

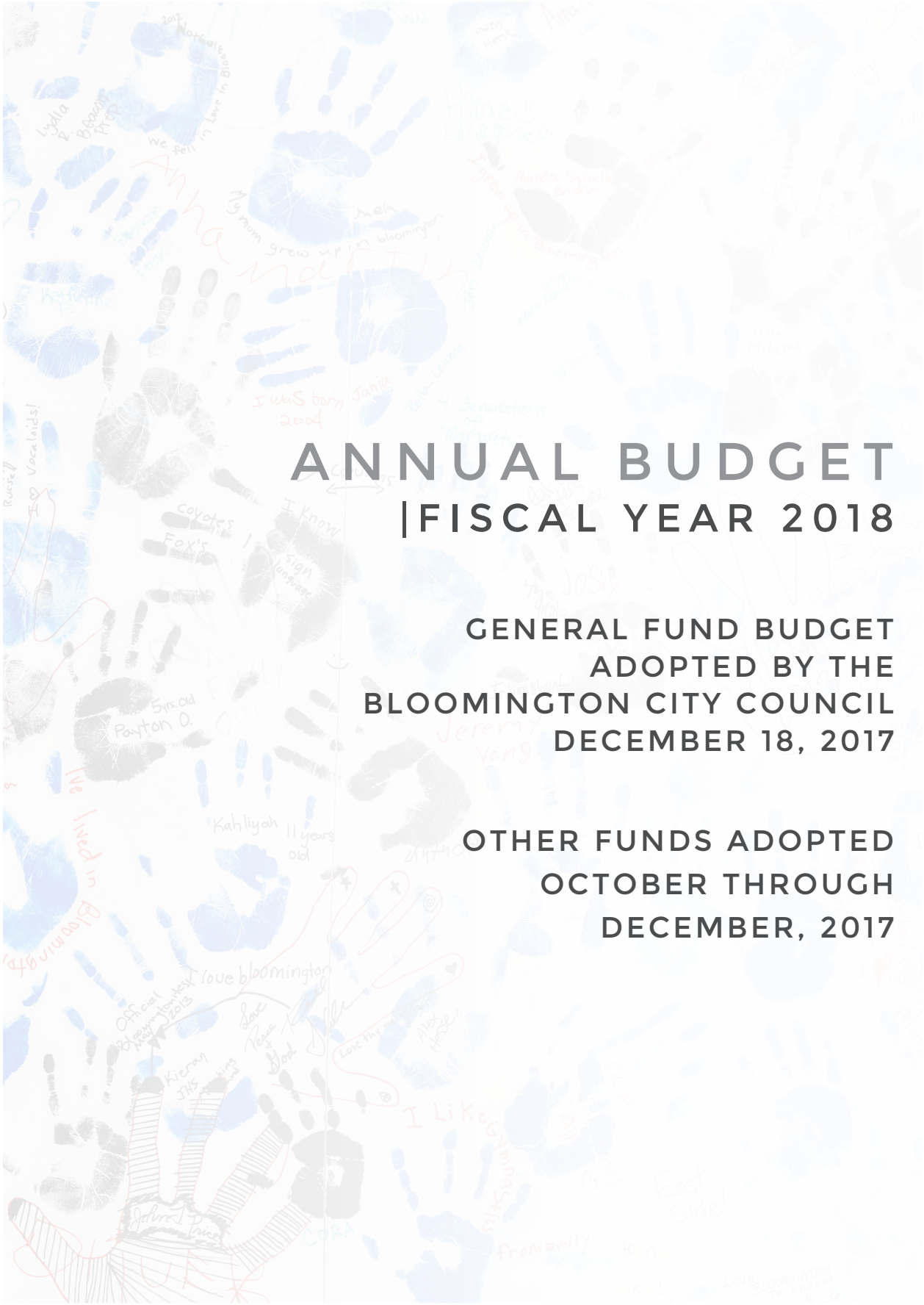
ANNUAL BUDGET | 2018



WE ARE | BLOOMINGTON



CITY OF
BLOOMINGTON
MINNESOTA

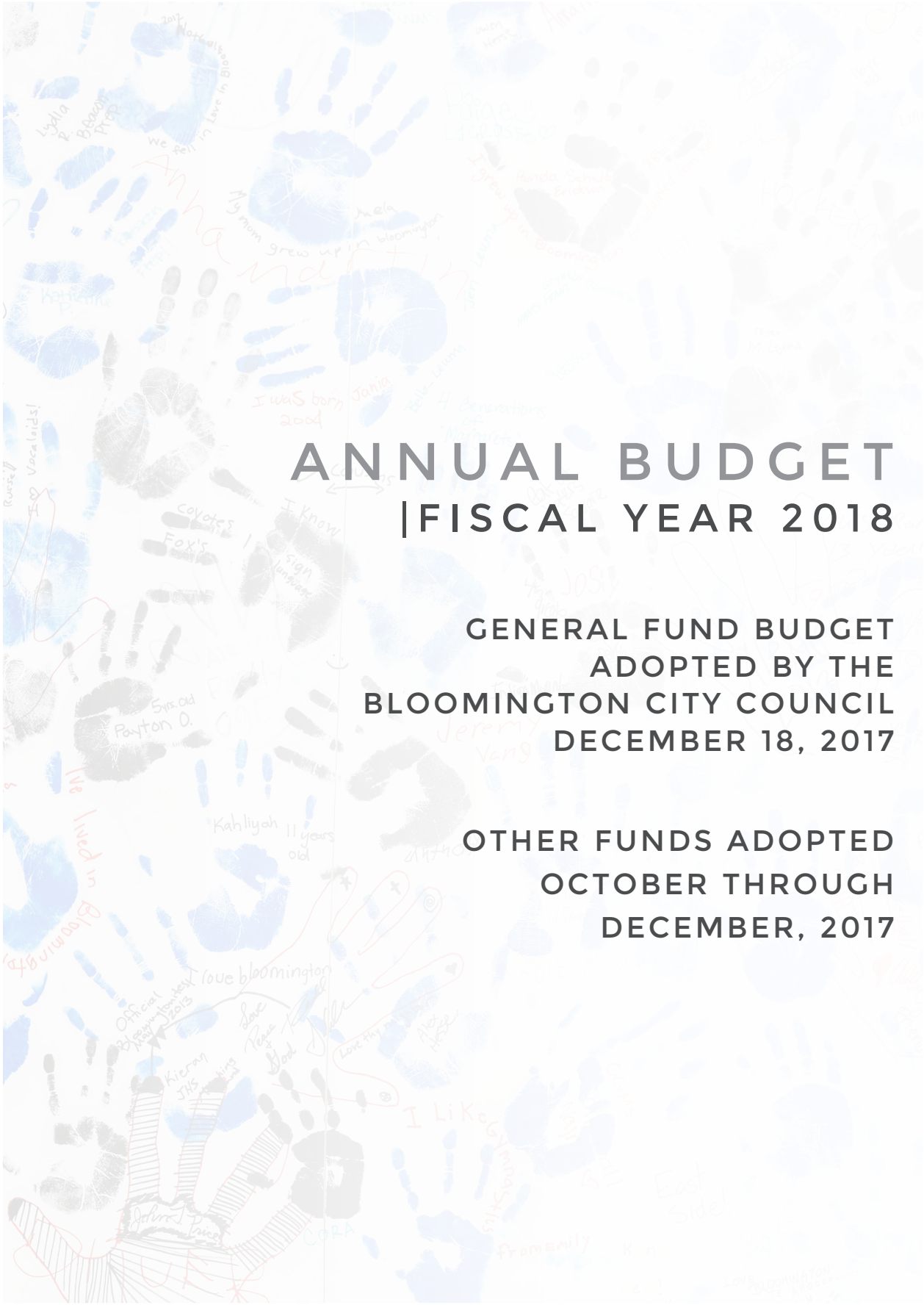


ANNUAL BUDGET

| FISCAL YEAR 2018

**GENERAL FUND BUDGET
ADOPTED BY THE
BLOOMINGTON CITY COUNCIL
DECEMBER 18, 2017**

**OTHER FUNDS ADOPTED
OCTOBER THROUGH
DECEMBER, 2017**



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The background of the entire page is a collage of handprints. Some are solid colors like blue or grey, while others are outlined in red. Many of the handprints contain handwritten text in various colors, mostly black and red ink. The text includes names of people, their ages, where they grew up, and other personal details. Examples include "Lyella R. Brown 17yo", "We fell in love in Bloomington", "I was born 2004", "Jania", "I know sign language", "Covotes Fox's", "5yr old Payton O.", "Kahliah 11 years old", "Official Bloomington Mayor 2016", "Love Bloomington", "Kiernan JHS", "Love this city", "I Like", "East Side", "John I. Farnsworth", "I grew up in Bloomington", "Amanda Schmitt Erickson", "Hockey", "Jon", "M. Lora", "4 generations of", "JOSIE", "Jeremi Vans", "Loves", "Love this city", "I Like", "East Side", "John I. Farnsworth", "I grew up in Bloomington".

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**GENERAL FUND BUDGET
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DECEMBER, 2017**

Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Bloomington

Minnesota

For the Fiscal Year Beginning

January 1, 2017

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, 2017.

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

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



March 16, 2018

Dear reader,

This year while we were putting together the Budget Book, we drew inspiration from a mural hanging in Civic Plaza. It is full of handprints of all different sizes and colors. Each handprint has a message next to it about the person who made it. The mural symbolizes the growing diversity in our community and how we each have a unique story to tell. The piece is titled “We Are Bloomington” and it was a part of a “make your mark” exercise led by a local artist several years ago.

The mark we leave on Bloomington and a strong financial foundation sets the stage for delivering exemplary City services.

