
| Transfers from Other Funds | 424,752 | 320,353 | 211,772 |
| Total Revenues | 2,066,808 | 1,958,503 | 1,779,672 |
| Expenses | | | |
| Salaries and Benefits | 1,010,892 | 1,019,459 | 1,079,514 |
| Materials, Supplies, & Services | 691,532 | 704,196 | 695,483 |
| Capital Outlay | 358,686 | 49,194 | 146,000 |
| Total Expenses | 2,061,110 | 1,772,849 | 1,920,997 |
| Working Capital | | | |
| Net Change | 5,698 | 185,654 | (141,325) |
| Working Capital at Beginning of Year | 341,614 | 347,312 | 532,966 |
| Working Capital at End of Year | \$ 347,312 | \$ 532,966 | \$ 391,641 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Support Services

The Support Services Fund is an Internal Services Fund supervised by the Communications Division of the Community Services Department that 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.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| PRINT SHOP COORDINATOR | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- S** Assess Print Shop activities and pandemic impacts that includes a service and budget review and staff survey by August 2021.
- S** Assess how the pandemic will continue to affect operations and specifically how the Motor Vehicle Office closing will affect mail operations.
- S** Feature the mailroom in the Insider so that employees have a better idea of mail operations and schedules, including FedEx, UPS, etc.
- S** Research the possibility of a yearly report to Finance from Pitney Bowes that identifies budget information by Department.
- S** Conduct an evaluation of supplies and office organization to more efficiently deliver services.

2020 Results of Performance Measures

- Integrated all of Support Services staff under the supervision of the Communications Administrator.
- Hired and trained two new support positions, including a mailroom coordinator and information desk assistant.
- Answered between 70 and 150 calls per day at the Information Desk during the first few months of the pandemic and continued to be a critical resource and point of contact for residents during an extremely busy presidential election year.
- Printed and delivered many urgent, last-minute requests for signage related to COVID-19 safety procedures.
- Evaluated and adjusted mailroom delivery operations related to building openings and closures, and changes related to City staff working from home.



Support Services - Internal Service Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Departmental Charges | \$ 490,920 | \$ 489,973 | \$ 522,960 |
| Interest Income | 4,169 | 2,011 | 2,000 |
| Other Revenues | 16,186 | 6,495 | 6,400 |
| Transfers from Other Funds | - | 1,070 | - |
| Total Revenues | 511,275 | 499,549 | 531,360 |
| Expenses | | | |
| Salaries and Benefits | 229,580 | 224,638 | 224,596 |
| Materials, Supplies, & Services | 251,062 | 246,462 | 303,824 |
| Capital Outlay | - | - | - |
| Total Expenses | 480,642 | 471,100 | 528,420 |
| Working Capital | | | |
| Net Change | 30,633 | 28,449 | 2,940 |
| Working Capital at Beginning of Year | 153,400 | 184,033 | 212,482 |
| Working Capital at End of Year | \$ 184,033 | \$ 212,482 | \$ 215,422 |

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, 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 | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|----------------------|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| FINANCE | | | | |
| | ADMIN & BUDGET - GENERAL FUND | 3 | 3 | 3 |
| | FINANCIAL OPERATIONS - GENERAL FUND | 20 | 20 | 20 |
| | RISK MANAGEMENT - GENERAL FUND | 1 | 1 | 1 |
| FINANCE Total | | 24 | 24 | 24 |

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:

- Comprehensive Annual Financial Report (Certificate of Achievement for Excellence in Financial Reporting received for 49 years)
- Popular Annual Financial Report (Award for Outstanding Achievement in Popular Annual Financial Reporting received for 21 years)
- Annual Budget Document (Distinguished Budget Presentation Award received for 25 years)
- Ten Year Capital Improvement Plan

Finance - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 83 | \$ - | \$ - |
| Intergovernmental | 12,552 | - | - |
| Other Revenues | 230,825 | 494,219 | 95,000 |
| Total Revenues | 243,460 | 494,219 | 95,000 |
| Expenditures | | | |
| Salaries and Benefits | 2,432,134 | 2,544,033 | 2,498,662 |
| Materials, Supplies, & Services | 603,166 | 615,321 | 634,258 |
| Total Expenditures | 3,035,300 | 3,159,354 | 3,132,920 |
| Less Expenses Charged to Other Funds | (1,897,571) | (2,011,564) | (2,014,125) |
| Net Total Expenditures | \$ 1,137,729 | \$ 1,147,790 | \$ 1,118,795 |

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, and debt management. 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. Due to the budget challenges caused by the COVID-19 pandemic, the City Council appointed a Community Budget Advisory Committee (CBAC) in May 2020 consisting of nine residents. The CBAC held public meetings weekly from June-October 2020 to study the City’s budget and services and undertook numerous community engagement initiatives to gather and provide the City Council with recommendations for balancing the 2021 budget. They prioritized over 100 different budget reduction ideas and recommended three different budget scenarios in their final report to the Council on November 9, 2020.

The new approach to the 2021 budget process was a great example of incorporating the Council’s strategic initiative of transparency and engagement. This year’s process was very open and transparent as all of the budget analysis information was published and all of the meetings were live streamed and recorded. To engage citizens, multiple community listening sessions were held in September and October to obtain feedback on City services and the proposed budget scenarios. Feedback was also obtained through the City’s new digital engagement website called “Let’s Talk Bloomington.”



| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| CHIEF FINANCIAL OFFICER | 1 | 1 | 1 |
| BUDGET MANAGER | 1 | 1 | 1 |
| ADMINISTRATIVE ASSISTANT | 1 | 1 | 1 |
| | 3 | 3 | 3 |

2021 Goals and Objectives

- S** Provide excellent financial services to internal and external customers.
- S** Prepare accurate and transparent financial reports based on industry best practices.
- S** Take all appropriated budgets to City Council for approval by year end.

Finance – Admin. and Budget (cont'd)

- S** Earn the Distinguished Budget Award from the Government Finance Officers Association.
- S** Publish the Annual Budget Document by March 7, 2021 (90 days after the Final Budget and Tax Levy approved by the City Council)
- S** Publish the Popular Comprehensive Annual Financial Report (PAFR) by June 30.
- ET** Determine 2022 Budget approach that includes a communication plan for educating the public on property tax valuation and a community engagement plan

A I R S Compile and present Ten Year Capital Improvement Plan (CIP) for approvals.

2020 Results of Performance Measures

- 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 25th 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 21st year.
- Published the 10-Year Capital Improvement Plan (2021-2030) and moved up publish date to coincide with approval of the 2021 Operating Budget.
- Coordinated, analyzed, and presented 2021 budgets to the City Council for all appropriated funds – the Final Budget and Tax Levy was approved by the City Council December 7, 2020.
- Successfully supported the work of the Council appointed Community Budget Advisory Committee (CBAC) with budget information, publically recorded weekly meetings, community engagement listening sessions, and new website.
- The City issued \$1,300,000 of Taxable Revenue Bonds on behalf of the HRA.
- The City issued \$5,385,000 of General Obligation PIR bonds for the Pavement Management Program.
- The City issued \$1,975,000 of Taxable General Obligation Tax Increment Refunding Bonds.
- The City issued \$27,423,000 of Conduit Multifamily Housing Revenue Bonds for the Benefit of Aeon (Village Club Project, 172 Units).
- The City issued \$15,641,555 of Conduit Multifamily Housing Revenue Bonds for the Benefit of the MWF (Lyndale Flats Project, 81 Units).



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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Intergovernmental | \$ 12,552 | \$ - | \$ - |
| Other Revenues | 5,187 | 334,767 | - |
| Total Revenues | 17,739 | 334,767 | - |
| Expenditures | | | |
| Salaries and Benefits | 441,068 | 464,530 | 468,240 |
| Materials, Supplies, & Services | 138,852 | 137,866 | 117,846 |
| Total Expenditures | 579,920 | 602,396 | 586,086 |
| Less Expenses Charged to Other Funds | (276,508) | (283,475) | (284,799) |
| Net Total Expenditures | \$ 303,412 | \$ 318,921 | \$ 301,287 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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 Comprehensive Annual 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 | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| FINANCE MANAGER | 1 | 1 | 1 |
| ASSISTANT FINANCE MANAGER | 1 | 1 | 1 |
| ACCOUNTANT | 3 | 3 | 3 |
| AUDITOR | 1 | 1 | 1 |
| CUSTOMER BILLING SUPERVISOR | 1 | 1 | 1 |
| PURCHASING AGENT | 1 | 1 | 1 |
| ACCOUNTING ASSISTANT | 5 | 5 | 5 |
| OFFICE SUPPORT SPECIALIST | 2 | 2 | 2 |
| PAYROLL SPECIALIST | 1 | 1 | 1 |
| PURCHASING SPECIALIST | 1 | 1 | 1 |
| OFFICE ASSISTANT | 3 | 3 | 3 |
| | 20 | 20 | 20 |

2021 Goals and Objectives

- S** Provide quality accounting and related financial services to all City departments.
- S** Publish the Comprehensive Annual Financial Report (CAFR) by June 30.
- S** Report accurate and transparent monthly financial statements in an easily understood format to both internal and external users by the following month end.
- S** Invest public funds in such a manner that all daily cash flow needs are met and the portfolio yield does not fall below 25 basis points of a U.S. Treasury obligation of comparable duration.
- S** 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.
- S** A successful CAFR and CARES funding/single audit of our financials.
- S** Create a City credit card service fee program with input from several divisions and update PCI compliance.
- S** Update Utility Billing software, including security profiles and service order work flow.
- S** Complete 8-10 Liquor, Lodging, and Admission audits.
- S** Effectively and efficiently upgrade the City’s ERP software to a new version in September 2020.
- S** 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.

Finance – Financial Operations (continued)

2020 Results of Performance Measures

- Received Certificate of Achievement for Excellence in Financial Reporting for last 49 years.
- Started Certificate of Deposit investing in community banks to promote lending to local residents and businesses and earn market interest rates while being fully collateralized.
- Successfully upgraded the City's ERP software to a new version in September 2020.
- Investments yielded more than 25 basis points over the U.S. Treasury bonds.
- Collected an additional \$55,600 of local liquor, lodging, and admission (LLA) sales tax revenue identified as underpaid local taxes through the completion of 4 LLA audits.
- Implemented accounts payable invoice electronic approvals in the City's ERP software.
- Issued 575 purchase orders, advertised 24 solicitation on the website, and started 29 procurement activities which include bids, requests for proposals and quotes, contracts and contract amendments.
- Utility Billing increased online utility payment transactions of 29% and accounts that signed up to receive utility bills online increased by 32%.
- Utility Billing handled 21,475 customer service telephone calls in 2020 compared to 21,987 in 2019.
- Cash management handled 7,755 customer service telephone calls in 2020 compared to 8,091 in 2019.

Finance Operations Division - General Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Program Income | \$ 83 | \$ - | \$ - |
| Other Revenues | 225,638 | 159,452 | 95,000 |
| Total Revenues | 225,721 | 159,452 | 95,000 |
| Expenditures | | | |
| Salaries and Benefits | 1,894,284 | 1,976,828 | 1,928,185 |
| Materials, Supplies, & Services | 434,655 | 446,109 | 469,808 |
| Total Expenditures | 2,328,939 | 2,422,937 | 2,397,993 |
| Less Expenses Charged to Other Funds | (1,483,267) | (1,583,190) | (1,580,485) |
| Net Total Expenditures | \$ 845,672 | \$ 839,747 | \$ 817,508 |

ANNIVERSARY RECAP 2020 GET 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



Finance – Risk and Litigation Management

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

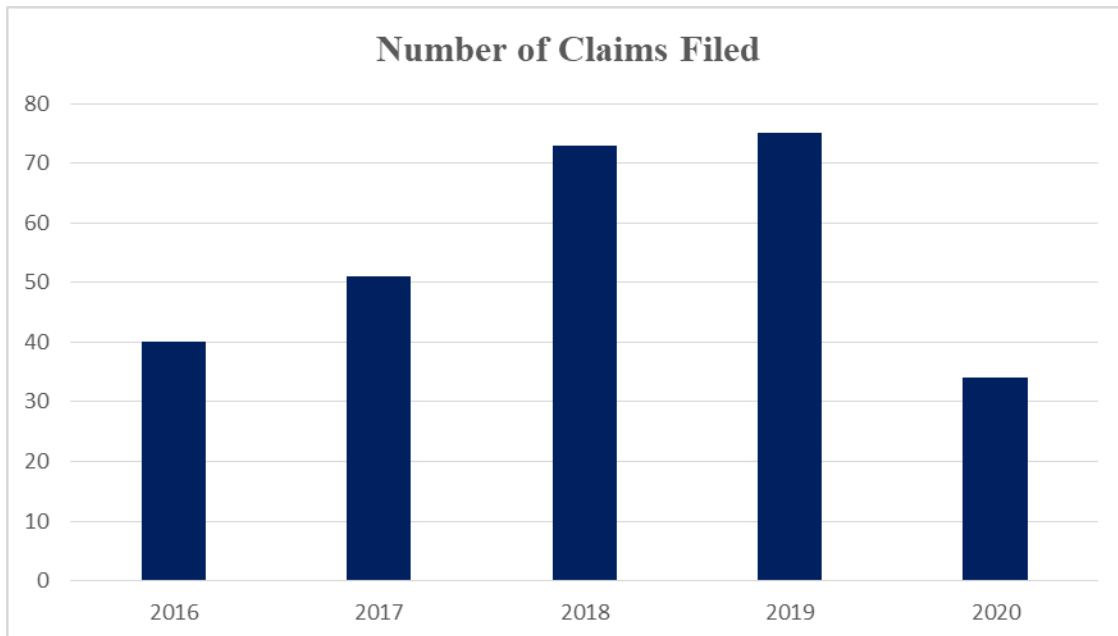
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| RISK AND LITIGATION MANAGER | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- A S** Complete required insurance renewals and provide necessary reports to City Council.
- I S** Continue working with the City-wide Safety Committee to implement required safety training and improve overall employee safety. Goals include the re-write and implementation of the City-wide Blood Borne Pathogen program.
- I S** Provide an insurance training/refresher course for City employee who work with certificates of insurance.
- S** Review the current litigation hold process, including document retention requirements.

2020 Results of Performance Measures

- Renewed insurance policies for 2020.
- The City-wide Safety Committee completed
- Completed the re-write of the A Workplace Accident and Injury Reduction (AWAIR) program required by OSHA.
- Implemented a certificate of insurance tracking procedure that notifies departments of expiring certificates of insurance.



Finance Risk Mgmt. Division - General Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|--------------------|--------------------|----------------|
| Expenditures | | | |
| Salaries and Benefits | \$ 96,782 | \$ 102,675 | \$ 102,237 |
| Materials, Supplies, & Services | 29,659 | 31,346 | 46,604 |
| Total Expenditures | 126,441 | 134,021 | 148,841 |
| Less Expenses Charged to Other Funds | (137,796) | (144,899) | (148,841) |
| Net Total Expenditures | \$ (11,355) | \$ (10,878) | \$ - |

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.

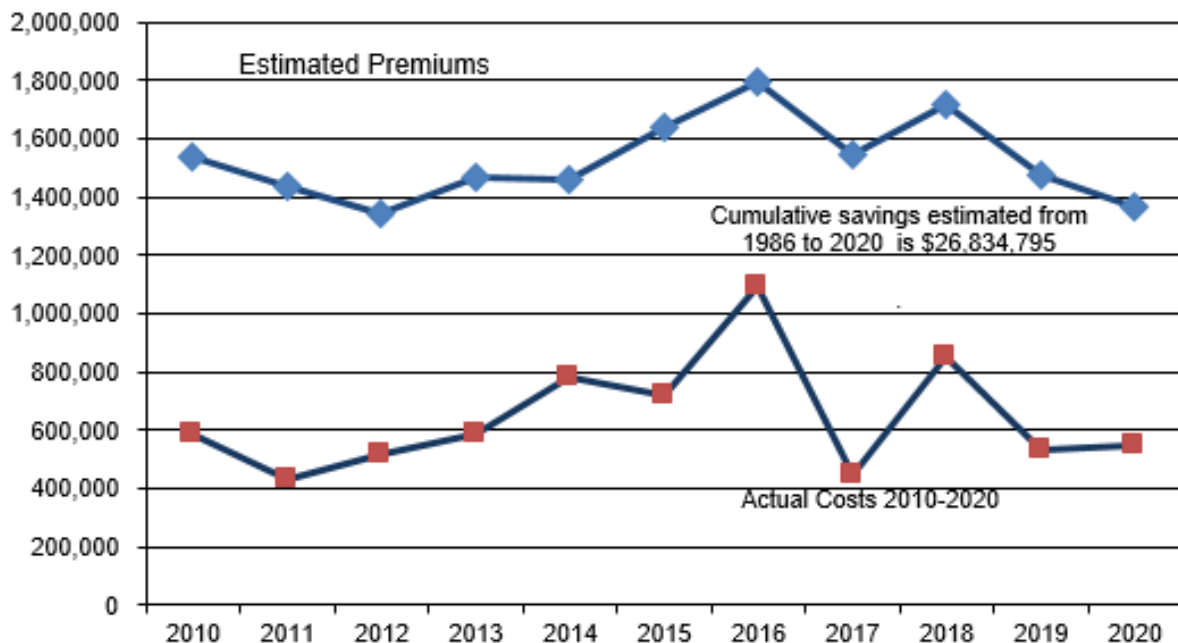
2021 Goals and Objectives

- S** Protect the City's assets and minimize costs of insurance.
- S** Provide departments with reports on claims twice a year, discuss claims and claim prevention.
- S** Continue work with the City's insurance broker and TPA to evaluate coverage and investigate possible premium savings.

2020 Results of Performance Measures

- Received a dividend from LMCIT of \$58,999.

**Cost Savings Resulting from Self-Insurance
Worker's Compensation Costs Self-Insured Plan
Compared to Estimated Insurance Premium Costs**



Self Insurance - Internal Service Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Departmental Charges | \$ 2,183,040 | \$ 2,234,794 | \$ 2,222,514 |
| Interest Income | 160,386 | 65,165 | 100,000 |
| Other Revenues | - | 28 | - |
| Total Revenues | 2,343,426 | 2,299,987 | 2,322,514 |
| Expenses | | | |
| Materials, Supplies, & Services | 2,118,816 | 1,599,297 | 2,408,841 |
| Transfer to Other Funds | 499,992 | 500,000 | - |
| Total Expenses | 2,618,808 | 2,099,297 | 2,408,841 |
| Working Capital | | | |
| Net Change | (275,382) | 200,690 | (86,327) |
| Working Capital at Beginning of Year | 4,362,268 | 4,086,886 | 4,287,576 |
| Working Capital at End of Year | \$ 4,086,886 | \$ 4,287,576 | \$ 4,201,249 |

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 11 full-time authorized positions and 108 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 homes that need them upon request.

The Fire Department responded to 3195 calls for service in 2020. These ranged from water rescues and vehicle extrications to structural fires, medical emergencies, and hazardous materials emergencies. The receipt of the 911 call to arrival time 90% of the time is 9 minutes and 39 seconds. To accomplish this, paid on call firefighters located within approximately 4 minutes or less responding time of the City’s fire stations are actively recruited. In addition, 4 of the 6 fire stations operate duty crews Monday thru Friday 0800-1700. All firefighters are required to meet training standards annually.



| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--|-----------|-----------|-----------|
| FIRE CHIEF | 1 | 1 | 1 |
| 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 | 2 |
| ADMINISTRATIVE ASSISTANT | 1 | 1 | 1 |
| EMERGENCY VEHICLE TECHNICIAN | 0 | 1 | 0 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| | 10 | 11 | 10 |

Fire Department (continued)

Operations and Training

Fire Operations encompasses fire response, dispatching, building and equipment maintenance and repair. Fire operations also includes equipment research and development of new methods and technology to improve emergency response and performance. Fire 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.