The City is proactive and deliberate about maintaining that foundation and the level of service we provide to residents and those who choose to visit or do business in Bloomington. We’re on the right track, according to the most recent resident survey conducted by the City. The survey results show that satisfaction with Bloomington and its services is growing, with improved ratings in 39 areas from 2016.

This is the sixth year in a row that the National Citizen Survey™ was conducted in Bloomington. The survey makes it possible for cities to compare their results with up to 500 communities nationwide. At least four out of five residents gave “excellent” or “good” ratings to the overall image to Bloomington, their neighborhood as a place to live, the city as a place to raise children and the community’s overall appearance.

This document presents the City’s approved 2018 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 of the 2018 budget. Five-, 10- and 15-year budget models were used to determine the current levy and to consider the City’s long-term financial stability.

Find this document on our website along with more detailed financial information from the 2017 Comprehensive Annual Financial Report at blm.mn/financialreports.

A handwritten signature in black ink, reading "Lori Economy-Scholler".

Lori Economy-Scholler
Chief Financial Officer

TABLE OF CONTENTS

Introduction 13 – 26

City Council	13
Executive Management Team	13
Mission Statement	14-15
Organization Structure and Chart	16
Community Profile	17 – 18
Budget Calendar	19
City Manager Budget Message	20 – 26

Budget Overview 29 – 52

2018 Budget Summary – All Funds	29 – 39
Changes in Fund Balance and Working Capital Balances	40 – 46
General Fund Ten-Year Budget Projection	47 – 50
General Fund Model	50
Operating Fund Crosswalk	51
Staffing	52

General Fund – Fund 1001 Department Number 55 – 131

Total General Fund Budget Summary	55
Direct Service Departments	
Public Safety - Police	45 56 – 63
Public Safety – Fire	50 64 – 71
Community Development	55 72 – 81
Community Services	60 82 – 93
Public Works	65 94 – 103
Technical Services	70 - 75 104 – 109
Administrative Service Departments	
General Government	10 110 – 115
City Manager	20 116 – 117
Legal	25 118 – 119
Human Resources	30 120 – 121
Finance	35 122 – 129
Contingency	130 – 131

Special Revenue Funds 135 – 159

Total Special Revenue Funds Budget Summary	135
Public Safety – Police Special Revenue – Fund 2700 – 2800	136 – 147
City Clerk – Cemetery Trust Fund – Fund 2600 Community	148 – 149
Services – Communications – Fund 2100	150 – 151
Park Grants Special Revenue – Fund 2150	152 – 153
Public Health Special Revenue – Fund 2200	154 – 155
South Loop Revolving Development Services – Fund 2300	156 – 157
Creative Placemaking - Fund 2350	158 – 159

Enterprise Funds 164 – 179

Total Enterprise Funds Budget Summary	164 – 165
Public Works – Water Utility – Fund 6160	166 – 167
Public Works – Wastewater Utility – Fund 6150	168 – 169
Public Works – Storm Water Utility – Fund 6200	170 – 171
Public Works – Solid Waste Management – Fund 6250	172 – 173
Community Services – Recreational Facilities – Fund 6400 – 6550	174 – 175

Public Safety – Contractual Police – Fund 6700	176 – 177
Technical Services Group – Motor Vehicle Licensing – Fund 6800	178 – 179

Internal Service Funds **184 – 201**

Total Internal Service Funds Budget Summary	184 – 185
Direct Service Departments	
Equipment Fund – Fund 7100	186 – 187
Radio Operations – Fund 7200	188 – 189
Facilities and Parks Maintenance – Fund 7700	190 – 191
Administrative Service Departments	
Support Services – Fund 7500	192 – 193
Information Systems – Fund 7600	194 – 195
Self-Insurance – Fund 7300	196 – 197
Insured Benefits – Fund 7400	198 – 199
Accrued Compensated Absences – Fund 7450	200 – 201

Component Units **206 – 209**

Housing and Redevelopment Authority	206 – 207
Port Authority	208 – 209

Capital **213 – 216**

Capital Projects	213 – 215
Approved 2018 Capital Expenditures	215 – 216
Summary of Project Costs	216

Debt **219 – 222**

Debt Overview	219 – 222
---------------	-----------

Policies **225 – 261**

Budget Policy – Financial Control	225 – 228
Financial Management Policies	229 – 261

Gauging the City **265 – 275**

Crime	265
Traffic	265 – 266
Emergency Response	266 – 267
Tax Supported Services	268
Property Market Value versus Building Permit Value	269
Residential Assessment Review Area	269
Lodging Tax	269
Hotel Occupancy	269
Admission and Liquor Tax	270
Population	270
Employment	271
Major Employers	272
City Services/Utilities Cost	272 – 274
City-Wide Cleanup	274
Web Site Visits	275
Recreational Facilities Net Assets	275

Glossary**279 – 283**

Index**287 – 288**

INTRODUCTION

Table of Contents

City Council	13
Executive Management Team	13
Mission Statement	14 - 15
Organization Structure and Chart	16
Community Profile	17 - 18
Budget Calendar	19
City Manager Budget Message	20 - 26

City of Bloomington

City Council

Mayor



Gene Winstead
Term Expires January 2020

Council Members



Tim Busse – At Large
Term Expires January 2020



Nathan Coulter –
At Large
Term Expires January 2022



Dwayne Lowman –
District I
Term Expires January 2020



Shawn Nelson –
District II
Term Expires January 2020



Jack Baloga – District III
Term Expires January 2022



Patrick Martin –
District IV
Term Expires January 2022

Executive Management Team

Executive Management

James D. Verbrugge, City Manager
Kris Wilson, Assistant City Manager

Community Development -----Eric Johnson, Director
Community Services -----Diann Kirby, Director
Finance -----Lori Economy-Scholler, Chief Financial Officer
Fire -----Ulysses Seal, Fire Chief
Human Resources -----Currently Vacant
Legal -----Melissa Manderschied, City Attorney
Police -----Jeff Potts, Police Chief
Public Works -----Karl Keel, Director
Technical Services Group
Information Systems -----Amy Cheney, Manager

Mission Statement

Community Vision

To build and renew the community by providing services promoting renewal and guiding growth in an even more sustainable, fiscally sound manner.

Council's Goals and Strategies

Bloomington's vision recognizes that the City needs to grow and operate in a healthy, sustainable manner that meets the needs of today without reducing the ability of future generations to meet their own needs.

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.

Organization Mission

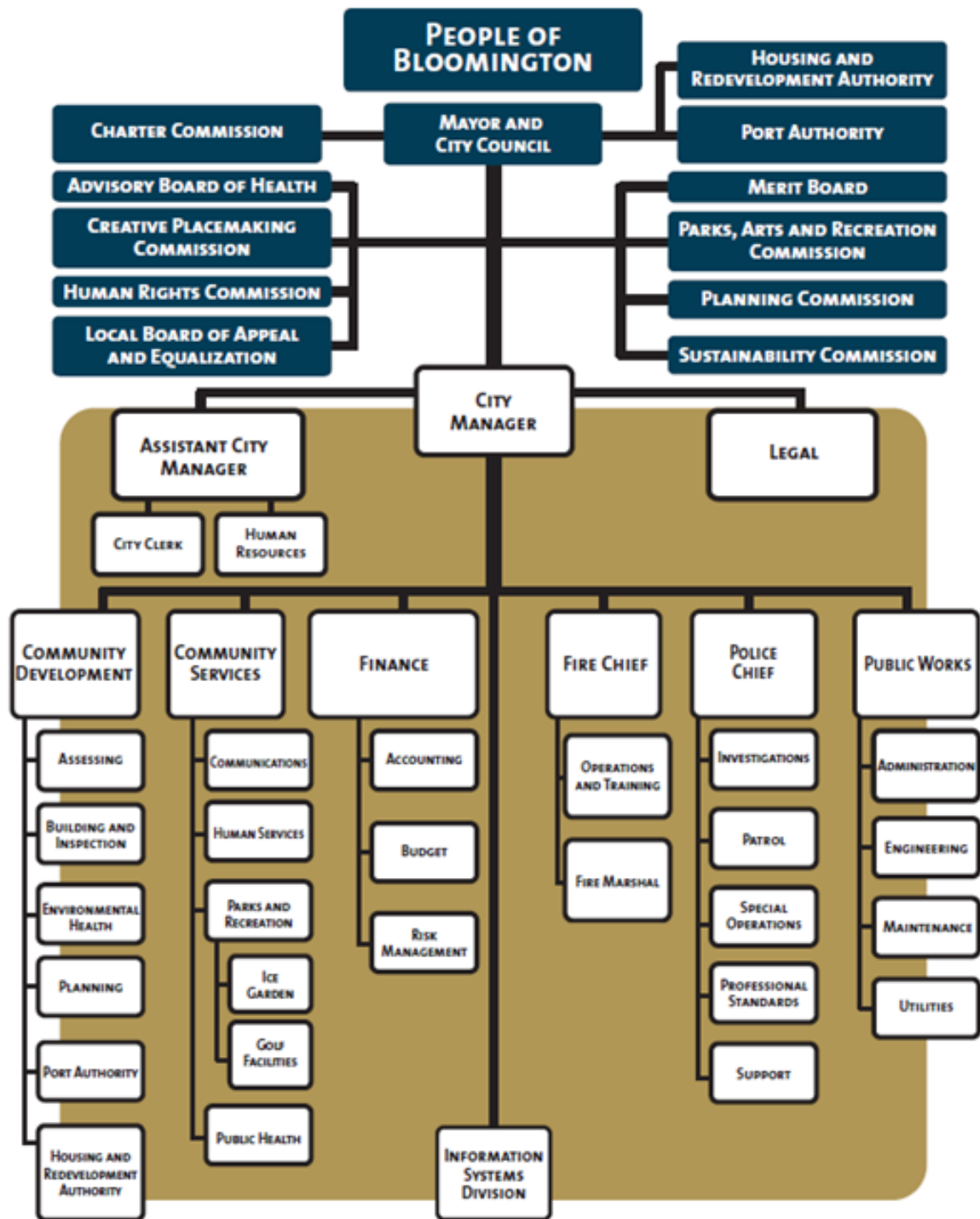
A professional, productive, learning organization that builds and renews the community by providing quality services at an affordable price.