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 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 Systems all working to implement the Everbridge notification system to alert residents and visitors to hazard information.

2021 Goals and Objectives

Fire Department:

- S** Provide fire prevention services and fire education to residents, businesses, and visitors.
- S** Respond to fires, hazardous materials incidents, medical emergencies, rescues, and other calls for assistance.
- S** 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
- S** The goal is to respond and arrive to calls within 7 minutes 30 seconds of the 911 call 90% of the time. This will require additional resources that may take more time to put into place than available in 2021.

Operations and Training:

- S** Respond to all emergency calls for service in 7 minutes 30 seconds or less from time of the 911 call.
- S** Response of 15 firefighters within 9 minutes 30 seconds to structure fires where fire attack hose lines are deployed.

Fire Department (continued)

- S Provide quality training to firefighters to meet or exceed Federal and State training requirements
- S 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.
- S Continue to maintain equipment for fire response to prolong life and effectiveness.

Fire Prevention:

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

Emergency Management:

- S Review and revise the City's Emergency Operations Plan annually.
- S Review and revise the City's Continuity of Operations Plan annually.
- S Maintain the operational readiness capabilities of the City's Emergency Operations Center.
- S Conduct inter-departmental training for EOC operations.
- S Increase awareness and participation of the public in the City's Everbridge notification system.
- S Maintain and continue to update the emergency early warning siren system.
- S Maintain alternative redundant or resilient communications capability for use during disasters impacting the City's normal communications channels.

2020 Results of Performance Measures

Fire Department

- From receipt of the 911 call to arrival time 90% of the time is 9 minutes and 39 seconds.

Operations and Training

- Responded to 3195 calls for service.
- Emergency response time from receipt of the 911 call to arrival time 90% of the time is 9 minutes and 39 seconds.

Fire Department (continued)

- Responded with 15 or more firefighters within 9 minutes 30 seconds 40% of the time to all structure fires where fire attack hose lines were deployed.
- Provided 10,000 hours of training for current firefighters to meet Federal and State requirements.
- Provided 70 hours of live fire training attempting to meet Federal and State requirements. This effort was impacted dramatically by the pandemic and shows a 1200 hour reduction from 2019 which will significantly impact performance if the reduction continues.
- 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.
- No new recruits were added to the Department in 2020 due to budget constraints.

Fire Prevention

- Performed 2323 inspections (annual, building final, fire alarm testing, rough-in, tanks)
- Annual inspections done at 343 buildings out of approximately 1340 properties, 43%.
- Conducted 68 cause and origin fire investigations including follow-ups with an 83% clearance rate (not including cases pending). Of these, 15 investigations were considered incendiary.
- Completed 3 Home Safety Survey Inspections in owner occupied single family homes.
- Conducted 12 safety presentations at K-12 schools, businesses, senior living facilities and other venues.
- Conducted 194 truck visits, smoke detector installations, station tours and other education presentations

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.

The following table shows the Call to Arrival time 90% Performance from July 1 to June 30 for each reporting period.

Table 1—Fire Department Incident Response Times

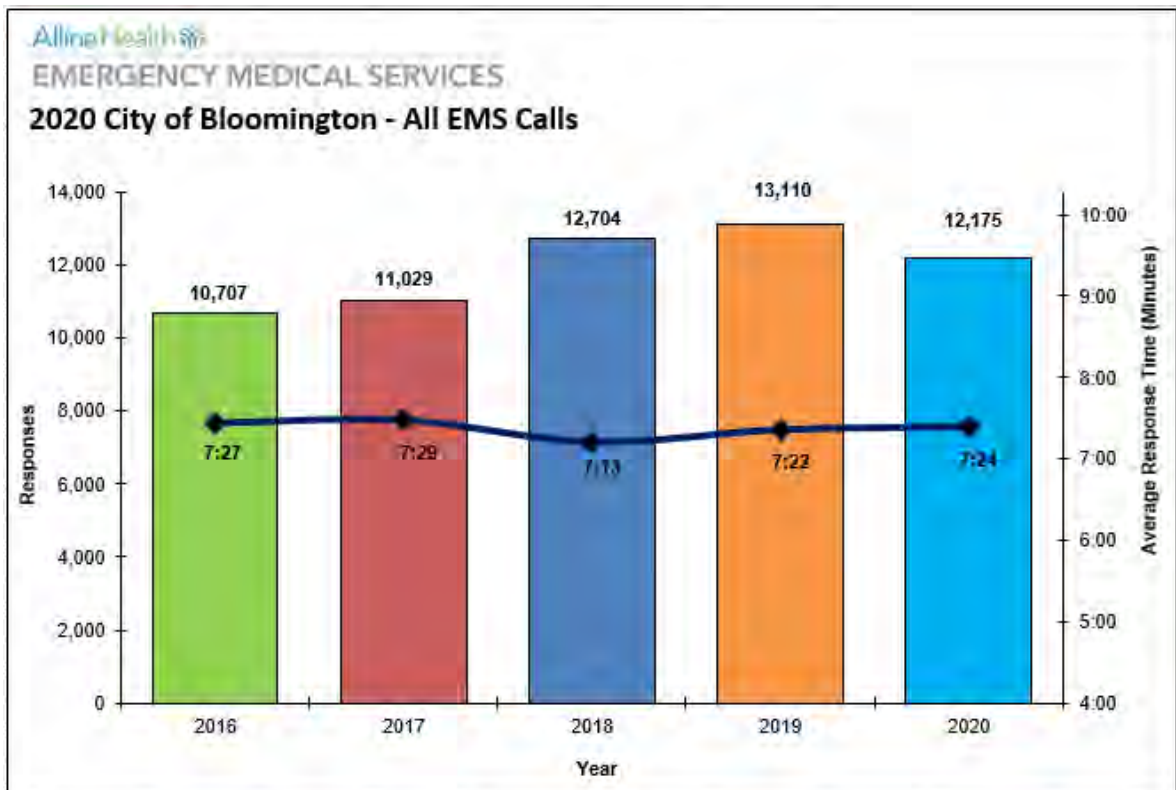
| Station | RY 16/17 | RY 17/18 | RY 18/19 | RY 19/20 |
|-----------------|----------|----------|----------|----------|
| Dispatch | 02:34 | 02:22 | 02:41 | 03:00 |
| Turnout | 04:05 | 04:11 | 04:03 | 04:15 |
| Travel | 04:45 | 04:47 | 04:49 | 03:57 |
| Call to Arrival | 09:28 | 09:15 | 09:17 | 09:39 |

Fire Department (continued)

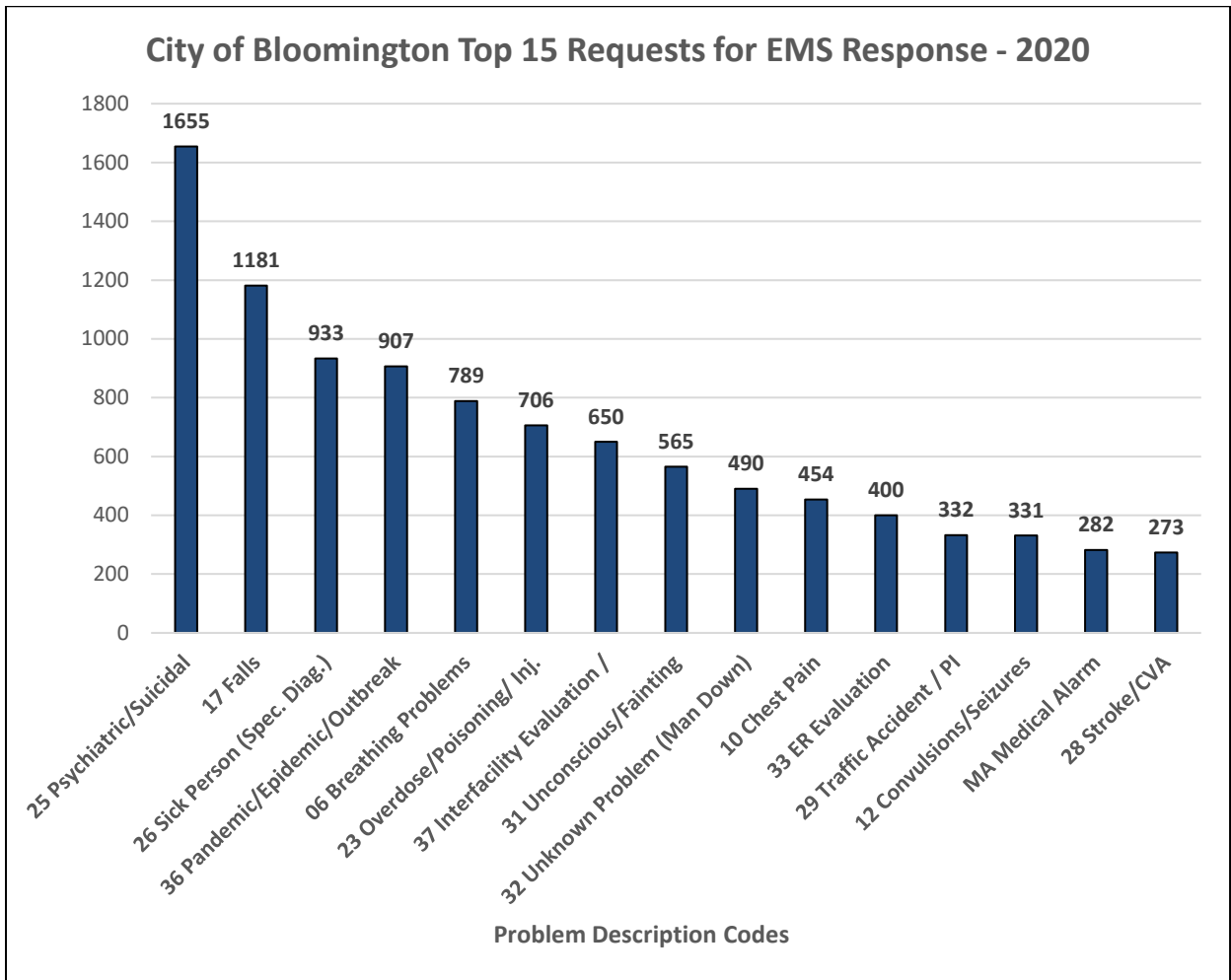
City of Bloomington EMS Response

This report includes a breakdown of all calls responded to by Allina Health EMS within the City of Bloomington during the calendar year 2020. Calls for service are categorized into emergency, non-emergency, response times for such calls, and Hennepin County Ordinance requirements on average. As with previous reports we have included the five year history of calls and average response time trend line. Additionally included by category are the top fifteen calls overall, emergency response calls, and nonemergency response calls within the city.

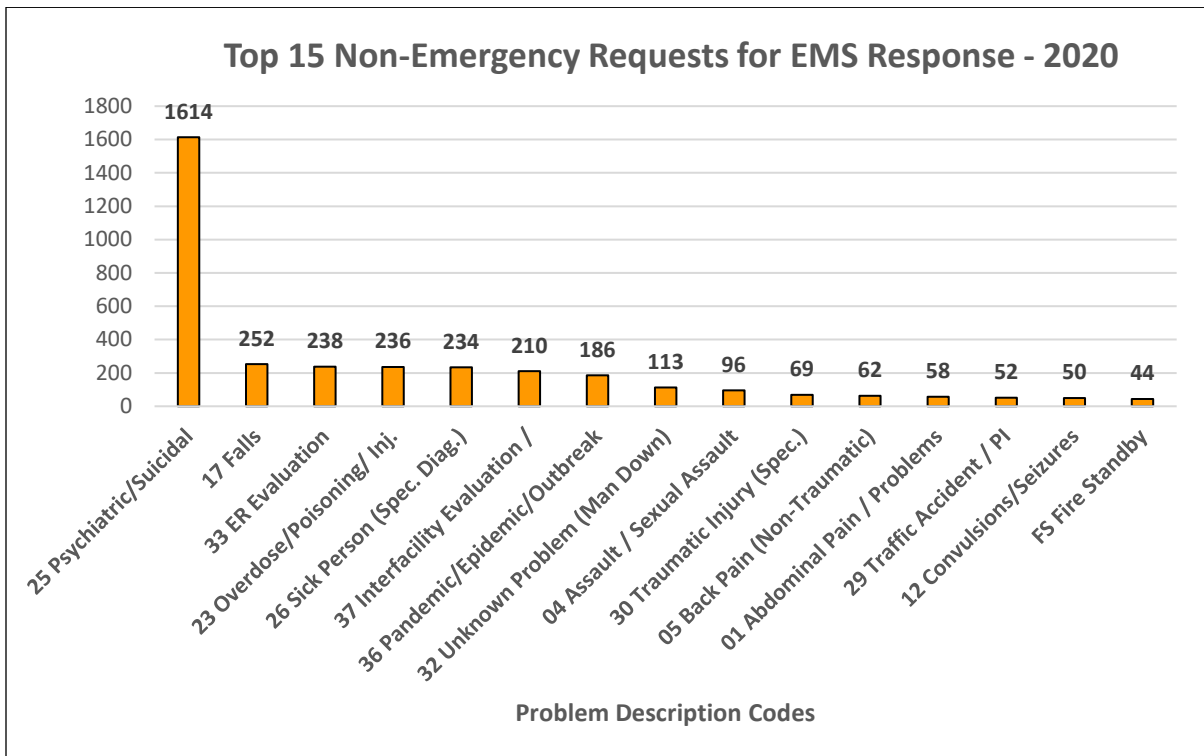
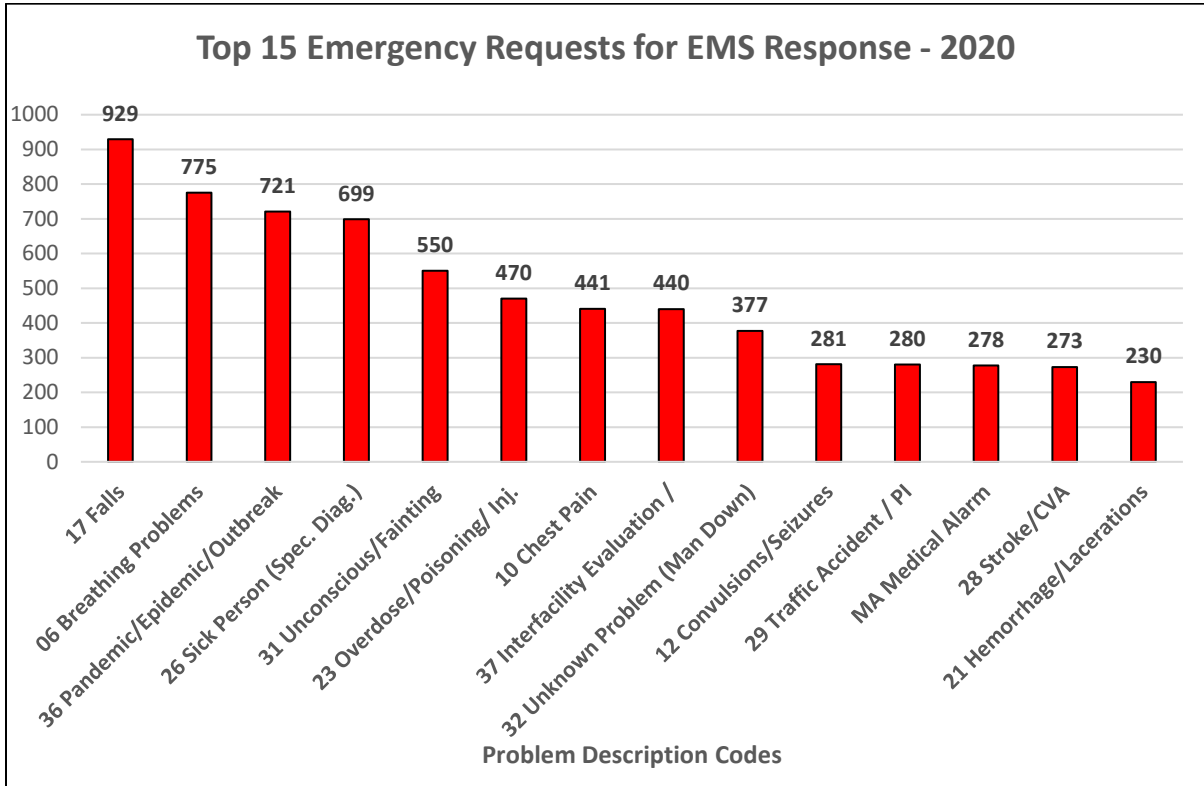
- **2020 - Total Priority - Responses (911) = 12,386**
 - Total Emergency Responses (Red Lights / Siren) = 8,554
 - Total Non-Emergent (Routine Response) = 3,737
- **2020 - Average Response Time for all calls Emergent or Routine = 7:24**
 - Emergent Responses = 8,554 - Response Time = 6:31
 - Non-Emergent Responses = 3,737 Non-Emergent Response time = 8:57
- **Hennepin County Ordinance compliance = 89.5% (Under 10:59)**
 - Hennepin County Ordinance requires all emergency 911 EMS calls to be responded to in under 10:59, 80% on average.



Fire Department (continued)



Fire Department (continued)



Fire - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Intergovernmental | \$ 155,348 | \$ 119,202 | \$ - |
| Other Revenues | 450 | 6,100 | - |
| Total Revenues | 155,798 | 125,302 | - |
| Expenditures | | | |
| Salaries and Benefits | 2,400,242 | 2,726,949 | 2,616,682 |
| Materials, Supplies, & Services | 3,115,365 | 2,500,381 | 2,662,910 |
| Capital Outlay | 105,456 | 58,164 | 11,190 |
| Transfer to Other Funds | 30,000 | - | - |
| Total Expenditures | \$ 5,651,063 | \$ 5,285,494 | \$ 5,290,782 |

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 officers 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 2020, we were obligated to pay \$2,541,359. In 2021, the pension obligation will be \$1,379,113 based on the investment performance of the pension at the end of 2019 (Accrued liability funding ratio of 116.36%).