Organization Structure and Chart

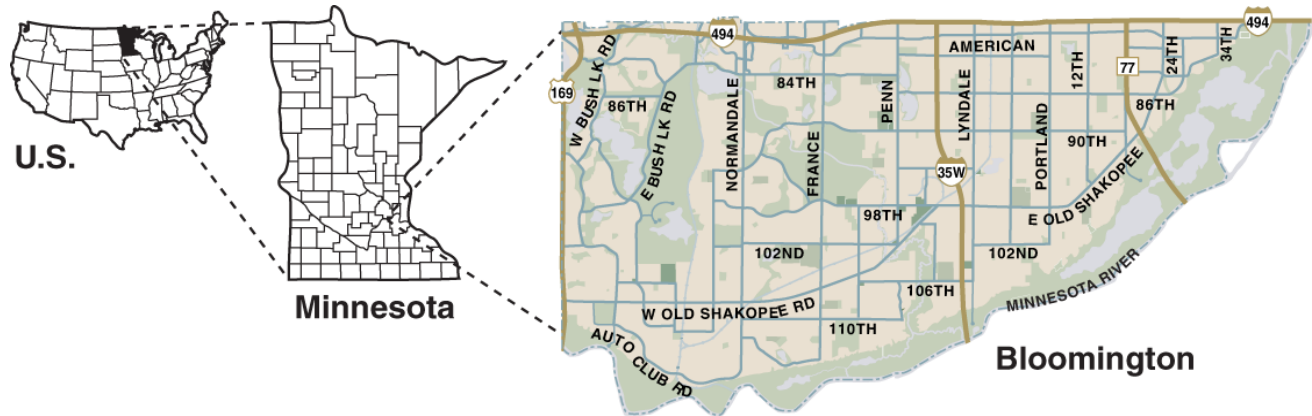
A home rule charter was adopted in November 1960. The City is a Council-Manager form of municipal government. The Council is comprised of the Mayor and six Council Members who serve four-year terms; the Mayor and two members are elected at large, the rest are elected by district. The City Manager, the 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 eight departments, each with a director 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 several divisions managed by program managers who report to the directors. Descriptions of each program, its objectives and budget are also in this document.

Cross-functional teams study, prioritize and implement projects throughout the year. For example, the Steering Committee, comprised of the City Manager and Department Directors, meets on citywide information systems, assessing and licensing policy, and operational matters. Other teams focus on issues such as neighborhood cleanup compliance, capital planning, liquor code enforcement, transportation, emergency preparedness and facility needs, among others.



Community Profile



Bloomington, the fifth largest city in Minnesota, has an expansive hospitality industry, diverse manufacturers and major retailers. The Mall of America, the largest enclosed mall in the United States, employs approximately 10,000 people. 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 the City including a mixed-use retail and residential development on the southeast corner of Penn Avenue and American Boulevard. Also, a major improvement project is occurring on Lindau Lane to leverage private retail, office, hotel, restaurant and residential developments in Bloomington's South Loop District, an urban center at the crossroads of the metro area's transportation network.

City Statistics –

Area – 38.3 sq. miles (24,540 acres)

City Bond Ratings

Aaa Moody's

AAA Standard & Poor's

AAA Fitch

One of only 32 cities out of more than 19,500 municipal governments in the U.S. that have achieved triple-A ratings from all three agencies.

Total Jobs in Bloomington – 90,570(2nd Quarter 2017)

Housing – Total Units – 39,925

91.10 Percent Single-Family Homes Owner Occupied

22,143 Single-family Detached Units (June Met Council number)

6,867 Single-family Attached Units

10,919 Multiple-family Units

64 Mobile Homes and Trailers

19 Commercial/Industrial Living Units

Population (United States Census Bureau) – 85,319 (Bureau of Labor Statistics)

Median Age – 42.7 (2010 Census Bureau's American Community Survey)

National Unemployment Rate – 4.1% (October, 2017)

Minnesota Unemployment Rate – 3.4% (October, 2017)

City of Bloomington Unemployment Rate – 2.4% (October, 2017)

Public Safety –

Emergency Outdoor Warning Sirens – 22

Emergency Vehicle Pre-emption Systems – 121

Fire Protection – 6 Stations

125 Volunteer, paid on call, firefighters (175 authorized positions)

Chief and 2 Assistant Chiefs, 4 Fire Inspectors/Firefighters

ISO Class 3

Police Protection – 1 Central Station, 1 Satellite Station at Mall of America

123 Sworn Officers

Educational Institutions -

Colleges –6

Academy College – 94 Students

Bethany Global University – 195 Students

National American University – 354 Students

Normandale Community College (part of Minnesota State Colleges and University System) offering Baccalaureate degree options through Metro State University and Mankato State University – 14,632 Students

Northwestern Health Sciences University – 915 Students

Rasmussen College – 867 Students

Independent School District #271 – 10,149 Students (2016/17 Enrollment)

10 Elementary Schools – 4,493 Students

3 Middle Schools –2,315 Students

2 Senior High Schools –3,341 Students

Parochial Schools – 4 with a total enrollment of 883 students

Elections -

55,821 Registered Voters – 2017 General Election

14,038 Ballots Cast – 2017 General Election

25.1 Percent Voting

51,106 Registered Voters – 2016 General Election

50,083 Ballots Cast – 2016 General Election

90.5 Percent Voting

Utilities -

Municipal Sewer System – Metropolitan Council Environmental Services

25,263 Connections

355 Miles of Sanitary Sewer Mains

7.8 Million Gallons Average Daily Flow

28 Sanitary Lift Stations

Municipal Water System – City of Bloomington Water Plant (6 wells) –

14 Million Gallons per Day Water Treatment Plant Capacity

412 Miles of Water Mains

Augments production by purchasing City of Minneapolis treated water - up to 30 million gallons per day with 2 million gallons per day average minimum purchase required

25,296 Connections

10.0 Million Gallons Daily Average Consumption

44 Million Gallons System Capacity

4,690 Public and Private Fire Hydrants

7,163 Water Distribution Valves

Storm Sewer – 253 Miles

Sidewalks – 232 Miles on Street Right-of-Way

Streets – 342 Local Center Lane Miles

29.84 County Center Lane Miles

21.14 State Center Lane Miles

Street Lights – 4,456

Traffic Signal Installations – 144

Recreation -

925 Acres of City parks, playgrounds and playfields –

97 parks, 80 baseball/softball fields, 31 soccer fields, 7 football fields, 35 outdoor basketball courts, 53 tennis courts, 32 park buildings, 15 picnic shelters, 24.35 miles of park trails and sidewalks, 53 playgrounds

3,789 Acres of parks and open spaces -

575 acres of playlots, neighborhood parks and playfields, 1,677 acres of conservation areas and ponds, 204 acres of special use areas, and 1,331 acres of large urban parks and regional parks

1,268 acres of regional park lands owned and operated by Three-Rivers Park District

4,211 acres in the Minnesota River Valley Wildlife Refuge owned and operated by the United States Fish & Wildlife Service and the Minnesota Department of Natural Resources

163 Acres of golf courses (two courses) and ice arena (three indoor rinks)

2018 Budget Calendar

April 11 – June 2, 2017	Prepare payroll projections for 2018. Internal Service fund charges reviewed and loaded into budget. Schedules completed for space and occupancy charges, equipment replacement, Information Systems charges, postage, insurance and audit fee charges.
June 6-7	Budget Kickoff meetings with all departments and program managers
June 6 – June 30	Departments load requested budget into budget module in MUNIS. Budget lockout is June 30.
June 30 – July 31	Budget editing by Budget Team. Aquatics and Art Center submit budgets to determine levy required. Revenue producing programs evaluate fees.
July 3 – July 31	City Manager meets with General Fund department and budget staff to review requests. City Manager meets with other fund managers and budget staff to review requests.
August 14	Update City Council on preliminary budget work; get guidance on preliminary levy and General Fund budget. Discussion on budget and levy.
September 11	City Council adopts preliminary 2018 tax levy and General Fund budget for 2018.
September 27	Preliminary tax levy and budget certified to Hennepin County.
September - October	Internal Service Fund budgets presented to the City Council for approval.
October/November/December	Utility budgets due October 13. Public hearings on utility rate changes. Special Revenue and Enterprise Fund budgets presented to the City Council for approval.
December 4	Property tax public hearing.
December 18	Final 2018 budget and tax levy approval by City Council.
December 29	Final 2018 levy and General Fund budget certified to Hennepin County.

City Manager's Budget Message



City Council Strategic Priorities 2017 - 2020

1. Community amenities
2. Community image
3. Environmental sustainability
4. Focused renewal
5. High-quality service delivery
6. Inclusion and equity

We Are Bloomington

As I was walking through Civic Plaza earlier this year, a large canvas hanging near the Artistry classrooms caught my eye. It was full of handprints of all different sizes and colors with messages about the people who made them written alongside each print. One reads: "My name is Roy, 35 years in Bloomington" another reads "Viva Mexico! Love Bloomington, te amo."

There are at least 30 different handprints and stories on that canvas. It's a snapshot in Bloomington's history. The painting was part of a "leave your mark" activity led by local artist Sandra Muzzy at Heritage Days several years ago.