Fire Pension revenue is received from the following sources:

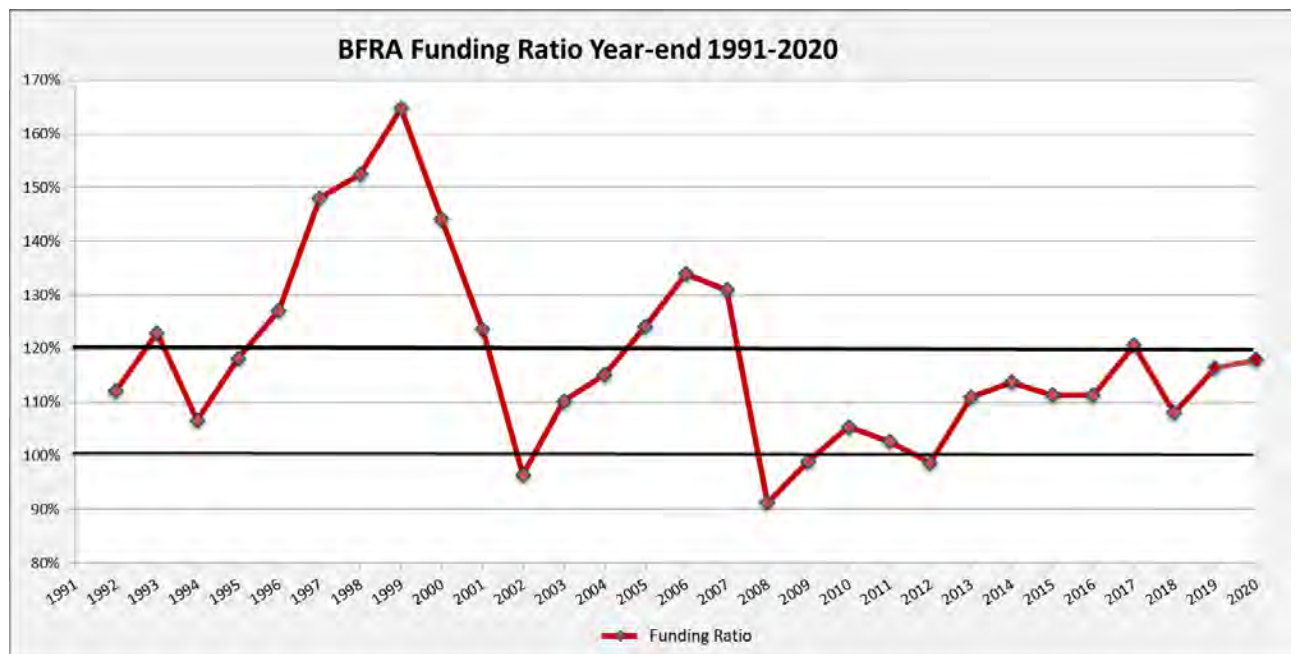
- State Aid
- Property tax levy
- Transfers from the General Fund and/or Strategic Priorities

2021 Goals and Objectives

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

2020 Results of 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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Property Taxes | \$ 1,050,000 | \$ 1,050,000 | \$ 1,050,000 |
| Intergovernmental | 609,799 | 649,689 | 656,186 |
| Interest Income | 90,759 | 53,615 | 49,361 |
| Bond Proceeds | - | - | - |
| Transfers from Other Funds | 950,000 | 500,004 | - |
| Total Revenues | 2,700,558 | 2,253,308 | 1,755,547 |
| Expenses | | | |
| Salaries and Benefits | 609,799 | 2,541,359 | 1,379,113 |
| Transfer to Other Funds | - | - | 500,000 |
| Total Expenses | 609,799 | 2,541,359 | 1,879,113 |
| Working Capital | | | |
| Net Change | 2,090,759 | (288,051) | (123,566) |
| Working Capital at Beginning of Year | 2,707,058 | 4,797,817 | 4,509,766 |
| Working Capital at End of Year | \$ 4,797,817 | \$ 4,509,766 | \$ 4,386,200 |

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.

Public Safety – Tech. & Equip. (continued)

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|---------------------------------|------|------|------|
| RADIO COMMUNICATIONS TECHNICIAN | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- S** Maintain a reliable and efficient communications system for Public Safety.
- S** Maintain adequate, consistent internal charges to fund future purchases of Public Safety equipment without causing large variances in the General Fund.
- S** Implementation of planned Fire Department MDC upgrades.

2020 Results of Performance Measures

- 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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Departmental Charges | \$ 1,157,184 | \$ 1,178,389 | \$ 1,178,389 |
| Intergovernmental | - | 108,466 | - |
| Interest Income | 50,086 | 34,212 | 40,000 |
| Other Revenues | - | 59,665 | - |
| Transfers from Other Funds | 3,101,451 | 667,261 | 130,000 |
| Total Revenues | 4,308,721 | 2,047,993 | 1,348,389 |
| Expenses | | | |
| Salaries and Benefits | 101,880 | 78,471 | 110,132 |
| Materials, Supplies, & Services | 495,976 | 820,092 | 825,498 |
| Capital Outlay | - | 1,396,861 | 670,000 |
| Transfer to Other Funds | - | - | - |
| Total Expenses | 597,856 | 2,295,424 | 1,605,630 |
| Working Capital | | | |
| Net Change | 3,710,865 | (247,431) | (257,241) |
| Working Capital at Beginning of Year | 141,719 | 3,852,584 | 3,605,153 |
| Working Capital at End of Year | \$ 3,852,584 | \$ 3,605,153 | \$ 3,347,912 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

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 cross functional Information Technology Steering Committee (ITSC) was convened in 2017 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 | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| CHIEF INFORMATION OFFICER | 1 | 1 | 1 |
| INFORMATION TECH SUPERVISOR | 3 | 3 | 3 |
| IT SYSTEMS ENGINEER | 1 | 1 | 1 |
| NETWORK ENGINEER | 1 | 1 | 1 |
| APPLICATIONS ADMINISTRATOR | 1 | 1 | 2 |
| DATABASE ADMINISTRATOR | 1 | 1 | 1 |
| IT SYSTEMS ADMINISTRATOR II | 2 | 2 | 2 |
| IT SYSTEMS ADMINISTRATOR I | 7 | 7 | 4 |
| COMPUTER SPECIALIST | 1 | 1 | 1 |
| DESKTOP SUPPORT SPECIALIST | 0 | 0 | 1 |
| | 18 | 18 | 17 |

2021 Goals and Objectives

SA Provide technology expertise, equipment, software and services to meet Council's Goals by:

- Continuing to implement initiatives identified in the 5 Year IT strategic plan.
- Developing updated 5 Year IT strategic plan to cover years 2022-2026.
- Concentrating efforts to secure the City's technology systems.
- Implementing additional virtual and cloud services.

S Implement Cloud solutions for Office 365 and SharePoint.

ES Complete strategic plan for Geographic Information Systems (GIS) functions & activities City-wide.

S Implement new software for the Env. Health Division for food inspection and code enforcement.

S Review existing policies and procedures. Identify and implement necessary changes.

S Continue to provide exceptional service to support the City's depts. in the area of technology.

2020 Results of Performance Measures

- Coordinated efforts to enable more than 200 employees to work remotely during the COVID pandemic.
- Developed procedures to hold public meetings virtually.

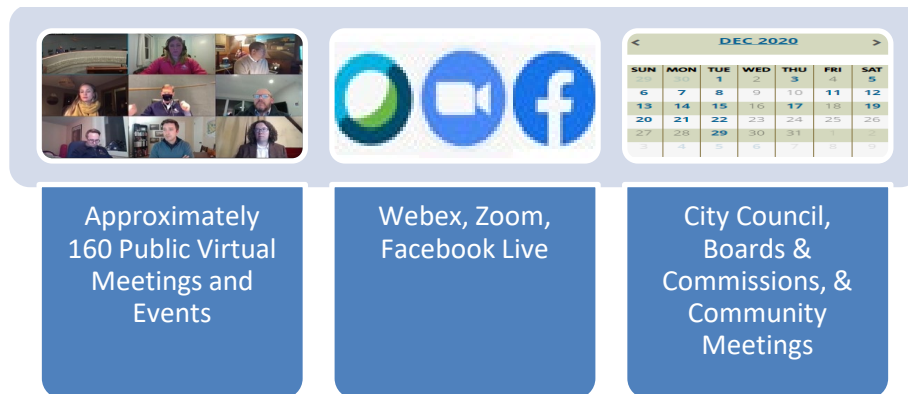
Information Technology (continued)

- Completed project management framework with plan to fully implement in 2021.
- Completed review of City’s software applications and compiled updated software catalog.
- Replaced and/or upgraded a substantial amount of the City’s technology infrastructure including networking equipment, PCs, laptops, multi-function devices, servers and software applications.
- Managed over \$2,300,000 in hardware and software maintenance agreements.
- Provided reliable technical support and services to over 600 employees.

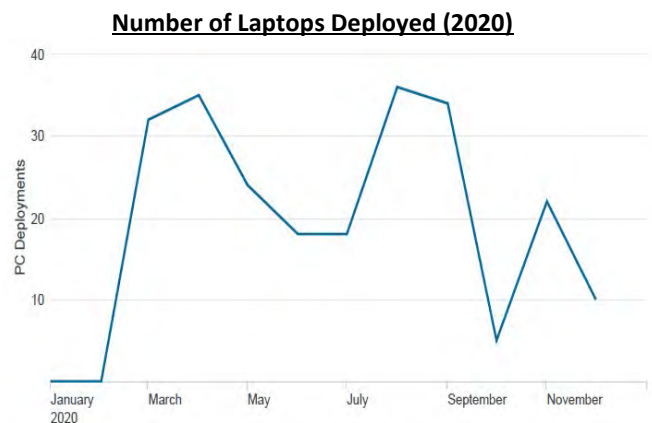
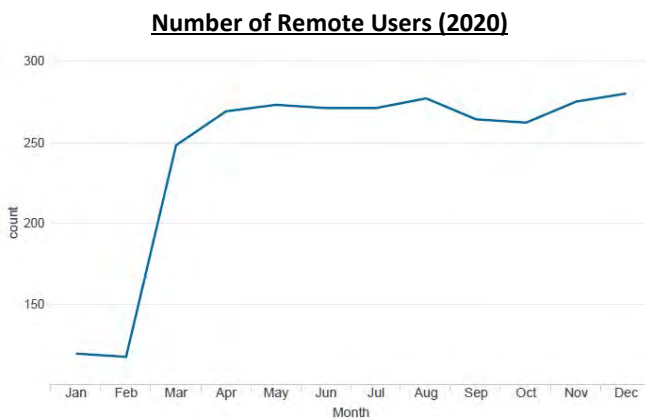
IT Supports and Secures the City’s Information and Infrastructure

- More than Six Million e-mails were processed in 2020.
- 58% of e-mail messages rejected as spam and nearly 100,000 messages containing viruses were stopped from entering the City’s network.
- IT processed 4966 requests for service in 2020, a 27% increase from 2019.

Public Meetings Went Virtual in 2020



IT Ensured Employees were Successful Working Remotely



Information Technology - Internal Service Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Departmental Charges | \$ 5,452,476 | \$ 5,737,892 | \$ 6,169,201 |
| Interest Income | 38,929 | 15,004 | 10,000 |
| Other Revenues | 7,040 | 2,993 | - |
| Transfers from Other Funds | 649,996 | 139,349 | - |
| Total Revenues | 6,148,441 | 5,895,238 | 6,179,201 |
| Expenses | | | |
| Salaries and Benefits | 1,896,969 | 1,939,719 | 2,279,906 |
| Materials, Supplies, & Services | 3,405,035 | 3,328,191 | 3,859,999 |
| Capital Outlay | 512,822 | 68,984 | 100,000 |
| Transfer to Other Funds | 254,760 | 264,092 | 261,772 |
| Total Expenses | 6,069,586 | 5,600,986 | 6,501,677 |
| Working Capital | | | |
| Net Change | 78,855 | 294,252 | (322,476) |
| Working Capital at Beginning of Year | 2,173,210 | 2,252,065 | 2,546,317 |
| Working Capital at End of Year | \$ 2,252,065 | \$ 2,546,317 | \$ 2,223,841 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

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 | 2019 | 2020 | 2021 |
|-------------------------------------|-----------|-----------|-----------|
| CITY ATTORNEY | 1 | 1 | 1 |
| DEPUTY CITY ATTORNEY - CIVIL | 0 | 1 | 1 |
| DEPUTY CITY ATTORNEY - PROSECUTION | 0 | 1 | 1 |
| ASSISTANT CITY ATTORNEY-CIVIL | 2 | 2 | 2 |
| ASSISTANT CITY ATTORNEY-PROSECUTION | 4 | 4 | 4 |
| OFFICE SUPERVISOR | 1 | 1 | 0 |
| CRIME VICTIM LIAISON | 1 | 1 | 1 |
| PARALEGAL | 2 | 2 | 2 |
| LEGAL ADMINISTRATIVE ASSISTANT | 1 | 1 | 0 |
| OFFICE SUPPORT SPECIALIST | 0 | 0 | 1 |
| OFFICE ASSISTANT | 1 | 1 | 0 |
| | 13 | 15 | 13 |

2021 Goals and Objectives

- S I IE** 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;
- S I IE** Promote justice, access to justice for victims of crimes, and enhance public safety through locally accountable, fair, and effective criminal prosecution and community outreach;
- S I IE** Deliver timely, high quality, accessible, and cost-effective legal counsel to City Departments;
- S I** 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;
- S I ES IE** 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;
- S A I ES IE R** Draft, negotiate, and review agreements, policies, and programs that address the City’s interests and protect its assets;
- S A I ES IE R** Advise and support City Departments’ efforts to bring about high-quality, innovative, and collaborative development;
- S A I ES IE R** Advise and support City Departments’ efforts to shape the ordinances, policies, and plans that direct the City’s growth, development, and renewal;
- S A I ES IE R** 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;

Legal (continued)

2021 Goals and Objectives (continued)

- S A I E S I E R** 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;
- S I E** Advise and support efforts to train and educate City Departments to improve and streamline requests, responses, and access to public records; and
- S I A E S I E R** Support City Departments and outside agencies' efforts to facilitate multi-modal transportation.

2020 Results of Performance Measures

- Prepared, reviewed, and finalized 568 waivers, releases, agreements, and contracts.
- Prepared, reviewed, and finalized 404 resolutions, ordinances, and notices of public hearing.
- Prepared, reviewed, and finalized 185 other city documents and policies.
- Prepared, trained city staff, and launched electronic signatures thru DocuSign for city agreements and City Council documents.
- Opened more than 2,838 criminal cases and 49 civil vehicle forfeiture cases resulting in approximately 7,473 court appearances.
- Completed case management system integrations to improve work flow process efficiencies, upgrades, and improvements both internally and for external justice partners.
- Completed full transition to paperless criminal prosecution resulting in part to the purchase and use of significantly less paper and significant cost savings.
- Filed briefs and argued case before the Minnesota Supreme Court.
- Ongoing case management of approximately two dozen distinct potential and pending litigation matters.
- Made 509 contacts with crime victims to provide criminal justice information and assistance including the delivery of 759 independent contacts to crime victims.
- Ongoing civil and criminal leadership roles in State, County, and 4th Judicial District.

Legal - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 18,267 | \$ 15,570 | \$ 8,000 |
| Intergovernmental | 95,049 | 64,319 | - |
| Other Revenues | - | 9,750 | - |
| Total Revenues | 113,316 | 89,639 | 8,000 |
| Expenditures | | | |
| Salaries and Benefits | 1,724,321 | 1,988,779 | 1,930,377 |
| Materials, Supplies, & Services | 364,841 | 338,850 | 339,595 |
| Transfer to Other Funds | 10,000 | 44,500 | - |
| Total Expenditures | 2,099,162 | 2,372,129 | 2,269,972 |
| Less Expenses Charged to Other Funds | (422,193) | (397,055) | (395,345) |
| Net Total Expenditures | \$ 1,676,969 | \$ 1,975,074 | \$ 1,874,627 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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 | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|-------------------------------------|---|---------------------------------|---------------------------------|---------------------------------|
| PARKS & RECREATION | | | | |
| | ADMIN - GENERAL FUND | 4 | 5 | 5 |
| | AQUATICS FUND - ENTERPRISE FUND | 1 | 1 | 1 |
| | CENTER FOR THE ARTS - ENTERPRISE FUND | 2 | 1 | 1 |
| | CREEKSIDE COMMUNITY CENTER - GENERAL FUND | 4 | 4 | 3 |
| | GOLF COURSES - ENTERPRISE FUND | 7 | 6 | 5 |
| | ICE GARDEN - ENTERPRISE FUND | 4 | 5 | 4 |
| | RECREATION - GENERAL FUND | 5 | 5 | 5 |
| PARKS & RECREATION Total | | 27 | 27 | 24 |



Parks and Recreation - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 680,296 | \$ 112,785 | \$ 727,924 |
| Other Revenues | 573,202 | 548,848 | 598,310 |
| Transfers from Other Funds | - | - | - |
| Total Revenues | 1,253,498 | 661,633 | 1,326,234 |
| Expenditures | | | |
| Salaries and Benefits | 2,291,374 | 1,936,697 | 2,291,087 |
| Materials, Supplies, & Services | 7,331,614 | 6,613,005 | 7,676,274 |
| Capital Outlay | - | - | 7,000 |
| Total Expenditures | 9,622,988 | 8,549,702 | 9,974,361 |
| Less Expenses Charged to Other Funds | (232) | (59,137) | (75,523) |
| Net Total Expenditures | \$ 9,622,756 | \$ 8,490,565 | \$ 9,898,838 |

Parks and Recreation – Administration

Administration provides leadership, planning, budgeting, and training to support to all of its divisions.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|---|------|------|------|
| DIRECTOR OF PARKS & RECREATION | 1 | 1 | 1 |
| DEPUTY DIRECTOR OF PARKS & RECREATION | 0 | 1 | 1 |
| ASSISTANT DIRECTOR OF PARKS & PARK PROJECTS | 0 | 1 | 1 |
| ASSISTANT PARKS & RECREATION MANAGER | 1 | 0 | 0 |
| COMMUNICATIONS SPECIALIST | 1 | 1 | 1 |
| ADMINISTRATIVE ASSISTANT | 1 | 1 | 1 |
| | 4 | 5 | 5 |

2021 Goals and Objectives

- I S** Update the Parks and Trails map
- S IE** Evaluate options for sponsorship, advertising and donation funding
- A S** Complete donation and naming policy update
- I S** Create a comprehensive, overall brand structure for the Parks and Recreation department
- A I E S R S IE** Continue implementation of Park System Master plan process
- I S IE** Evaluate current and create five new partnerships
- A I R S IE** Develop new playground replacement process
- A I R S IE** Complete Normandale Hills and Washburn playground replacements
- A I R S IE** Begin Normandale Lake Restroom and Maintenance building replacement
- A R S** Complete project management training program for one staff member

2020 Results of Performance Measures

- Updated the Parks and Recreation ordinances
- Completed Dred Scott Wheelhouse replacement project
- Completed path lighting at Normandale Lake Bandshell to Chalet Road parking lot

Parks and Rec. Admin. Div. - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 5,621 | \$ 1,273 | \$ 2,560 |
| Other Revenues | 489,546 | 511,297 | 520,710 |
| Total Revenues | 495,167 | 512,570 | 523,270 |
| Expenditures | | | |
| Salaries and Benefits | 643,145 | 959,382 | 862,962 |
| Materials, Supplies, & Services | 260,468 | 361,669 | 577,361 |
| Total Expenditures | 903,613 | 1,321,051 | 1,440,323 |
| Less Expenses Charged to Other Funds | - | (59,137) | (75,523) |
| Net Total Expenditures | \$ 903,613 | \$ 1,261,914 | \$ 1,364,800 |

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 | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| RECREATION MANAGER | 1 | 1 | 1 |
| RECREATION SUPERVISOR | 3 | 3 | 3 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| | 5 | 5 | 5 |

2021 Goals and Objectives

- I E S** Execute new Arts in the Parks “Friday Nights Live” series
- S I E** Improve seasonal hiring process including the utilization of online learning management system and NeoGov onboarding software
- S** Update credit card processor to remain PCI compliant
- S** Update leases for concessions and joint field use agreements
- A S** Update the Bloomington Field Use Policy
- S** Finalize agreement with the School District regarding Galaxy program and other joint initiatives
- S I E** Enhance and develop new volunteer opportunities in programs
- S I E** Partner with Three Rivers Park District to provide new programming for underserved youth

2020 Results of Performance Measures

- Applied for and received a \$363,000 grant to implement new programming due to COVID-19
- Created cornucopia of programming as a part of Project P.L.A.Y. funded through the Hennepin Country Grant including but not limited to Family Archery, Family Zumba, weekly Naturalist and Cultural Programs, Mobile REC, Take Home Summer Camp, Map and Compass, Big Bag o’Winter Swag, Geocaching, Cumulative Marathon, Pop Up Soccer, Save our Summer Outdoor Programming, Medallion Hunt, Family Wilderness Survival, Snow Sculpture Contest, Coloring Contest, Winter Bingo, Ice fishing, fat tire biking, pop up ice skating, drive in movies, adventures in cardboard, pop up fishing, Kids craft corner, Sledstravagnza, luminary walks, and literacy walks,
- Executed Farmers Market while following all COVID-guidelines
- Worked in cooperation with Bloomington Public Schools to provide summer meals to youth at Smith Park
- Created and implements a Parks Response Team to assist in decreasing the spread of COVID-19
- Launched Online Recreation Experience Center (Online REC) to offer virtual programming opportunities
- Launched the Parks and Recreation Facebook page resulting in 1,708 followers and 1,531 likes as of January 2021.
- Offered continuation of adult sports programs with extensive safety plans in place for COVID-19 mitigation

Parks and Recreation –Recreation (cont'd)



Parks and Rec. Recreation Div. - Gen. Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 543,795 | \$ 69,207 | \$ 611,564 |
| Other Revenues | \$ 83,529 | \$ 37,459 | \$ 77,000 |
| Total Revenues | 627,324 | 106,666 | 688,564 |
| Expenditures | | | |
| Salaries and Benefits | \$ 1,062,704 | \$ 532,969 | \$ 1,060,500 |
| Materials, Supplies, & Services | \$ 6,569,648 | \$ 6,084,828 | \$ 6,580,870 |
| Total Expenditures | \$ 7,632,352 | \$ 6,617,797 | \$ 7,641,370 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



Parks and Recreation – Creekside Community Center

The Creekside Community Center is home to active adult programming, community programs, and meal programs. 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 | 2019 | 2020 | 2021 |
|------------------------------------|----------|----------|----------|
| CREEKSIDE COMMUNITY CENTER MANAGER | 1 | 1 | 1 |
| RECREATION COORDINATOR | 1 | 1 | 0 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| MAINTENANCE WORKER | 1 | 1 | 1 |
| | 4 | 4 | 3 |



Parks and Recreation – Creekside Community Center (continued)

2021 Goals and Objectives

- S** Implement RecTrac software focusing on facility rentals and activity registration
- S** Restart and add fitness classes aimed at adult participants
- ES** Implement organics collection in partnership with Public Works
- S** Create volunteer office support position
- S** Establish cost recovery goal

2020 Results of Performance Measures

- Creekside closed at 5 p.m. on March 13 and remained closed for the remainder of 2020 due to the COVID-19 pandemic.
- Supported 35 adult and senior programs lead by volunteers with the goal of keeping participants happy, healthy, and socially connected to their friends and neighbors. Stayed in contact with senior program leaders with updates after the facility closed.
- On track to meet goals for art classes in partnership with Artistry, yoga classes and rental revenue until facility closure.
- Contacted lunch participants regarding facility closure and resulting lunch program cancellation regarding their food needs. Identified seven individuals that were food insecure and staff delivered frozen meals weekly throughout 2020. Meals provided by Optage Senior Dining.
- Supported Fare for All, a cooperative food buying program, and Creekside partner organization. Attendance in the program grew from 125 households purchasing meal packs per month at the start of 2020 to an average of 180 households purchasing during the drive-thru events.
- Staff partnered with Optimist Club and Northwestern Health University to offer a drive-thru Halloween event, originally scheduled to take place at Creekside.
- Created new virtual programs during the facility closure.
- Partnered with Public Health to provide monthly drive-thru events for the senior community starting in September. Attendance grew from 174 to 350 per event.

Parks and Rec. Creekside Division - Gen. Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|-------------------|-------------------|
| Revenues | | | |
| Program Income | \$ 130,880 | \$ 42,305 | \$ 113,800 |
| Other Revenues | 127 | 92 | 600 |
| Total Revenues | 131,007 | 42,397 | 114,400 |
| Expenditures | | | |
| Salaries and Benefits | 585,525 | 444,346 | 367,625 |
| Materials, Supplies, & Services | 501,498 | 166,508 | 518,043 |
| Capital Outlay | - | - | 7,000 |
| Total Expenditures | 1,087,023 | 610,854 | 892,668 |
| Less Expenses Charged to Other Funds | (232) | - | - |
| Net Total Expenditures | \$ 1,086,791 | \$ 610,854 | \$ 892,668 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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 Beach bath house improvements

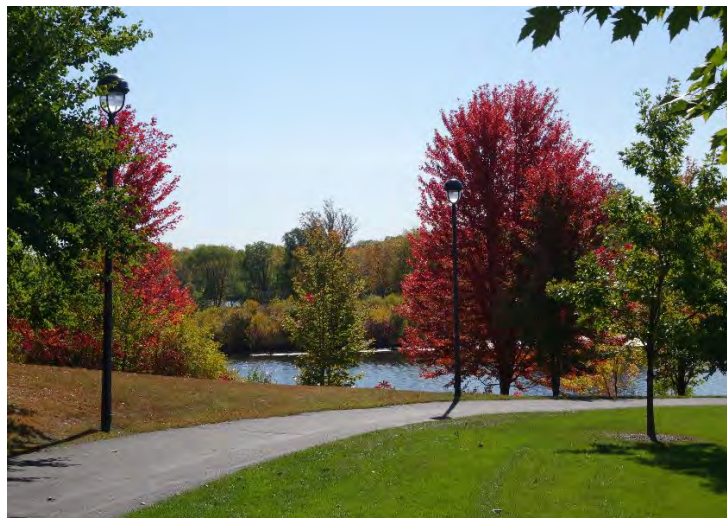


2021 Goals and Objectives

- A** Maintain the safety and viability of regional parks in the City.
- A** Utilize funds to address operational and maintenance needs in the park reserve as shown by the park asset inventory.
- A** Work with the other Metropolitan Regional Parks agencies to lobby the Legislature for continued Lottery-in-Lieu-Of operations and maintenance funding.
- ES** Natural resource restorations – Undertake improvement projects within the Park Reserve.
- A** Focus fund expenditures on equipment and services that support the active usage of the park reserve.

2020 Results of Performance Measures

- Began construction for replacement of the Tierney Woods trail. Tore out shrubs and foreign materials such as roots out of soil and sodded with new grass near Bush Lake Beach House building.
- Completed the Normandale Lake Path Lighting Project



Park Grants - Special Revenue Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|------------------|-------------------|------------------|
| Revenues | | | |
| Intergovernmental | \$ 119,870 | \$ 445,303 | \$ 92,615 |
| Interest Income | 7,275 | 3,017 | 3,000 |
| Other Revenues | | | |
| Transfers from Other Funds | - | 977 | - |
| Total Revenues | 127,145 | 449,297 | 95,615 |
| Expenses | | | |
| Salaries and Benefits | 17,278 | 68,297 | 40,417 |
| Materials, Supplies, & Services | 57,130 | 378,130 | 120,290 |
| Total Expenses | 74,408 | 446,427 | 160,707 |
| Working Capital | | | |
| Net Change | 52,737 | 2,870 | (65,092) |
| Working Capital at Beginning of Year | 22,935 | 75,672 | 78,542 |
| Working Capital at End of Year | \$ 75,672 | \$ 78,542 | \$ 13,450 |

Parks and Recreation – Golf Courses

The Golf Enterprise Fund includes two golf courses operated by the City of Bloomington: Dwan and Hyland Greens.



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.

Hyland Green Golf Course

Many different leagues play regularly at Hyland Greens. Hyland Greens was closed in 2020 due to financial conditions related to the Covid pandemic. The City of Bloomington is exploring a partnership with the Three Rivers Park District on an operating agreement for Hyland Greens in 2021 and beyond. The Three Rivers Park District brings a wealth of experience in operating golf facilities and offering instructional programs for all skill level of players from beginners to serious golf enthusiasts.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--|------|------|------|
| 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 | 2 | 1 | 1 |
| MAINTENANCE WORKER | 2 | 2 | 1 |
| | 7 | 6 | 5 |

2021 Goals and Objectives

- IS** Improve playability of the Bunkers at Dwan.
- IES** Institute online payment option for annual Patron card renewals and new Patron card sales.
- AIRS** Assist in the transfer of operations of Hyland Greens Golf and Learning Center with Three Rivers Park District.
- I** Complete redesign of Dwan logo and plan a branding strategy for the course.
- AS** Update League policies and procedures that will ensure Dwan maximizes tee sheet utilization and reduces no shows.
- AESR** Hire consultant to assess course conditions and make recommendations of Dwan Golf Course

Parks and Recreation – Golf Courses (cont'd)

2020 Results of Performance Measures

- Completed a redesign of the Dwan logo and 50th Anniversary season logo. New logo was incorporated into the branding strategy of the golf course which created a more unified branding look.
- Due to the Covid pandemic Dwan was faced with numerous operational challenges in its 50th anniversary season. Despite the challenges Dwan recorded its highest gross green fee revenues in the history of the course. Golf rounds exceeded 45,000 rounds for the first time in over a decade.
- Re-imagined tee options at Dwan to align with the new USGA guidelines for golf course set-ups. The new tees proved popular with various user segments which contributed to player enjoyment and increased play.
- Introduced pre-paid online tee times which proved to be convenient to the golfers during the pandemic and cut down on no-show rate.
- Implemented a new 4 hour cancellation policy and green fee credit card guarantee which resulted in higher course tee time utilization rates.
- Developed a money on account policy to pay for weekly league fees which streamlined the league check-in and payment process.
- Due to the pandemic Hyland Greens was closed for the 2020 season which resulted in a cost savings for the city of Bloomington.
- Transitioned three Hyland Greens leagues to Dwan and converted other Hyland league players into existing Dwan leagues which mitigated the league impact due to Hyland Greens closure.
- Continued golf course Improvements by constructing new forward (River) tee boxes, aggressively trimming and removing trees which resulted in improved turf quality, pace of play and customer satisfaction.
- Dwan Food & Beverage was challenged due to Covid restrictions on clubhouse capacity, however we adjusted by offering grab and go window service and were able to continue to offer food and beverage service during the pandemic and met our amended budget revenue projections.



Golf Courses - Enterprise Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|------------------|-------------------|-------------------|
| Revenues | | | |
| Property Taxes | \$ 300,000 | \$ 300,000 | \$ 161,343 |
| Program Income | 1,612,777 | 1,411,212 | 1,934,944 |
| Other Revenue | 5,586 | 89 | - |
| Interest Income | 2,178 | (1,586) | 1,000 |
| Transfers from Other Funds | - | 29,488 | - |
| Total Revenues | 1,920,541 | 1,739,203 | 2,097,287 |
| Expenses | | | |
| Salaries and Benefits | 1,123,739 | 1,006,915 | 1,163,353 |
| Materials, Supplies, & Services | 682,142 | 568,088 | 745,947 |
| Capital Outlay | 34,421 | 8,545 | 56,000 |
| Total Expenses | 1,840,302 | 1,583,548 | 1,965,300 |
| Working Capital | | | |
| Net Change | 80,239 | 155,655 | 131,987 |
| Working Capital at Beginning of Year | 14,638 | 94,877 | 250,532 |
| Working Capital at End of Year | \$ 94,877 | \$ 250,532 | \$ 382,519 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

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. The rinks also offer public skating as well as open hockey. Skating lessons are offered for both youth and adults by professionally trained instructors.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-----------------------------------|------|------|------|
| ICE GARDEN MANAGER | 1 | 1 | 1 |
| ASSISTANT ICE GARDEN MANAGER | 1 | 1 | 1 |
| ICE GARDEN MAINTENANCE SUPT | 1 | 1 | 1 |
| ICE GARDEN MAINTENANCE SUPERVISOR | 0 | 1 | 0 |
| MAINTENANCE WORKER | 1 | 1 | 1 |
| | 4 | 5 | 4 |



2021 Goals and Objectives

- A I R** Establish cost recovery goal
- A I S** Hire new Ice Garden Manager
- A I** Complete an RFP Architect/Engineering Services BIG Renovation Project.
- A I** Prepare an operational plan to potentially take over concessions
- A S** Begin drafting new advertising agreement with Bloomington Area Hockey Association (BAHA)
- I S** Finish Expectations and operations manual for staff
- I S** Update Zamboni Operations Manual
- A S** Install new recreation software for facility scheduling, online registration and POS.

2020 Results of Performance Measures

- The Ice Garden was closed from March 13 to June 8 and November 20, 2020 to January 4, 2021 due to COVID 19.
- High School Hockey Boosters paid for and installed team lockers in rink 1 locker rooms.
- Finished LED Lighting in all three arenas and updated the emergency lighting generator.
- BAHA secured a donation from RBCU to install two new scoreboards in rink 1.
- Worked with HGA to complete a building assessment, preliminary design and cost estimating for future renovation project.

Ice Garden - Enterprise Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Property Taxes for Debt Service | - | 213,286 | 202,887 |
| Property Taxes for Operations | - | 80,000 | 80,000 |
| Program Income | 1,372,360 | 848,616 | 1,505,350 |
| Other Revenue | 29,785 | 48,015 | 12,000 |
| Intergovernmental | 302,625 | - | - |
| Interest Income | 23,025 | 1,594 | 5,000 |
| Bond Proceeds | 1,687,123 | - | - |
| Transfers from Other Funds | 293,495 | 32,149 | - |
| Total Revenues | 3,708,413 | 1,223,660 | 1,805,237 |
| Expenses | | | |
| Salaries and Benefits | 660,155 | 619,044 | 712,936 |
| Materials, Supplies, & Services | 737,074 | 657,238 | 799,397 |
| Capital Outlay | 2,349,798 | 85,705 | 150,000 |
| Debt Service | 31,529 | 53,845 | 191,026 |
| Total Expenses | 3,778,556 | 1,415,832 | 1,853,359 |
| Working Capital | | | |
| Net Change | (70,143) | (192,172) | (48,122) |
| Working Capital at Beginning of Year | 584,840 | 514,697 | 322,525 |
| Working Capital at End of Year | \$ 514,697 | \$ 322,525 | \$ 274,403 |

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 | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| ARTS CENTER MANAGER | 1 | 1 | 1 |
| RECREATION SUPERVISOR | 1 | 0 | 0 |
| | 2 | 1 | 1 |

2021 Goals and Objectives

- A I E S** Research and develop fee structure for Resident Arts Orgs, partner organizations and BFAC that charges per use as well as by attendance at performances
- S** Setup and begin taking online reservation requests through RecTrac from the seven resident arts organizations
- S** Revise lease agreements for seven resident arts organizations and add updated BCA Operational Plan, BCA Covid-19 Safety Plan (as needed), Box Office Agreement (with Artistry) and new policies including; backstage, piano use, loading dock and scene shop policies
- I S** Conduct quarterly meetings with Bloomington Fine Arts Council and other resident arts groups
- A R S** Plan and implement Black Box renovations and enhancements to make it more usable for general rentals
- A I S** Replace sound system and speakers in the Schneider Theater
- A I S** Replace lighting system in the Schneider Theater
- A I S** Replace the soft goods in the Schneider Theater and Black Box Theaters (includes; black curtains and white scrim/cyclorama)



2020 Results of Performance Measures

- Decision by CBAC and City Council for the continuation of Cultural Arts Support program funds in a difficult budget year (shows the value of arts in the City and community)
- Acceptance and implementation of updated BCA Operational Plan, BCA Covid-19 Safety Plan (as needed), Box Office Agreement (with Artistry) and new policies including; backstage, piano use, loading dock and scene shop policies
- Number of strategic partnerships cultivated for new programming (and diversified art forms) at the BCA. Potential partners include; film, comedy, spoken word, puppetry, hip hop, modern dance, and other kinds of small performance groups, etc.
- Number of Racial Equity strategic priorities and plans in development for 2021 with implementation set for 2022. These may include, but not be limited to: creation of a Land Acknowledgement program/process for BCA, partnerships with BIPOC-serving community groups, organizations and/or businesses.

Center for the Arts - Enterprise Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|---------------------|
| Revenues | | | |
| Property Taxes | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| Program Income | 21,464 | 10,483 | 20,000 |
| Other Revenue | 133,181 | 48,046 | 1,110,000 |
| Interest Income | 16,714 | 4,615 | 7,596 |
| Transfers from Other Funds | - | 1,681 | - |
| Total Revenues | 1,171,359 | 1,064,825 | 2,137,596 |
| Expenses | | | |
| Salaries and Benefits | 178,726 | 143,743 | 239,842 |
| Materials, Supplies, & Services | 695,337 | 898,048 | 810,276 |
| Capital Outlay | 58,668 | 29,125 | 390,000 |
| Total Expenses | 932,731 | 1,070,916 | 1,440,118 |
| Working Capital | | | |
| Net Change | 238,628 | (6,091) | 697,478 |
| Working Capital at Beginning of Year | 634,854 | 873,482 | 867,391 |
| Working Capital at End of Year | \$ 873,482 | \$ 867,391 | \$ 1,564,869 |

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 | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| RECREATION SUPERVISOR | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- A ES IS** Repair slides at the Bloomington Family Aquatic Center per Environmental Health inspection
- IS** Implement Red Cross Aquatic Examiner Service at Bloomington Family Aquatic Center
- AS** Remove concessions operation at Bush Lake Beach and begin vending services
- A IS** Redesign swim area at Bush Lake Beach
- AS** Begin accepting picnic shelter reservations online

2020 Results of Performance Measures

- Aquatic facilities at Bush Lake Beach and Bloomington Family Aquatic Center were closed for 2020.
- Upgraded splash pad features at Cedar Crest Park
- Reserved 100% of canoe racks for the 2020 season



Aquatics - Enterprise Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Property Taxes | \$ 1,184,606 | \$ 1,226,000 | \$ 515,000 |
| Program Income | 380,974 | 35,274 | 284,386 |
| Other Revenue | 649 | - | 315 |
| Intergovernmental | 27,101 | 27,299 | 21,793 |
| Interest Income | 7,143 | 7 | 5,000 |
| Transfers from Other Funds | - | 8,016 | - |
| Total Revenues | 1,600,473 | 1,296,596 | 826,494 |
| Expenses | | | |
| Salaries and Benefits | 375,622 | 106,894 | 316,072 |
| Materials, Supplies, & Services | 1,006,725 | 1,026,042 | 379,076 |
| Capital Outlay | 141,720 | - | 100,000 |
| Total Expenses | 1,524,067 | 1,132,936 | 795,148 |
| Working Capital | | | |
| Net Change | 76,406 | 163,660 | 31,346 |
| Working Capital at Beginning of Year | 325,129 | 401,535 | 565,195 |
| Working Capital at End of Year | \$ 401,535 | \$ 565,195 | \$ 596,541 |

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 157 people, of which 124 are sworn officers. 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 and other community needs. More than 167,200 emergency and non-emergency phone calls are logged into the dispatch center annually. Of these, approximately 51,000 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, Hostage Negotiators, Traffic 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 | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|---------------------|--|---------------------------------|---------------------------------|---------------------------------|
| POLICE | | | | |
| | ADMIN - GENERAL FUND | 4 | 4 | 4 |
| | POLICE GRANTS - SPECIAL REVENUE FUND | 1 | 1 | 1 |
| | POLICE OPERATIONS - GENERAL FUND | 120 | 120 | 120 |
| | POLICE SUPPORT - GENERAL FUND | 30 | 31 | 31 |
| | PUBLIC SAFETY TECH & EQUIP - INTERNAL SERV. FUND | 1 | 1 | 1 |
| POLICE Total | | 156 | 157 | 157 |



Police - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Program Income | \$ 241,797 | \$ 61,710 | \$ 260,500 |
| Intergovernmental | 217,613 | 169,153 | 204,250 |
| Other Revenues | 16,295 | 21,735 | - |
| Transfers from Other Funds | 16,632 | - | - |
| Total Revenues | 492,337 | 252,598 | 464,750 |
| Expenditures | | | |
| Salaries and Benefits | 21,164,924 | 21,743,206 | 22,538,570 |
| Materials, Supplies, & Services | 5,991,408 | 5,910,690 | 6,032,181 |
| Capital Outlay | - | - | - |
| Transfer to Other Funds | 24,510 | - | - |
| Total Expenditures | 27,180,842 | 27,653,896 | 28,570,751 |
| Less Expenses Charged to Other Funds | (317,844) | (327,377) | (327,377) |
| Net Total Expenditures | \$ 26,862,998 | \$ 27,326,519 | \$ 28,243,374 |

Police - Administration

Police Administration provides overall 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 Strategic Plan focus areas: Youth, Community Outreach/Engagement, Training, and Technology.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| CHIEF OF POLICE | 1 | 1 | 1 |
| DEPUTY CHIEF OF POLICE | 2 | 2 | 2 |
| ADMINISTRATIVE ASSISTANT | 1 | 1 | 1 |
| | 4 | 4 | 4 |

2021 Goals and Objectives

- S** Plan and coordinate the provision of high quality public safety services to the community at an affordable price while internally incorporating the HPO model of leadership.
- S** During the pandemic this will also include coordinating the vaccination of the Police Department staff and assisting in the mass distribution of the vaccine in Bloomington.
- S** 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.
- S** Identify problem addresses through the P.R.O.T.E.C.T. program and utilize collaborative efforts with other City departments to resolve issues associated with these properties. During the pandemic this will include continued focus on calls for police services at hotels and other hot spots identified along American Boulevard.
- S** Continued development and training on response to calls involving mental health and persons in crisis. Continue to expand the number of Crisis Intervention Trained (CIT) Officers. Collaborate and add a second embedded social worker to our response and services provided to people in crisis or struggling with addiction.
- S** Train and equip a group of BPD officers that will partner with other Hennepin County law enforcement agencies to work together to provide safety and security during potential civil unrest.
- I** Complete proposed jail upgrades that were delayed in 2020 due to the pandemic.
- I** Begin using an electronic time card system for COT and regular time card coding.
- I** Transition the less lethal equipment in the marked police squads to 40mm single launchers from shotguns. Also transition the standard duty weapon for Officers from a .40 caliber handgun to a 9mm handgun.
- I** Build upon current Department Wellness programs to consider adding peer support and spiritual wellness components to the program.