The piece is called "We Are Bloomington" and it got me thinking about how many people leave their mark on the fabric of Bloomington—residents, City employees, business owners, local artists and visitors. We all have different backgrounds, stories and ways we contribute to the community.

From providing fun recreation programs and beautiful parks to ensuring safe neighborhoods with the work of police officers and firefighters, providing high-quality services is one of the ways City employees make their mark in Bloomington.

That is reflected in the City Council's One Bloomington strategic priorities, *at left*, with the high-quality service delivery. Responsible fiscal management is a high-quality City service that builds the foundation for the City to run smoothly and provide effective, innovative programs and services to residents.

The City's Annual Budget for fiscal year 2018 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.

Strategic Direction

City of Bloomington employees, residents and businesses continue to work together to achieve the City's objectives in community image, focused renewal, equity and inclusion, environmental sustainability, community amenities and high quality services. The City's stakeholders enjoy high-quality, affordable services, a financially strong organization and productive City operations. This budget is built around these goals:

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

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Focused Renewal – R

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- Establish resident engagement on neighborhood innovation and improvement.

High Quality Service Delivery – S

- Establish financial sustainability targets and standards.
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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.
- Partnering with Artistry, local businesses and area artists to bring public art such as murals and sculptures to Bloomington as part of creative placemaking.
- Engaging with residents on social media through Nextdoor, Instagram, Facebook and Twitter.

Renewing Community

In 2017, the City collected more than \$3.3 million in permit fees for more than \$206 million in new development and property renovations. The City's budget dedicates resources to implement plans for three key growth districts to create higher density, mixed-use and transit-oriented housing, hotel and commercial development. The development district strategy also protects and enhances established single-family neighborhoods.

The following projects, most directly meeting the City's strategic renewal objective, were approved and are currently under construction:

- A 148-room Marriott AC hotel with a separate three-tenant restaurant, coffee shop and retail building.
- A 164-room Cambria Suites Hotel with a hotel restaurant, banquet space and separate attached 7,400 square foot restaurant.

- A new transit station at Mall of America.
- The Preserve at Normandale Lake, a 179-unit apartment building in the Normandale Lake District.
- A 110,000-square-foot office building and data center for OATI.
- Alpha B Phase II, a 11,800-square-foot retail space and Hazelwood hotel addition to the hotel.
- Great Wolf Water Park hotel modifications, including an additional room and new office and arcade space.
- Holiday Inn Express, a five-story, 171-room hotel.
- Tru/Home2 Suites, a four-story, dual flag 182-room hotel.
- Drury Inn, a nine-story, 214-room hotel with a 7,000-square-foot restaurant.
- Whirleyball, a two-story, 35,700-square-foot entertainment facility and restaurant.
- Friendship Village expansion with 101 independent units and a 140-bed health center.

Meeting Demands for Quality City 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. Satisfaction with those services and the City overall grew in 2017, according to the National Citizen Survey™.

The 960 residents who responded delivered some of the highest ratings the City has ever seen. Out of the 129 areas surveyed, 55 received new record-high ratings or tied old ones and 39 areas improved from 2016.

The results show that Bloomington continues to have strong livability scores. Nine out of 10 respondents would recommend the city to others and plan on remaining here for the next five years. Ninety-five percent of respondents rated Bloomington as a place to live as excellent or good, up from 90 percent in 2016. Resident satisfaction with overall quality of life in Bloomington also improved from 85 percent in 2016 to 92 percent in 2017.

The city's economy, police and safety remaining strong are critical issues respondents identified as priorities moving forward. Nine out of 10 respondents reported feeling safe in Bloomington's neighborhoods and shopping areas. Ratings for the City's overall direction, value of services for taxes paid and customer service also grew between 2016 and 2017.

To ensure Bloomington remains an innovative community, the City Council reviews and prioritizes all property tax-supported City services annually. The most critical services, such as public safety and infrastructure, entail 60 percent of the City's total expenditures. Community safety, planning and maintenance services take up 25% of the taxpayer dollar. Quality of life services, such as arts and recreation programs, constitute approximately 15 percent 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.

The City has also continued to strengthen itself as an employer of choice for top quality people. The City's financial strength and long-term strategy of staffing at levels it can carry through a normal economic downturn allows the City to continue to maintain its current quality service levels.

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 32 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.

Local Outlook

Current engagement, future outlook

Bloomington is becoming more and more diverse. When you look at the large picture of our community, you'll see people with all different ages, races, religions, abilities, languages, experiences and interests.

All of these different elements make the picture of our city more dynamic and vibrant. We've been working to ensure that all community stakeholders have channels for their voices to be heard in the process of local governance.

One way we sought further engagement with residents in 2017 is to follow up on the One Bloomington Summit the City hosted in late 2016. The summit served to brainstorm ideas about how to improve Bloomington's image. New community action groups were formed after the summit to further discuss inclusion and equity, community amenities and community image. The goal of these action groups is to bring fresh community voices to the forefront of the conversation.