2020 Results of Performance Measures

- Continued to monitor goals and measurable objectives for the Police Department, using Police Department's Strategic Plan focus areas previously identified. These objectives include directing patrols based on statistics showing 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.
- Fully transitioned the Police Dept. to the use of TriTech Field Based Reporting (FBR) and NIBRS.
- Volunteer in Police Service (VIPS) Program established within the Police Department.
- The Wellness Program was expanded to include a "check up from the neck up" where every Officer was required to meet with a mental health counselor and could see further consoling if needed.
- Continued collaboration with Hennepin County on mental health related issues, the department started the process to add a second embedded social worker from Hennepin County to assist and offer follow-up services to those who are experiencing mental health crisis.

Police Admin. Division - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|---------------------|---------------------|
| Revenues | | | |
| Other Revenues | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - |
| Expenditures | | | |
| Salaries and Benefits | 686,154 | 800,344 | 880,629 |
| Materials, Supplies, & Services | 287,378 | 274,833 | 275,453 |
| Total Expenditures | 973,532 | 1,075,177 | 1,156,082 |
| Less Expenses Charged to Other Funds | (3,000) | (3,093) | (3,093) |
| Net Total Expenditures | \$ 970,532 | \$ 1,072,084 | \$ 1,152,989 |

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, vice, 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 K-9 teams and Crime Scene Technicians are also part of the Patrol response resources.



| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------------|------------|------------|
| COMMANDER | 5 | 5 | 5 |
| SERGEANT | 18 | 18 | 18 |
| POLICE OFFICER | 97 | 97 | 97 |
| | 120 | 120 | 120 |

2021 Goals and Objectives

- S** Expand upon the embedded social worker program by adding an additional social worker to respond to individuals who survived an overdose, however, are suffering from chemical dependency.
- S** Continue Crisis Intervention training, and expand mental health response with an embedded social worker.
- S** Work with neighborhoods and businesses to identify and solve problems such as repeat calls for service.
- S** Reduce number of reported stolen vehicles in 2021 through auto theft prevention education.
- S** Focus efforts to recover stolen vehicles through grant funded auto theft saturation details and use of both stationary and mobile Automatic License Plate Reader technology (ALPR) in 2021.
- I** Continue Community Engagement Events at each of our elementary schools, Safe Summer Night events, Holiday Helpers, School Lunch Service, and other activities that will provide a positive contact between patrol officers and our youth.
- S** Continued evaluation of patrol areas in order to improve service and efficiency to the community. Implementation of closest unit dispatching software to improve patrol response times is in progress and data sets are being collected.
- S** Maintain a vigorous Field Training Program that emphasizes strong training ethics for 6-9 new officers in 2020.
- IE** Field Training of 1 “Pathways to Policing” officer to prepare them for patrol duty.
- S** 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.
- S** 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.

Police – Operations (continued)

- S** Continue to monitor canine deployments and use by utilizing canine specific software to track and monitor training, use and deployments to ensure the canine unit is providing the best service to the community.
- S** Educate local businesses on the updated laws to prevent the distribution of alcohol and tobacco products to underage persons.
- S** Continue to educate hotel/hospitality groups on narcotics and human trafficking to prevent these activities at local hotels.
- I** Continue to inform parents, teachers and social workers how to identify youth drug trends.
- S** Continue to provide evening and weekend investigative staff to the public with scheduled Investigative Division personnel beyond traditional business hours and Saturdays.

2020 Results of Performance Measures

- Provided planning and public safety assistance for the 2019 Final Four NCAA basketball tournament.
- Field Training of two Pathways to Policing officers to prepare them for patrol duty. Both Pathways to Policing recruits successfully completed the field training program and are on patrol as probationary officers until March of 2020.
- Used technology to recover 201 stolen vehicles in 2020, resulting in 157 arrests.
- Provided auto theft prevention education throughout several different types of communication.
- Currently 18,108 homes, 448 watch groups, 730 Block Captains in the Neighborhood Watch group.
- Received 167,262 calls to the dispatch center in 2020 and 51,009 of these were 911 calls.
- Responded to 60,824 requests for Police services in 2020.
- Worked 277 traffic enforcement details that resulted from citizen complaints and traffic crash data.
- Conducted 435 Hit and Run Investigations.
- Investigated four traffic related fatalities in 2019.
- 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 addition of a grant funded DUI Enforcement Officer. In 2019 this grant funded officer made 152 DUI arrests. Department total for 2019 was 476 impaired driving arrests.
- Restructured the police canine program to provide more coverage during daytime hours. Continue to utilize our Police Canines to detect hazards and apprehend criminals. K9 program was restructured to cover hours between 1100-0700.
- Evaluation of patrol areas in order to improve service and efficiency to the community was initiated by forming a micro business to evaluate patrol area incidents, calls for service, and reports.
- Provided education to alcohol and tobacco licensed establishments in lieu of traditional compliance details due to COVID-19 related orders.

- Updated the P.R.O.T.E.C.T. (Proactive Objectives Targeting Emerging Crime Trends) Program to respond to problem addresses which included addressing a large increase in calls at several hotels and businesses along American Boulevard.
- Bomb Squad responded to 33 bomb related calls, provided bomb sweeps and assistance to the US Secret Service related to several 2020 election visits.
- SWAT Team responded to 13 warrants and callouts which also included assistance to the U.S. Secret Service on a presidential protection detail.

5 year Crime Statistics

| Crimes | 2016 | 2017 | 2018 | 2019 | 2020 | 5 Year Average |
|--------------------|-------|-------|-------|-------|-------|----------------|
| Homicide | 1 | 1 | 2 | 4 | 6 | 2.8 |
| Rape | 58 | 47 | 51 | 53 | 71 | 56 |
| Robbery | 64 | 33 | 44 | 61 | 70 | 54.4 |
| Aggravated Assault | 68 | 66 | 68 | 86 | 158 | 89.2 |
| Burglary | 182 | 178 | 161 | 180 | 235 | 187.2 |
| Theft | 2,519 | 2,334 | 2,310 | 2,620 | 2,435 | 2443.6 |
| Vehicle Theft | 132 | 141 | 134 | 166 | 277 | 170 |
| Arson | 11 | 12 | 5 | 17 | 13 | 11.6 |

Police Operations Division - General Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Program Income | \$ 201,521 | \$ 17,118 | \$ 213,000 |
| Intergovernmental | 98,283 | 60,007 | 87,500 |
| Other Revenues | 11,090 | 20,540 | - |
| Transfers from Other Funds | 16,632 | - | - |
| Total Revenues | 327,526 | 97,665 | 300,500 |
| Expenditures | | | |
| Salaries and Benefits | 16,413,199 | 16,793,151 | 17,440,603 |
| Materials, Supplies, & Services | 3,917,802 | 3,872,336 | 3,870,318 |
| Capital Outlay | - | - | - |
| Transfer to Other Funds | 24,510 | - | - |
| Total Expenditures | 20,355,511 | 20,665,487 | 21,310,921 |
| Less Expenses Charged to Other Funds | - | - | - |
| Net Total Expenditures | \$ 20,355,511 | \$ 20,665,487 | \$ 21,310,921 |

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 | 2019 | 2020 | 2021 |
|--------------------------------|-----------|-----------|-----------|
| CIVILIAN SERVICES MANAGER | 1 | 1 | 1 |
| ACCOUNTANT | 0 | 0 | 1 |
| CRIME ANALYST | 1 | 1 | 1 |
| DISPATCH SUPERVISOR | 1 | 1 | 1 |
| CRIME PREVENTION COORDINATOR | 1 | 1 | 1 |
| POLICE DATA COORDINATOR | 0 | 1 | 1 |
| CIVILIAN POLICE DISPATCHER | 13 | 13 | 13 |
| LEAD POLICE RECORDS SPECIALIST | 1 | 1 | 1 |
| ACCOUNTING ASSISTANT | 1 | 1 | 0 |
| ANIMAL CONTROL COORDINATOR | 1 | 1 | 1 |
| POLICE RECORDS SPECIALIST | 9 | 9 | 8 |
| PROPERTY CONTROL SPECIALIST | 1 | 1 | 1 |
| INFORMATION ASSISTANT | 0 | 0 | 1 |
| | 30 | 31 | 31 |

2021 Goals and Objectives

- S** Encourage predictive policing and directed patrols by providing daily information to department personnel and advising of high priority areas.
- S** Continue to support Business Watch initiatives to help local businesses improve the safety of customers and employees and work to reduce crime.
- S** Continue to support Neighborhood Watch and National Night Out as a way to communicate with residents and improve their safety and quality of life.
- IE** 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 such as Front Yard Conversations.
- S** Continue to increase the number of officers receiving the 40 hour Crisis Intervention (C.I.T.)/De-escalation training. Continue to partner with social services to improve response and follow-up to persons in crisis/mental health calls including adding an additional embedded social worker.
- I** The 2020 Police Citizens Academy was cancelled because of COVID but we plan to hold a Citizens Academy at a later date in 2021.
- S** Joint training(s) with the owner agencies of the South Metro Public Safety Training Facility (SMPSTF).

2020 Results of Performance Measures

- Entered 13,247 police reports into the record management system (RMS).
- Implemented 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
- Completed Physical Fitness Assessments on all sworn personnel.

Police – Support (continued)

- Partnered with a local school and significantly increased participation in the New Americans Academy.
- Continued to hold monthly Multi-Cultural Advisory Board meetings to discuss current issues and sought feedback from the Multi-Cultural Advisory Board regarding new and updated police policies.
- Made adjustments to community engagement events to ensure they were compliant with COVID-19 restrictions, this included adding new events such as Front Yard Conversations and increased the department's use of social media such as Q & A with BPD video segments.
- Property and Evidence room received 12,777 property items that were held as evidence. This room currently holds over 57,000 pieces of evidence and averages 40 pieces 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.
- Increased our Twitter followers, and expanded other social media efforts, including the use of NextDoor, added a Bloomington Police Department Facebook page to better connect with the community.
- All sworn personnel received 10 hours of Crisis Intervention/De-escalation training.



Police Support Division - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 40,276 | \$ 44,592 | \$ 47,500 |
| Intergovernmental | 119,330 | 109,146 | 116,750 |
| Other Revenues | 5,205 | 1,195 | - |
| Total Revenues | 164,811 | 154,933 | 164,250 |
| Expenditures | | | |
| Salaries and Benefits | 4,065,571 | 4,149,711 | 4,217,338 |
| Materials, Supplies, & Services | 1,786,228 | 1,763,521 | 1,886,410 |
| Total Expenditures | 5,851,799 | 5,913,232 | 6,103,748 |
| Less Expenses Charged to Other Funds | (314,844) | (324,284) | (324,284) |
| Net Total Expenditures | \$ 5,536,955 | \$ 5,588,948 | \$ 5,779,464 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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)
- Coronavirus Emergency Supplemental Funding (CESF)

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| POLICE OFFICER | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- S** Improve quality of life in our community through an aggressive approach to reducing and preventing crime through partnerships and community engagement/education efforts.

2020 Results of Performance Measures

- Conducted a proactive strategy to reduce auto theft through public education and enforcement initiatives.
- Equipped and deployed a Bait Car in high-crime areas, targeting car thieves and car prowlers.
- Deployed crime suppression cameras to areas within the City that showed an increase in crime.
- Bloomington Officers worked 114 Toward Zero Death (TZD) details in 2019. Details included 45 DWI, 42 Seatbelt, 15 Speed, 12 Distracted, 1 “Move-Over” to locate and arrest impaired drivers and enforce other traffic laws such as the Trooper Ted Foss “Move-Over” and Seatbelt laws.
- Secured \$35,000 in Federal High Intensity Drug Trafficking Area (HIDTA) grant funding used specifically to combat drug trafficking in Bloomington.
- Purchased a camera surveillance trailer and 4 portable Automated Fingerprint Identification Systems utilizing the UASI Grant
- Utilized the CESF Grant to purchase additional PPE and sanitizer supplies in response to COVID-19.

Police Grants - Special Revenue Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-----------------|-------------------|----------------|
| Revenues | | | |
| Intergovernmental | \$ 520,511 | \$ 434,194 | \$ - |
| Donations | 5,233 | 16,275 | - |
| Transfers from Other Funds | 24,510 | - | - |
| Total Revenues | 550,254 | 450,469 | - |
| Expenses | | | |
| Salaries and Benefits | 241,571 | 226,981 | - |
| Materials, Supplies, & Services | 171,736 | 78,603 | - |
| Capital Outlay | 112,649 | 147,500 | - |
| Transfer to Other Funds | 16,632 | - | - |
| Total Expenses | 542,588 | 453,084 | - |
| Working Capital | | | |
| Net Change | 7,666 | (2,615) | - |
| Working Capital at Beginning of Year | (5,051) | 2,615 | - |
| Working Capital at End of Year | \$ 2,615 | \$ - | \$ - |

DWI Forfeiture Fund

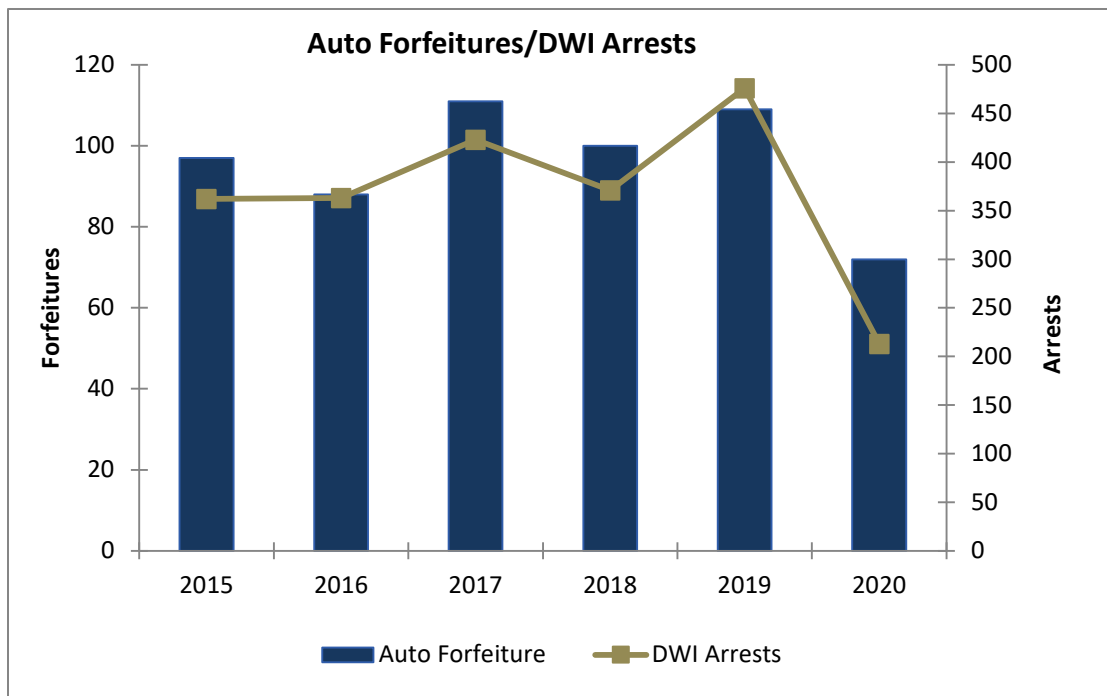
This DWI fund accumulates proceeds from the sale of vehicles seized in DWI arrests and forfeited in accordance with State law and through court order. Police costs for enforcement and a portion of Legal costs are accounted for in this fund.

2021 Goals and Objectives

- S** Reduce internal costs associated with DWI enforcement in order to provide additional resources for DWI enforcement.
- S** Continue efforts to uniformly and fairly seize vehicles under the DWI forfeiture law.
- S** Internally account for expenses associated with DWI forfeitures to assure proper allocation of expenses.
- S** To remove access to vehicles for repeat DWI offenders according to due process.

2020 Results of Performance Measures

- Processed 72 DWI forfeited vehicles with 213 DWI arrests, a 55% decrease in DWI related arrests from 2019.



DWI Forfeiture - Special Revenue Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Forfeitures | \$ 87,248 | \$ 34,484 | \$ 60,000 |
| Interest Income | 11,110 | 4,422 | 1,000 |
| Total Revenues | 98,358 | 38,906 | 61,000 |
| Expenses | | | |
| Salaries and Benefits | 24,220 | 9,431 | 30,348 |
| Materials, Supplies, & Services | 24,123 | 15,744 | 39,262 |
| Transfer to Other Funds | - | - | - |
| Total Expenses | 48,343 | 25,175 | 69,610 |
| Working Capital | | | |
| Net Change | 50,015 | 13,731 | (8,610) |
| Working Capital at Beginning of Year | 382,432 | 432,447 | 446,178 |
| Working Capital at End of Year | \$ 432,447 | \$ 446,178 | \$ 437,568 |

Enhanced 911

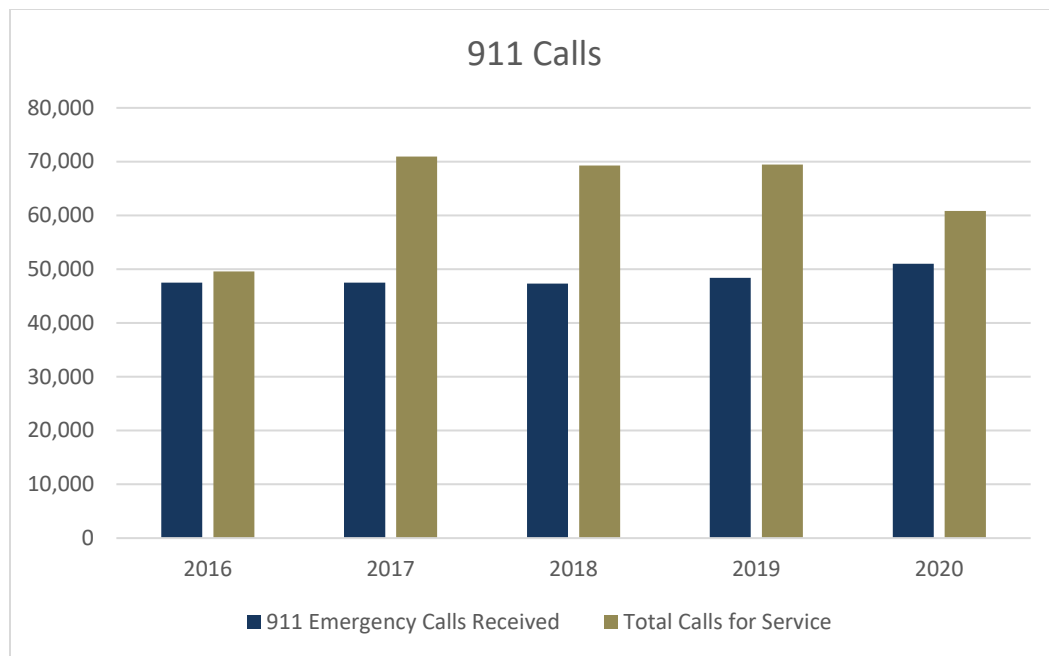
The Enhanced 911 Special Revenue Fund receives funding from the 911 service fees charged to telephone customers. The funds are used for implementation, operation, maintenance, enhancement, and expansion of 911 service, including acquisition of necessary equipment.

2021 Goals and Objectives

- S** Maintain and improve communications center staffing, training and equipment
- S** Fill Dispatch Supervisor position
- S** Implement recommendations from service assessment in the areas of hiring, retention, quality assurance and data driven decision-making.

2020 Results of Performance Measures

- Service assessment completed and reviewed
- Streamlined hiring process to reduce hiring lead-time
- Implemented digital fire paging



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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|------------------|-------------------|-----------------|
| Revenues | | | |
| Intergovernmental | \$ 111,689 | \$ 102,382 | \$ 111,689 |
| Interest Income | 2,140 | 289 | 100 |
| Total Revenues | 113,829 | 102,671 | 111,789 |
| Expenses | | | |
| Salaries and Benefits | | | |
| Materials, Supplies, & Services | 87,060 | 82,234 | 82,234 |
| Capital Outlay | 13,251 | 25,988 | - |
| Transfer to Other Funds | 45,000 | 45,000 | 30,000 |
| Total Expenses | 145,311 | 153,222 | 112,234 |
| Working Capital | | | |
| Net Change | (31,482) | (50,551) | (445) |
| Working Capital at Beginning of Year | 89,453 | 57,971 | 7,420 |
| Working Capital at End of Year | \$ 57,971 | \$ 7,420 | \$ 6,975 |

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.

2021 Goals and Objectives

- S Use DOJ drug-forfeited equitable sharing funds to cover law enforcement expenses allowed by the DOJ equitable sharing program.
- S Continue to conduct specialized training for narcotics related law enforcement activities such as hotel/motel and motor vehicle interdiction.

2020 Results of 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>2018</u> | | <u>2019</u> | | <u>2020</u> | |
|---|----------------|--------------------------|----------------|--------------------------|----------------|--------------------------|
| | <u># grams</u> | <u>Est. Street Value</u> | <u># grams</u> | <u>Est. Street Value</u> | <u># grams</u> | <u>Est. Street Value</u> |
| Marijuana | 129,705 | \$1,297,000 | 134,016.47 | \$1,340,164.70 | 9,733.20 | \$145,998.00 |
| Methamphetamine | 4,570 | \$457,000 | 4,775.86 | \$477,586.00 | 13,542.89 | \$1,354,289.00 |
| Crack (Rock) Cocaine 18 & 19 Data Fentanyl 2020 Data | 36 | \$3,600 | 38.82 | \$3,882.00 | 55.95 | \$11,190.00 |
| Cocaine | 2,712 | \$271,000 | 2,765.91 | \$276,591.00 | 981.65 | \$112,889.75 |
| Heroin | 178 | \$71,480 | 582.48 | \$116,496.00 | 646.2 | \$129,420.00 |
| TOTAL | 137,201 | \$2,100,080 | 142,179.54 | \$2,214,719.70 | 24,959.89 | \$1,753,786.75 |

Federal DOJ Drug Forfeiture - Special Rev. Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Forfeitures | \$ 585 | \$ 38,990 | \$ 30,000 |
| Interest Income | 50 | (0) | - |
| Other Revenues | | | |
| Transfers from Other Funds | - | - | - |
| Total Revenues | 635 | 38,990 | 30,000 |
| Expenses | | | |
| Salaries and Benefits | - | - | 70,000 |
| Materials, Supplies, & Services | 6,106 | - | 15,000 |
| Capital Outlay | 21,575 | - | - |
| Total Expenses | 27,681 | - | 85,000 |
| Working Capital | | | |
| Net Change | (27,046) | 38,990 | (55,000) |
| Working Capital at Beginning of Year | 273,886 | 246,840 | 285,830 |
| Working Capital at End of Year | \$ 246,840 | \$ 285,830 | \$ 230,830 |

Federal Treasury Drug Forfeiture

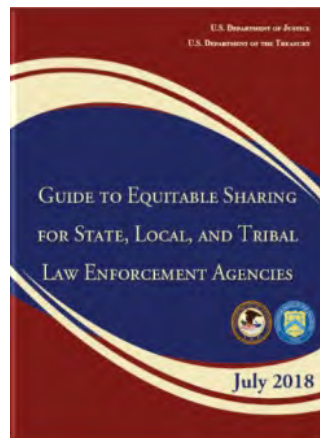
The Federal Department of Treasury (DOT) Drug Forfeiture Special Revenue separately tracks equitable sharing drug forfeiture funds from the DOT Equitable Sharing Program. Expenditures in this fund must comply with the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* 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.

2021 Goals and Objectives

- S** Use DOT drug-forfeited equitable sharing funds to cover law enforcement expenses allowed by the DOT equitable sharing program.

2020 Results of Performance Measures

- In 2020 we received \$1,791.00 in forfeitures from the Department of Treasury drug forfeiture fund.



Fed. Treasury Drug Forfeiture - Special Rev. Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|------------------|-------------------|------------------|
| Revenues | | | |
| Forfeitures | \$ - | \$ 1,791 | \$ - |
| Interest Income | 14 | (90) | - |
| Transfers from Other Funds | - | - | - |
| Total Revenues | 14 | 1,701 | - |
| Expenses | | | |
| Salaries and Benefits | - | - | 25,000 |
| Materials, Supplies, & Services | - | 10 | - |
| Total Expenses | - | 10 | 25,000 |
| Working Capital | | | |
| Net Change | 14 | 1,691 | (25,000) |
| Working Capital at Beginning of Year | 81,870 | 81,884 | 83,575 |
| Working Capital at End of Year | \$ 81,884 | \$ 83,575 | \$ 58,575 |

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.

2021 Goals and Objectives

- S** Use drug-forfeited assets to cover law enforcement expenses that are not funded by the taxpayers.

2020 Results of 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.

State Drug Forfeiture - Special Revenue Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Forfeitures | \$ (3,647) | \$ (3,100) | \$ 5,000 |
| Interest Income | 8,717 | 3,030 | 1,000 |
| Total Revenues | 5,070 | (70) | 6,000 |
| Expenses | | | |
| Transfer to Other Funds | - | 50,000 | 50,000 |
| Total Expenses | - | 50,000 | 50,000 |
| Working Capital | | | |
| Net Change | 5,070 | (50,070) | (44,000) |
| Working Capital at Beginning of Year | 314,408 | 319,478 | 269,408 |
| Working Capital at End of Year | \$ 319,478 | \$ 269,408 | \$ 225,408 |

Contractual Police Services

The Contractual Police Service 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.

2021 Goals and Objectives

- S** 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 extra traffic and high visibility foot patrol details.
- S** Provide reimbursable police services to enhance public safety during special events.

2020 Results of Performance Measures

- 887 events were scheduled for Contractual Police Services as compared to 1,150 events in 2019.
- The total number of scheduled events included 1257 officer positions and 28 supervisor positions.
- The business with the largest number of COT events in 2020 was Walmart with 336 events.
- The total events for 2020 was lower than average because of COVID-19 and the intermittent closing of the Mall of America and other Bloomington businesses. The Mall of America’s new technology assisting with parking guidance in the ramps and surface lots led to no longer needing Police Officers assisting with parking management on Saturdays and other days when vehicle traffic was especially busy.



Contractual Police Services - Enterprise Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|----------------|-------------------|----------------|
| Revenues | | | |
| Program Income | \$ 854,502 | \$ 558,430 | \$ 550,000 |
| Intergovernmental | 79,981 | - | - |
| Total Revenues | 934,483 | 558,430 | 550,000 |
| Expenses | | | |
| Salaries and Benefits | 833,312 | 475,279 | 515,804 |
| Materials, Supplies, & Services | 14,868 | 15,314 | 19,196 |
| Transfer to Other Funds | 85,816 | 67,828 | 15,000 |
| Total Expenses | 933,996 | 558,421 | 550,000 |
| Working Capital | | | |
| Net Change | 487 | 9 | - |
| Working Capital at Beginning of Year | (488) | (1) | 8 |
| Working Capital at End of Year | \$ (1) | \$ 8 | \$ 8 |

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 | 2019 Authorized Full-Time | 2020 Authorized Full-Time | 2021 Authorized Full-Time |
|---------------------------|--|---------------------------------|---------------------------------|---------------------------------|
| PUBLIC WORKS | | | | |
| | ADMIN - GENERAL FUND | 5 | 5 | 5 |
| | ENGINEERING - GENERAL FUND | 29 | 29 | 28 |
| | FACILITY & PARK MAINT - INTERNAL SERV FUND | 40 | 40 | 40 |
| | FLEET & EQUIPMENT - INTERNAL SERV FUND | 15 | 15 | 12 |
| | MAINTENANCE ADMIN - GENERAL FUND | 9 | 9 | 9 |
| | SOLID WASTE UTILITY - ENTERPRISE FUND | 1 | 1 | 1 |
| | 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 | 39 |
| PUBLIC WORKS Total | | 186 | 186 | 182 |



Public Works - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Program Income | \$ 11,991 | \$ 13,837 | \$ 100 |
| Permits and Licenses | 31,250 | 38,435 | 30,000 |
| Other Revenues | 72,097 | 83,391 | 54,935 |
| Transfers from Other Funds | - | - | - |
| Total Revenues | 115,338 | 135,663 | 85,035 |
| Expenditures | | | |
| Salaries and Benefits | 8,077,579 | 8,003,282 | 8,170,669 |
| Materials, Supplies, & Services | 7,256,180 | 6,626,098 | 8,340,728 |
| Capital Outlay | 900,884 | 63,887 | 63,000 |
| Transfer to Other Funds | 17,603 | 26,746 | - |
| Total Expenditures | 16,252,246 | 14,720,013 | 16,574,397 |
| Less Expenses Charged to Other Funds | (2,715,252) | (3,455,025) | (2,721,072) |
| Net Total Expenditures | \$ 13,536,994 | \$ 11,264,988 | \$ 13,853,325 |

Public Works - Administration

The administration division provides support to all of its divisions. This includes supervision, planning, accounting, safety training, the garbage and recycling program and liaison for sustainability efforts.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| DIRECTOR OF PUBLIC WORKS | 1 | 1 | 1 |
| DEPUTY DIRECTOR PUBLIC WORKS | 1 | 1 | 1 |
| ACCOUNTANT | 1 | 1 | 1 |
| SUSTAINABILITY COORDINATOR | 1 | 1 | 1 |
| OFFICE COORDINATOR | 1 | 1 | 1 |
| | 5 | 5 | 5 |

2021 Goals and Objectives

- ES** Work with the Sustainability Commission, City Council, and staff to develop and administer an annual work plan for sustainability initiatives.
- ES** Work with staff across the City to develop the benchmarking metrics to achieve GreenSteps Cities Level 5 designation.
- ES** Work with the City Council and Sustainability Commission to create and adopt policies implementing Time of Sale Energy Disclosure and Large Business Energy Benchmarking.
- S ES** Transition the City's Curbside Cleanup program to a more environmentally appropriate model.
- S ES** Implement a Citywide curbside organics program.
- S IE** 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.
- S** Maintain and support a comprehensive safety program for the department including monthly meetings of the Public Works Safety Health Committee.

2020 Results of Performance Measures

- Sustainability initiatives resulted in increased participation in Home Energy Squad visits; Low Income Energy Squad Visits; new households enrolled in Windsource; business irrigation audits; and new households participating in the Adopt a Drain Program.
- Sustainability initiatives also resulted in the achievement of GreenSteps Cities Level 4 designation,
- A new model for the city's Curbside Cleanup program was developed and plans for public engagement and implementation are underway.
- 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 of major safety programs and completed 3 successful safety campaigns.

Public Works Admin. Division - General Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Program Income | \$ 826 | \$ - | \$ - |
| Total Revenues | 826 | - | - |
| Expenditures | | | |
| Salaries and Benefits | 489,466 | 731,613 | 732,837 |
| Materials, Supplies, & Services | 255,245 | 215,844 | 225,435 |
| Total Expenditures | 744,711 | 947,457 | 958,272 |
| Less Expenses Charged to Other Funds | (556,152) | (572,832) | (479,635) |
| Net Total Expenditures | \$ 188,559 | \$ 374,625 | \$ 478,637 |

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 we don’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 | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| CITY ENGINEER | 1 | 1 | 1 |
| SENIOR CIVIL ENGINEER | 1 | 1 | 1 |
| TRAFFIC & TRANSPORT ENGINEER | 1 | 1 | 1 |
| CIVIL ENGINEER | 5 | 5 | 4 |
| PROFESSIONAL LAND SURVEYOR | 1 | 1 | 1 |
| SENIOR ENGINEERING TECHNICIAN | 5 | 5 | 5 |
| GIS SPECIALIST | 1 | 1 | 1 |
| ENGINEERING TECHNICIAN | 12 | 12 | 12 |
| GIS TECHNICIAN | 1 | 1 | 1 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| | 29 | 29 | 28 |

2021 Goals and Objectives

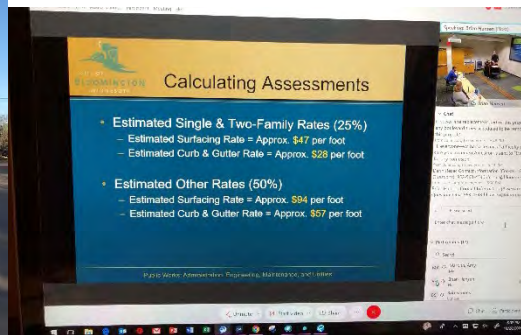
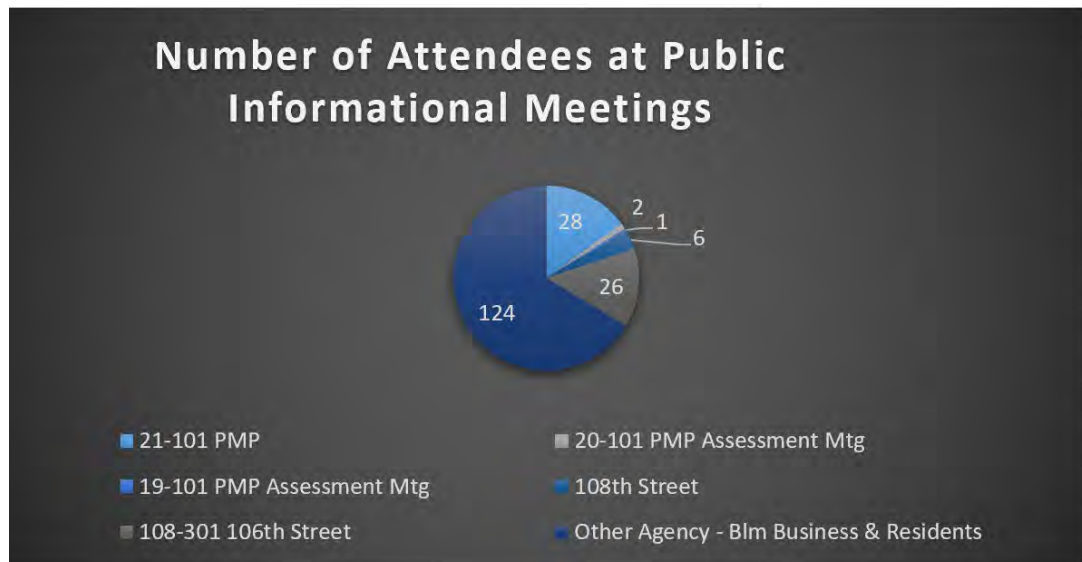
- IRS** Renew the City’s transportation and utility infrastructure throughout 2021 in a cost-effective manner to accommodate forecasted growth and to keep costs affordable.
- AIRS** Continue to pursue infrastructure improvements that support the Complete Streets Policy of the City by constructing appropriate facilities throughout 2021.
- IRSE** Team with the Maintenance Division to start the development of a PMP program for sidewalk.
- RSIE** Improve communication with the public by use of Let’s Talk Bloomington and other methods like the Briefing.
- RSIE** Continue to address ADA needs in the community by installation and upgrading of existing right-of-way facilities with construction plans throughout 2021.



Public Works – Engineering (continued)

2020 Results of Performance Measures

- Under the Pavement Management Program (PMP) reconstructed 3.6 miles of pavement (at \$1.15 million per mile) and overlaid 9.0 miles of pavement (at \$400,000 per mile).
- Installed 5 accessible pedestrian ramps, upgraded 134 accessible pedestrian ramps.
- Installed 348 linear feet of sidewalk, replaced 6,791 linear feet of existing sidewalk. Installed 250 linear feet of trail, replaced 10,948 linear feet of existing trail plus an additional 2,100 linear feet of wooden boardwalk.
- Bike/Ped Enhancements: Overhead lighting added at three school crossing locations, a kiosk added at France Ave & 90th Street and wayfinding blade signs added to five locations along France Ave in conjunction with the France Ave trail project.
- Spot safety improvements: Knox Ave at 83rd St Traffic Circle, center medians added on W 94th St at Briar Rd, curb bump out added at Valley West driveway at France Ave.
- Held 10 neighborhood project meetings, 3 in conjunction with other agencies for regional projects. Given the pandemic, staff held several meetings in new formats from outside with social distancing to electronic Webex meetings with live YouTube broadcasts.



Public Works Engineering Division - Gen. Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Income | \$ 11,165 | \$ 13,837 | \$ 100 |
| Permits and Licenses | 31,250 | 38,435 | 30,000 |
| Other Revenues | 350 | 9,393 | 350 |
| Total Revenues | 42,765 | 61,665 | 30,450 |
| Expenditures | | | |
| Salaries and Benefits | 3,507,912 | 3,382,598 | 3,621,534 |
| Materials, Supplies, & Services | 713,829 | 754,354 | 963,721 |
| Capital Outlay | - | 18,976 | 34,000 |
| Transfer to Other Funds | 17,603 | 26,746 | - |
| Total Expenditures | 4,239,344 | 4,182,674 | 4,619,255 |
| Less Expenses Charged to Other Funds | (1,834,081) | (2,540,770) | (1,830,014) |
| Net Total Expenditures | \$ 2,405,263 | \$ 1,641,904 | \$ 2,789,241 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Public Works – Maintenance Admin.

Maintenance administration plans, schedules, and coordinates maintenance programs and activities with other City departments and manages 4,400 street lights (1,175 City owned).

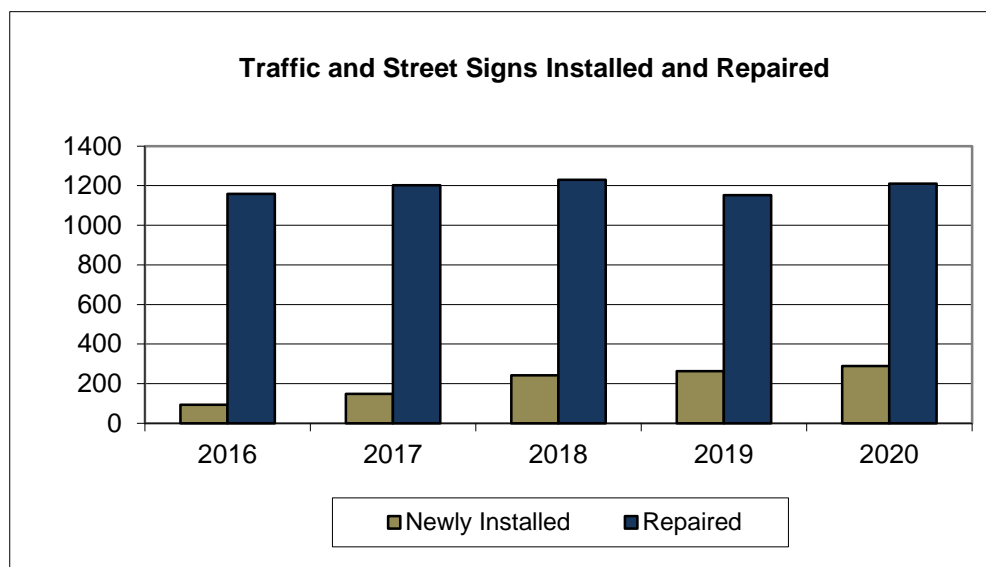
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--------------------------------|----------|----------|----------|
| MAINTENANCE SUPERINTENDENT | 1 | 1 | 1 |
| TRAFFIC MAINTENANCE SUPERVISOR | 1 | 1 | 1 |
| SIGNAL/INSTRUMENTATION TECH | 3 | 3 | 3 |
| TRAFFIC TECHNICIAN I | 1 | 1 | 1 |
| OFFICE SUPPORT SPECIALIST | 2 | 2 | 2 |
| TRAFFIC TECHNICIAN I | 1 | 1 | 1 |
| | 9 | 9 | 9 |

2021 Goals and Objectives

- S** Repaint all traffic markings on City roadways on an annual basis.
- S** Replace traffic signage on City roadways to conform to retro reflectivity standards.
- S** Provide maintenance on traffic signal systems for the safety of the public by performing yearly preventative maintenance and responding to trouble calls.
- S** Provide street light services for the safety of the public by maintaining and responding to outages within three days.

2020 Results of Performance Measures

- Repaired 947 traffic and street signs
- Installed 277 new traffic and street signs



Public Works Maint. Admin. Div. - Gen. Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Other Revenues | \$ 71,747 | \$ 73,998 | \$ 54,585 |
| Total Revenues | 71,747 | 73,998 | 54,585 |
| Expenditures | | | |
| Salaries and Benefits | 1,275,593 | 1,315,981 | 1,104,100 |
| Materials, Supplies, & Services | 1,770,437 | 1,705,996 | 1,573,737 |
| Capital Outlay | 27,214 | 28,640 | 29,000 |
| Total Expenditures | \$ 3,073,244 | \$ 3,050,617 | \$ 2,706,837 |

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.

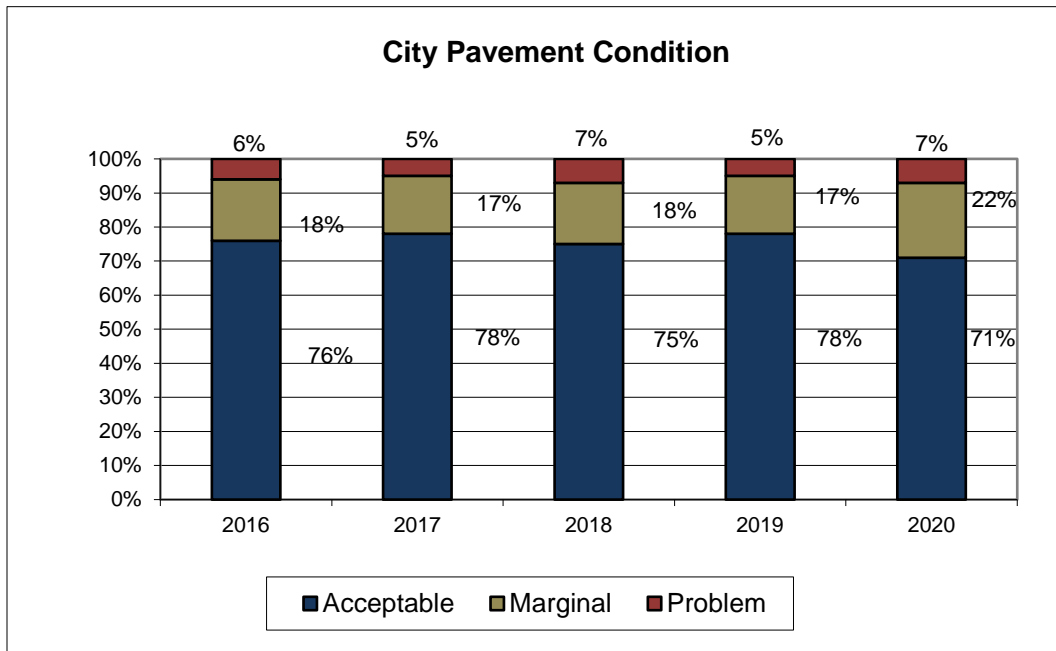
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| ASSISTANT MAINTENANCE SUPT | 1 | 1 | 1 |
| STREET MAINTENANCE SUPERVISOR | 1 | 1 | 1 |
| EQUIPMENT OPERATOR | 17 | 17 | 17 |
| EQUIPMENT OPERATOR I | 5 | 5 | 5 |
| | 24 | 24 | 24 |

2021 Goals and Objectives

- S Maintain roadways such that at least 90 percent are rated above problem condition status, per the City’s Pavement Management Program condition rating system.

2020 Results of Performance Measures

- For 2020, 95 percent of roadways are above problem condition.



Public Works Street Maint. Div. - Gen. Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Other Revenues | \$ - | \$ - | \$ - |
| Transfers from Other Funds | - | - | - |
| Total Revenues | - | - | - |
| Expenditures | | | |
| Salaries and Benefits | 2,804,608 | 2,573,090 | 2,712,198 |
| Materials, Supplies, & Services | 4,516,669 | 3,949,904 | 5,577,835 |
| Capital Outlay | 873,670 | 16,271 | - |
| Total Expenditures | 8,194,947 | 6,539,265 | 8,290,033 |
| Less Expenses Charged to Other Funds | (325,019) | (341,423) | (411,423) |
| Net Total Expenditures | \$ 7,869,928 | \$ 6,197,842 | \$ 7,878,610 |

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 | 2019 | 2020 | 2021 |
|---|-----------|-----------|-----------|
| 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 | 1 |
| UTILITY SERVICE SPECIALIST | 3 | 3 | 3 |
| SENIOR UTILITY OPERATOR | 6 | 6 | 6 |
| UTILITY OPERATOR | 16 | 16 | 16 |
| OFFICE SUPPORT SPECIALIST | 3 | 3 | 3 |
| | 39 | 39 | 39 |

2021 Goals and Objectives

- ES S** Provide uninterrupted supply of softened potable water which meets or exceeds all state and federal standards at a rate that is affordable.
- R** Provide sustainable renewal of water system infrastructure, maximizing asset life and minimizing risk while maintaining established levels of service.
- S** Provide timely, state-certified analytical laboratory water testing services to the public and neighboring communities.

2020 Results of Performance Measures

- Performed 9,234 hydrant inspections ensuring proper operation and emergency availability.
- Repaired 29 watermain breaks.
- Produced 2.2 billion gallons of water and delivered a total of 3.4 billion gallons of high quality softened water to customers.
- Received 9,311 samples and performed 21,055 laboratory tests to ensure water quality standards.

Public Works – Water Utility (continued)

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 of water flow. Bloomington continues to provide high quality, award-winning, softened water at a relatively low cost.



Water Utility - Enterprise Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Utility Fees | \$ 13,440,930 | \$ 14,411,658 | \$ 15,856,432 |
| Other Revenue | 676,223 | 1,012,130 | 360,000 |
| Interest Income | 75,248 | 16,078 | 50,000 |
| Transfers from Other Funds | - | 25,463 | - |
| Total Revenues | 14,192,401 | 15,465,329 | 16,266,432 |
| Expenses | | | |
| Salaries and Benefits | 3,901,729 | 3,973,026 | 4,041,147 |
| Materials, Supplies, & Services | 8,987,205 | 9,270,578 | 10,366,617 |
| Capital Outlay | 1,333,995 | 1,444,077 | 2,670,000 |
| Debt Service | 134,831 | 131,681 | 134,769 |
| Total Expenses | 14,357,760 | 14,819,362 | 17,212,533 |
| Working Capital | | | |
| Net Change | (165,359) | 645,967 | (946,101) |
| Working Capital at Beginning of Year | 5,772,023 | 5,606,664 | 6,252,631 |
| Working Capital at End of Year | \$ 5,606,664 | \$ 6,252,631 | \$ 5,306,530 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Public Works – Wastewater Utility

The Wastewater Utility Fund is an Enterprise Fund that 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. The sanitary sewer infrastructure spans 359 miles of pipes, with 28 lift stations, thousands of manholes and serves over 25,000 customers.

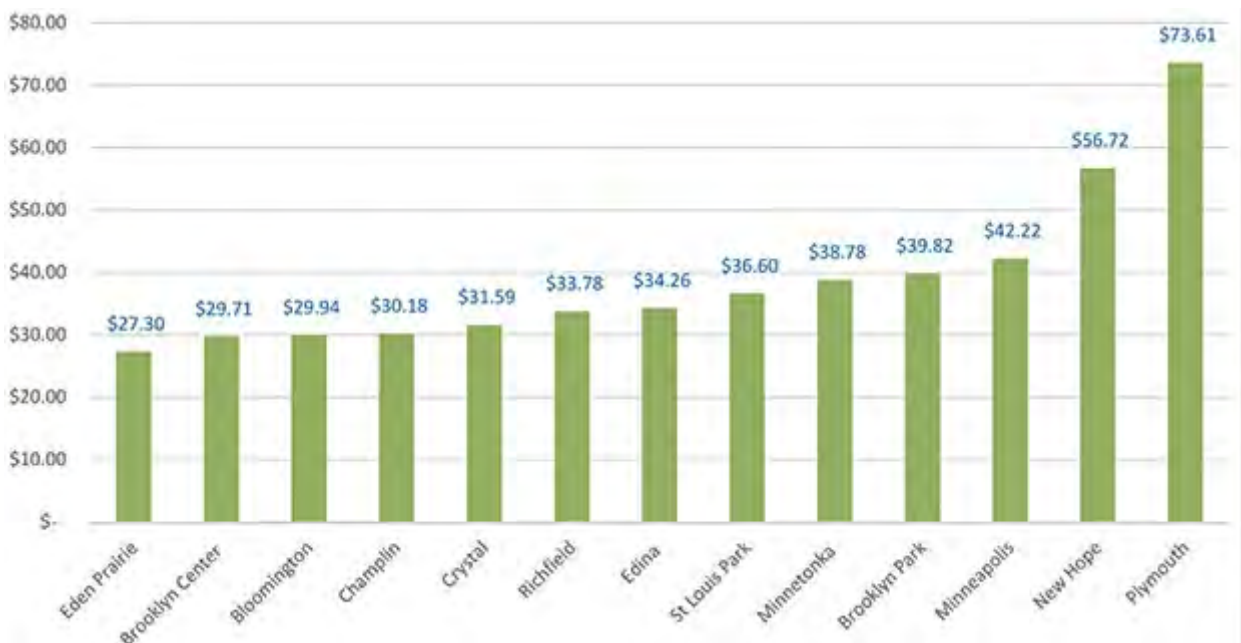
| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| UTILITIES SUPERVISOR | 1 | 1 | 1 |
| MAINTENANCE WORKER | 1 | 1 | 1 |
| SENIOR UTILITY OPERATOR | 5 | 5 | 5 |
| UTILITY OPERATOR | 5 | 5 | 5 |
| MAINTENANCE WORKER | 1 | 1 | 1 |
| | 13 | 13 | 13 |

2021 Goals and Objectives

- ES S** Provide needed sanitary sewer capacity while minimizing system blockages and infiltration/inflow.
- R** Provide sustainable renewal of wastewater system infrastructure, maximizing asset life and minimizing risk while maintaining established levels of service.

2020 Results of Performance Measures

- Inspected over 32 miles of sanitary sewer main.
- Cleaned over 296 miles of sanitary sewer main.
- Reconstructed 220 sanitary manholes reducing infiltration/inflow.
- Responded to eight mainline system blockages due to roots or other “non-flushable” material.



Wastewater Utility - Enterprise Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Utility Fees | \$ 13,002,019 | \$ 12,360,098 | \$ 12,713,496 |
| Other Revenue | 353,128 | 430,180 | 318,000 |
| Intergovernmental | 169,670 | - | - |
| Interest Income | 131,419 | 67,681 | 58,000 |
| Transfers from Other Funds | 309,000 | 326,443 | 309,000 |
| Total Revenues | 13,965,236 | 13,184,402 | 13,398,496 |
| Expenses | | | |
| Salaries and Benefits | 1,793,719 | 1,926,211 | 1,871,822 |
| Materials, Supplies, & Services | 9,339,142 | 9,667,227 | 9,386,145 |
| Capital Outlay | 1,008,443 | 1,276,583 | 1,500,000 |
| Total Expenses | 12,141,304 | 12,870,021 | 12,757,967 |
| Working Capital | | | |
| Net Change | 1,823,932 | 314,381 | 640,529 |
| Working Capital at Beginning of Year | 7,028,743 | 8,852,675 | 9,167,056 |
| Working Capital at End of Year | \$ 8,852,675 | \$ 9,167,056 | \$ 9,807,585 |

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 6 lift stations, 300 ponds, 4,977 manholes and 9,607 catch basins.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| 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 |
| | 11 | 11 | 11 |

2021 Goals and Objectives

- ES** Update Storm water pond aeration ordinance to provide more opportunities for implementation with minimal city related expense by April 30, 2021.
- ES S** Respond and consult with city property owners as needed to provide guidance on drainage, erosion control, and pond aesthetics within 48 hours.
- ES** Build, program and deploy 6 DIY monitoring units to collect water quality information on 6 Bloomington wetland water bodies during open water season.
- ES** Submit MS4 Part II permit application for the re-issued NPDES MS4 General Permit to the Minnesota Pollution Control Agency for review by April 15, 2021
- R** Provide sustainable renewal of storm system infrastructure by completing winter Pond Maintenance Project by May 31, 2021 and a summer Storm Sewer Maintenance project by October 31, 2021.

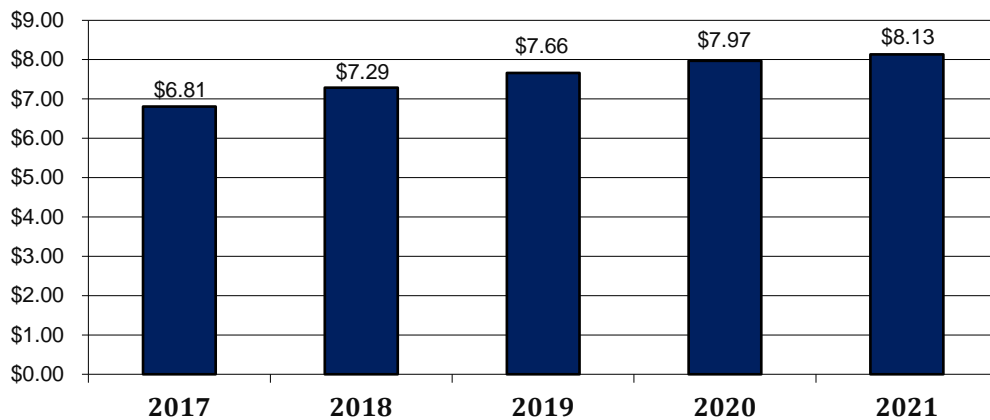


2020 Results of Performance Measures

- Completed construction of the 2020-901 Storm Sewer Maintenance Project (photo at right), and the 2019-902 Pond and Storm Sewer Maintenance Project Continued ongoing cooperation with Nine Mile Creek Watershed District on management strategies for Normandale Lake.
- Completed update to the Bluff Protection Overlay District for consistency with the new Lower Minnesota River Watershed District steep slope standards on June 1, 2020.
- Inspected: 397 catch basins, 197 manholes and nearly 8 miles of storm sewer mainline pipe.
- Maintained: 246 rain garden inlet structures (97 structures cleaned twice) and 70 trap manhole structures.
- Responded to various drainage related calls/reports from 26 different properties, many of which on more than one occasion.
- Bloomington Adopt-a-Drain program: 65 new users adopted 133 new drains in 2020; 630 total drains adopted by 346 participants across the City who reported 13,444 lbs. of debris removed during 2020 (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

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|----------------------|----------------------|---------------------|
| Revenues | | | |
| Utility Fees | \$ 6,645,208 | \$ 6,838,980 | \$ 6,952,393 |
| Other Revenue | 145,157 | 164,918 | 120,838 |
| Interest Income | 348,898 | 131,401 | 131,000 |
| Bond Proceeds | 52,507 | 3,100 | - |
| Transfers from Other Funds | - | 1,396 | - |
| Total Revenues | 7,191,770 | 7,139,795 | 7,204,231 |
| Expenses | | | |
| Salaries and Benefits | 1,361,297 | 1,554,387 | 1,402,556 |
| Materials, Supplies, & Services | 1,514,450 | 1,550,692 | 1,869,179 |
| Capital Outlay | 5,220,391 | 2,602,943 | 7,285,000 |
| Debt Service | 521,961 | 922,521 | 991,688 |
| Total Expenses | 8,618,099 | 6,630,543 | 11,548,423 |
| Working Capital | | | |
| Net Change | (1,426,329) | 509,252 | (4,344,192) |
| Working Capital at Beginning of Year | 14,710,277 | 13,283,948 | 13,793,201 |
| Working Capital at End of Year | \$ 13,283,948 | \$ 13,793,201 | \$ 9,449,009 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Public Works – Solid Waste Utility

This fund accounts for the City-wide garbage, recycling, and yard waste program; the spring Curbside Cleanup; 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 | 2019 | 2020 | 2021 |
|----------------------------------|------|------|------|
| PUBLIC WORKS PROJECT COORDINATOR | 1 | 1 | 1 |
| | 1 | 1 | 1 |

2021 Goals and Objectives

- S** Administer the residential garbage and recycling collection program and continue to ensure residents receive excellent customer service.
- ES S** Continue to offer Curbside Cleanup, the City’s bulky item collection program. Transition the model to a more environmentally appropriate method of collecting bulky items.
- ES S** Implement a Citywide curbside organics program.
- ES** Provide outreach and education to residents regarding the City’s organics recycling drop-offs.
- ES** 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.
- ES** Provide outreach and education to residents regarding how to recycle right, including mailing a new annual recycling guide.

2020 Results of Performance Measures

- Coordinated garbage and recycling service to approximately 22,000 households.
- In the November 2020 State General Election, residents voted to continue with City organized solid waste collection.
- Developed recommendations for managing hard to dispose of bulky items in a more sustainable and cost-effective method for Council consideration. Plans are underway for transition to new model.
- Added organics recycling collection and improved recycling programs at City facilities, including Creekside, Public Health, Civic Plaza and Public Works.
- Distributed 150 organics kitchen collection containers for residents at events. Containers help residents easily collect organics at home to bring to the City’s organics drop-offs.
- Hosted an Organics Recycling Virtual Workshop attended by 25 residents.
- Created and mailed a comprehensive Solid Waste Services Guide to 22,000 households that included information about how to recycle right.
- Signed up an additional 331 households to use the organics recycling drop-offs, bringing total registered users to 1,351 households. Diverted an estimated 100 tons of organics from the garbage.

Monthly Solid Waste and Recycling Rates

| Service | 2020 | 2021 |
|---|---------|---------|
| City Garbage and Recycling, including taxes and fees For a resident with a medium garbage cart | \$21.91 | \$22.26 |
| Curbside Cleanup Fee | \$4.42 | \$4.42 |

Public Works – Solid Waste Utility (cont'd)

**Public Engagement on Organics
At the Home Improvement Fair**

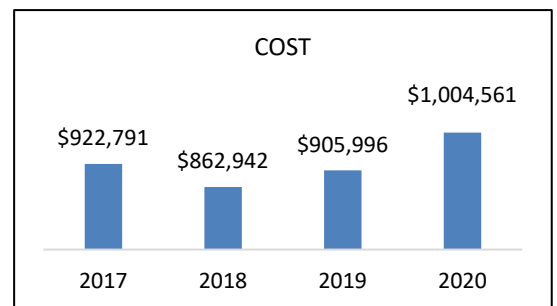
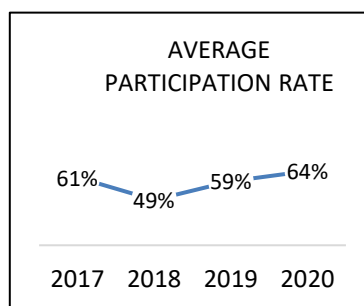
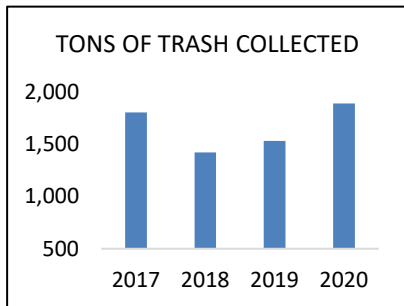


**New Waste Stations Added
In City Buildings**



2017 - 2020 Curbside Cleanup Statistics

During Curbside Cleanup, residents can place 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. Funding for this program comes from the utility fee shown above per month per household.



Solid Waste Utility - Enterprise Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Property Taxes | \$ 348,000 | \$ 185,000 | \$ 185,000 |
| Utility Fees | 7,328,675 | 7,638,708 | 7,796,275 |
| Other Revenue | 113,966 | 79,355 | 114,500 |
| Intergovernmental | 143,844 | 109,705 | 123,000 |
| Interest Income | 42,816 | 17,453 | 20,100 |
| Total Revenues | 7,977,301 | 8,030,221 | 8,238,875 |
| Expenses | | | |
| Salaries and Benefits | 226,796 | 227,592 | 231,693 |
| Materials, Supplies, & Services | 7,431,331 | 7,818,995 | 8,063,881 |
| Capital Outlay | - | - | 10,000 |
| Transfer to Other Funds | 309,000 | 309,000 | 309,000 |
| Total Expenses | 7,967,127 | 8,355,587 | 8,614,574 |
| Working Capital | | | |
| Net Change | 10,174 | (325,366) | (375,699) |
| Working Capital at Beginning of Year | 2,147,895 | 2,158,069 | 1,832,703 |
| Working Capital at End of Year | \$ 2,158,069 | \$ 1,832,703 | \$ 1,457,004 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK



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 | 2019 | 2020 | 2021 |
|-------------------------------|-----------|-----------|-----------|
| FLEET MANAGER | 1 | 1 | 1 |
| FLEET MAINTENANCE SUPERVISOR | 1 | 1 | 1 |
| FLEET SPECIALIST | 1 | 1 | 0 |
| FLEET TECHNICIAN | 10 | 10 | 9 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| PARTS ROOM ATTENDANT | 1 | 1 | 0 |
| | 15 | 15 | 12 |

2021 Goals and Objectives

- R** Replace outdated fuel management system.
- ES** Implement telematics
- ES** Reevaluate the lifecycle cost analysis for all equipment classes
- IR** Replace the vehicle wash system

2020 Results of Performance Measures

- Combined warehouse and fleet parts operations reducing needed markup from 40% to 18%
- Worked with our user departments to have defined service level agreements
- Streamlined workflows allowing for techs to log 80% direct task time (10% better than industry goal)
- Completed site analysis for replacement garage building location
- Separated capital and operational costs to increase billing transparency
- “By the numbers”
 - 580 Vehicles serviced and maintained
 - \$40 million value of fleet
 - 3.2 Million miles traveled annually
 - 300,188 gallons of fuel
 - 121 different classes of vehicles
 - 4118 services and repairs performed
 - \$820,000 parts needed for service and repairs



Fleet Maintenance - Internal Service Fund

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Departmental Charges | \$ 7,570,905 | \$ 7,324,981 | \$ 7,467,790 |
| Intergovernmental | 216,696 | - | - |
| Interest Income | 162,219 | 43,708 | 58,400 |
| Other Revenues | 184,110 | 139,552 | 100,000 |
| Transfers from Other Funds | 30,000 | 35,320 | - |
| Total Revenues | 8,163,930 | 7,543,561 | 7,626,190 |
| Expenses | | | |
| Salaries and Benefits | 1,650,675 | 1,609,756 | 1,383,041 |
| Materials, Supplies, & Services | 4,752,798 | 3,412,856 | 3,805,269 |
| Capital Outlay | 1,479,094 | 3,303,085 | 2,759,841 |
| Transfer to Other Funds | 2,081,447 | - | - |
| Total Expenses | 9,964,014 | 8,325,697 | 7,948,151 |
| Working Capital | | | |
| Net Change | (1,800,084) | (782,136) | (321,961) |
| Working Capital at Beginning of Year | 6,931,617 | 5,131,533 | 4,349,397 |
| Working Capital at End of Year | \$ 5,131,533 | \$ 4,349,397 | \$ 4,027,436 |

Facilities and Parks Maintenance

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

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|--------------------------------------|------|------|------|
| ASSISTANT MAINTENANCE SUPERINTENDENT | 2 | 2 | 2 |
| PARK MAINTENANCE SUPERVISOR | 2 | 2 | 2 |
| FACILITIES MAINTENANCE SUPERVISOR | 1 | 1 | 1 |
| PARKKEEPER | 25 | 25 | 25 |
| SERVICE TECHNICIAN | 9 | 9 | 9 |
| MAINTENANCE WORKER | 1 | 1 | 1 |
| | 40 | 40 | 40 |

2021 Goals and Objectives

AS To support strategic priorities through efficient and sustainable operation and planned maintenance of the City’s building and Park facilities by:

- Conduct a Facilities Operations and Maintenance Organizational Study during 2021

AS Participate in the capital improvement process to prioritize and cost out improvements to City facilities to prepare the Capital Improvement Plan to go to the City Council in March.

ES 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.
- Based on the University of Minnesota’s 2019 MN Tap irrigation study, install Smart Irrigation Controllers at Public Works, Old Town Hall and the Aquatic Center.

2020 Results of Performance Measures

- Realized energy savings after conducting engineering study of City buildings.



Facilities and Park Maint - Internal Service Fund Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Departmental Charges | \$ 12,851,088 | \$ 13,115,333 | \$ 12,683,946 |
| Interest Income | 350,974 | 135,269 | 150,000 |
| Other Revenues | 23,134 | 114,301 | - |
| Bond Proceeds | - | - | - |
| Transfers from Other Funds | 49,135 | 289,490 | 534,170 |
| Total Revenues | 13,274,331 | 13,654,393 | 13,368,116 |
| Expenses | | | |
| Salaries and Benefits | 3,988,287 | 3,842,446 | 4,603,170 |
| Materials, Supplies, & Services | 5,667,005 | 5,313,684 | 6,533,365 |
| Capital Outlay | 1,880,376 | 2,236,957 | 4,880,000 |
| Debt Service | 648,428 | 648,776 | 656,640 |
| Transfer to Other Funds | 1,061,958 | - | - |
| Total Expenses | 13,246,054 | 12,041,863 | 16,673,175 |
| Working Capital | | | |
| Net Change | 28,277 | 1,612,530 | (3,305,059) |
| Working Capital at Beginning of Year | 12,758,096 | 12,786,373 | 14,398,903 |
| Working Capital at End of Year | \$ 12,786,373 | \$ 14,398,903 | \$ 11,093,844 |

Housing and Redevelopment Authority

The Bloomington Housing and Redevelopment Authority's (HRA) purpose is to build and renew the community by providing housing services, promoting renewal and guiding growth. The focus of the HRA is housing creation and preservation, neighborhood revitalization and homeownership. The HRA achieves its goals through Federal, State and local support.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|---------------------------------|-----------|-----------|-----------|
| HRA ADMINISTRATOR | 1 | 1 | 1 |
| HRA PROGRAM MANAGER | 1 | 1 | 1 |
| HOUSING & REDEVELOPMENT ANALYST | 0 | 1 | 1 |
| PROGRAM SPECIALIST II | 5 | 5 | 5 |
| PROGRAM SPECIALIST I | 1 | 1 | 1 |
| OFFICE SUPPORT SPECIALIST | 1 | 1 | 1 |
| OFFICE ASSISTANT | 1 | 1 | 1 |
| | 10 | 11 | 11 |

2021 Goals and Objectives

- I** Acquire and demolish blighted homes
- ES** Continue supporting energy efficient housing opportunities through Home Energy Squad Enhanced and Housing and Environmental Loan Programs
- R** Continue to prioritize redevelopment for 30% - 50% AMI affordable housing units in designated areas and sites
- R** Provide a minimum of 60 housing rehabilitation loans through the Neighborhood and Single Family Loan programs
- R** Continue planning for future redevelopment opportunities in commercial-retail nodes of the City, including the Lyndale Avenue Corridor
- R** Continue implementation of the Opportunity Housing Ordinance and related developments to achieve NOAH preservation and new unit creation goals
- S** Complete organizational high quality services needs assessment
- S** Complete lease up of 50 affordable housing rental units at the Penn and American redevelopment
- S** Maintain highest possible utilization of Section 8 Voucher Programs as funding permits
- S** Assist at least 100 senior households with housing maintenance, rehab and/or homemaking services
- IE** Continue to expand affordable home ownership opportunities through community partnerships and/or programs
- IE** Strengthen service delivery and engagement with culturally specific communities by incorporating Racial Equity Business Plan goals
- ET** Provide a development procedures and process manual for internal and external stakeholders
- ET** Collaborate with Community Engagement and Outreach Department (COED) to increase engagement with community and stakeholders around housing needs and interests

Housing and Redevelopment Authority (Cont'd)

2020 Results of Performance Measures

- Acquired two blighted homes for demolition and re-sale.
- Provided 112 seniors with housing, maintenance and homemaking services
- Provided housing rehabilitation loans to 73 homeowners. Assisted with acquisition/rehabilitation of two homes that were re-sold to income-qualified first-time home buyers through the Land Trust Program.
- Coordination with Community Outreach Engagement Department (COED) for ongoing landlord and multi-city collaboration, and Fair Housing trainings.
- Maintained the highest possible utilization rate (98%) of Section 8 Voucher Programs
- Continued implementation of the Opportunity Housing Ordinance (OHO) and related developments working towards affordable housing unit creation and preservation goals
- Completing construction of Phase 3 of the redevelopment of Penn and American, including 50 affordable housing rental units to begin lease up end of quarter one 2021.
- Continued to offer the Housing Improvement Area (HIA) program to assist common interest communities with rehabilitation funding
- Partnered with Center for Energy and Environment (CEE) to complete 149 in home or virtual Home Energy Squad Enhanced Program visits
- Ongoing planning for future redevelopment opportunities in commercial-retail nodes of the City, including the Lyndale Avenue Corridor.
- Completed construction and lease-up of 42 affordable rental units at 108 Place (pictured below) on a former HRA owned property
- Hosted the biennial Home Improvement Fair (February 2020) with over 60 vendors and 1,400 attendees



The District, Opening 2021



108 Place, Opened 2020

Component Unit - Housing & Redev. Authority

Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|----------------------|----------------------|----------------------|
| Revenues | | | |
| Property Taxes | \$ 2,352,310 | \$ 2,618,219 | \$ 2,654,532 |
| Intergovernmental | 5,781,151 | 6,597,466 | 6,315,719 |
| Interest Income | 212,557 | (3,840) | 20,000 |
| Other Revenues | 1,816,143 | 1,264,155 | 1,021,176 |
| Bond Proceeds | - | - | - |
| Transfers from Other Funds | 100,000 | - | - |
| Total Revenues | 10,262,161 | 10,476,000 | 10,011,427 |
| Expenses | | | |
| Salaries and Benefits | 1,185,832 | 1,278,773 | 1,363,873 |
| Materials, Supplies, & Services | 8,280,117 | 8,680,317 | 8,163,171 |
| Capital Outlay | - | - | 484,383 |
| Transfer to Other Funds | 100,000 | 135,480 | - |
| Total Expenses | 9,565,949 | 10,094,570 | 10,011,427 |
| Working Capital | | | |
| Net Change | 696,212 | 381,430 | - |
| Working Capital at Beginning of Year | 9,731,930 | 10,428,142 | 10,809,572 |
| Working Capital at End of Year | \$ 10,428,142 | \$ 10,809,572 | \$ 10,809,572 |

ANNIN THE D GET 20 21



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

INTENTIONALLY LEFT BLANK

Port Authority

The Port Authority is a component unit of the City of Bloomington. It was created to provide a coordinated, cost-effective approach for redevelopment within defined development districts that may be established throughout the City. This goal is accomplished in many cases through the use of Tax Increment and/or Revenue Bonds, issued as needed for redevelopment. The Port Authority’s boundaries encompass the entire City of Bloomington and commissioners are appointed by the Mayor and confirmed by the City Council. The Port Authority has limited taxing powers (including a levy that has not been used to date), but has extensive authority to issue bonds or notes for public improvements and redevelopment. These are subject to approval by the City Council prior to issuance. The City guarantees some Port Authority debt and contracts staff to the Port Authority for administration.

2021 Key Projects:

Mall of America (MOA) expansion, Development of former Ramada/Thunderbird site, development of former Interstate Diesel and Alpha V parcels, and further development at Bloomington Central Station.

| Authorized Full-Time Position | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|
| PORT AUTHORITY ADMINISTRATOR | 1 | 1 | 1 |
| ECONOMIC DEVELOPMENT ANALYST | 2 | 2 | 2 |
| | 3 | 3 | 3 |

2021 Goals and Objectives

- AR** To facilitate sustainable development and redevelopment, especially in the South Loop District where it can be served by transit, encourage short trip lengths, promote biking and walking and reduce vehicle miles traveled.
- RS** Oversee debt in a conservative manner to assure repayment and adequate resources.
- RS** Make community investments that in turn encourage private investments consistent with the City’s sustainability objectives.

2020 Results of Performance Measures

- Continued implementation of the South Loop District Plan.
- Construction of a project with Terratron for a 144-room Element hotel was completed and opened in March, 2020.
- McGough completed construction of a 402-unit apartment project, The Fenley, at Bloomington Central Station, with half of the units available in spring of 2020 and the rest in August of 2020.
- Completed construction of Fire Station #3 in the South Loop District.
- Approved financial assistance package for SICK, Inc. for Phase I of their redevelopment project on the former Interstate Diesel site. Phase I will consist of approximately 110,000-145,000 square feet of production/logistics space with another 20,000 square feet of office space. SICK is expected to get entitlement approvals in the spring of 2021 for Phase I, with construction to start shortly afterward.

Port Authority (continued)

- Approved the creation of a Housing TIF District within the American Square phased development to be able to capture increment from The Ardor, a 242 market-rate apartment, to assist in the future affordable apartment project, The Quinn. The Ardor has received entitlements and is expected to break ground in March 2021. Review of the financial package for The Quinn is expected in summer of 2022, with entitlements and construction to follow.
- Approved a financial assistance package that included the creation of a Housing TIF District for Rosa Development's multi-family project on a portion of the existing Park N Fly site. The development will consist of a 183 unit apartment, which 20% of the units will be affordable at the 50% AMI level. Entitlements are approved and construction is expected to begin by summer 2021.



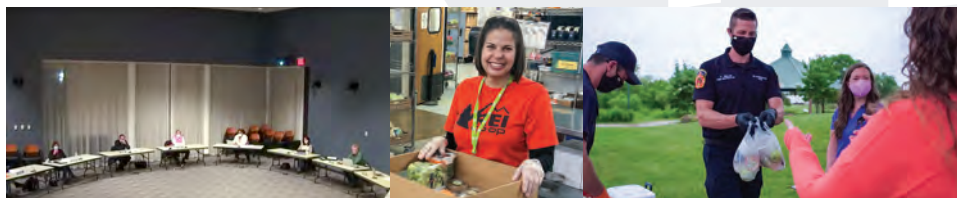
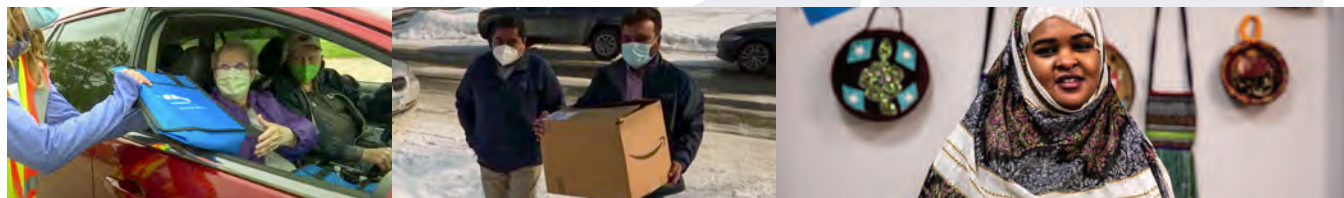
Blue Line LRT Route and Stations in Bloomington's South Loop District

Component Unit - Port Authority Financial Summary

| | 2019 Actual | 2020 Projected | 2021 Budget |
|---------------------------------------|------------------|-------------------|------------------|
| Revenues | | | |
| Other Revenues | 350,000 | 590,000 | 450,000 |
| Total Revenues | 350,000 | 590,000 | 450,000 |
| Expenses | | | |
| Salaries and Benefits | 221,934 | 349,613 | 250,000 |
| Materials, Supplies, & Services | 229,541 | 244,747 | 209,137 |
| Capital Outlay | | | |
| Transfer to Other Funds | | | |
| Total Expenses | 451,475 | 594,360 | 459,137 |
| Working Capital | | | |
| Net Change | (101,475) | (4,360) | (9,137) |
| Working Capital at Beginning of Year | 140,911 | 39,436 | 35,076 |
| Working Capital at End of Year | \$ 39,436 | \$ 35,076 | \$ 25,939 |

GLOSSARY

ANNUAL UAL



**A YEAR LIKE
NO OTHER**
stories of hope challenges and resilience

20 21

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.

AR&LE – (Adaptive Recreation and Learning Exchange) A Parks and Recreation program that offers recreation, leisure and community education designed to meet the needs of people with disabilities.

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.

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.

Carry-Over – Re-appropriation of budget authority for an expenditure to the following year to allow completion of a project. Carry-overs require City Council approval.

CBAC (Community Budget Advisory Committee) - In an effort to ensure budget discussions reflect community preferences, the City Council appointed a Community Budget Advisory Committee in May 2020 in the extraordinary circumstance of the

economic challenge created by the COVID-19 pandemic. The committee was comprised of nine residents who had previous knowledge of City government and finances and tasked with making 2021 budget recommendations to the City Council.

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

CIP (Capital Improvement Program) – A ten-year plan for proposed capital improvements. Also called Community Investment Plan.

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.

Market Value Credit – Started in 2002, this is the primary State program for property tax relief. The State remits a portion of sales and income taxes to local government to assist in keeping property taxes down.

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.

One Bloomington - In 2016, the City Council created a plan, One Bloomington, to guide the City. The original plan included six strategic priorities. In 2019, the Council added a seventh: Engagement and Transparency. The mission statement of “One Bloomington” is as follows: We are a community that includes all residents, working together to accomplish the same goals. We live in different neighborhoods, but we’re not defined by boundaries. We are united, not by sameness, but by our desire to build a strong community that we can all enjoy. We are One Bloomington.

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.

PEIP (Public Employees Insurance Program) – The health insurance benefit program offered to City employees.

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.

Racial Equity Business Plan - In October, 2020, the City Council unanimously adopted its first Racial Equity Business Plan. This plan is an evolving document to guide the City's racial equity work. It was developed by the Racial Equity Coordinator in collaboration with the City's Executive Leadership Team.

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.