As an organization, we've been working on initiatives to make Bloomington an example of inclusion and equity. A second group of City staff graduated from a racial equity cohort along with 18 other state, county and local level organizations in 2017. Together they learned what other communities have done to advance racial equity. The City has also been intentional in hiring new employees that reflect the diverse community we serve. We've also been working to diversify advisory commissions to ensure all perspectives are considered and represented in City decision making.

In 2017, the Bloomington Police Department explored new avenues to build a more diverse staff that better reflects the growing diversity of the community. A new program, Pathways to Policing, removes common barriers to nontraditional candidates. Pathways offers law enforcement training for candidates who have at least an associate's degree, allowing them to complete training in four months rather than two years. Candidates are also paid wages and benefits to attend the training program. BPD hired three new officers through Pathways last year and will be recruiting more in 2018.

We're also taking steps to engage our employees and increase efficiency. Two hundred and forty employees have completed High Performance Organization (HPO) training and at least 80 more are scheduled to complete it in 2018. 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.

One of the City's strategic priorities is environmental sustainability. In its first year of operation, the City's Sustainability Commission has made significant strides in making Bloomington an even more sustainable City. In 2018, Bloomington will launch an organics recycling program with two drop-off sites. The organics residents drop off will be converted into nutrient-rich compost and used in development and road construction projects. The Commission and Xcel Energy have also worked together on a Partners in Energy program that brings residents, commissioners and business people together to discuss ways to promote sustainable practices throughout Bloomington.

The City has also made significant progress in its community amenities priority of the One Bloomington plan. Parks and Recreation partnered with Bloomington Public Schools to improve 14 public parks in the city last year. Bloomington Ice Garden also came in second place in the Kraft Hockeyville Contest in 2017, winning \$75,000 in arena upgrades. The winnings will go toward arena renovations, including improvements to BIG's entry and locker rooms, among other things. Work on the renovation is planned to begin in the spring of 2019.

City staff and representatives from the community center task force have been in talks with the YMCA about a new community center facility in Bloomington. The City Council approved a memorandum of understanding formalizing these discussions last summer. The City Council also appointed a stakeholder group that will discuss things such as cost, funding, locations, staffing and programming through 2018. If approved by the City Council to proceed the group hopes to break ground sometime in 2019 and open the new facility in 2020. This is contingent on whether or not a bond referendum is needed to fund the project. If the stakeholder group determines that a referendum is needed, the estimated timeline will change.

In the area of focused renewal, the City has a neighborhood initiative program that focuses City and Housing and Redevelopment resources in a specific area of Bloomington. The focus neighborhood in 2016 and 2017 was south of American Boulevard, west of Old Cedar Avenue, north of 90th Street and east of Portland Avenue. The initiative provides resources for housing rehab, sidewalks and park improvements and loans for curb appeal enhancements. The City also has additional loan programs available citywide for home and exterior improvements. In 2018, the HRA and City staff designated a new focus neighborhood.

Bloomington Housing Market

The value of the median home rose from \$225,900 to \$246,400, a 9.1 percent increase for taxes payable year 2018. The median home value has increased 2.35 percent per year for the past 15 years despite six years of value loss following the most recent recession and housing market correction. A strong development cycle continues for office, hotel, retail and multi-family properties. In 2018 the City expects continued tax base growth, with greatest inflationary strength coming from the residential and multifamily sectors.

General Fund Support through Property Tax

The City is required to adopt a preliminary levy in September as the basis for discussion and evaluation before a final levy is adopted in December. In September, the City Council approved a preliminary levy of \$58,605,287 for 2018. This was a 4.87 percent increase over 2017. It also approved a preliminary general operating fund budget of \$72,568,793, a 2.2 percent increase from the 2017 budget.

The City used multiyear modeling to track revenue and expenditures to predict upcoming trends for 2018. 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 preliminary levy was reduced before it was adopted in December as noted below.

The City continues to be cost effective in providing quality services that meet public demand. In a 2017 resident survey, 73 percent of respondents thought that the value of City services for taxes paid was excellent or good.

Key Budget Opportunities

The 2018 Budget analysis of key organizational budget opportunities is as follows:

Health Insurance

The City's Insured Benefits Fund is modeled out 10 years. Funding accrues in this fund when rate increases are low and is used to help fund charges to departments when rate increases spike. The City is required to go out for bids for health insurance coverage every five years. The City went out for bids in 2016 for 2017 premiums. Following a 6.5 percent decrease in premiums for 2017, a rate increase up to the ten percent cap was imposed for 2018. Along with the rate increase came the imposition of certain taxes through the Affordable Care Act (ACA) which pushed the increase to a little less than 12 percent. The premium cap for 2019 is also 10 percent. Changes to the deductibles for the high-deductible plans were made for 2018 to keep the plans affordable. Individual deductibles went from \$2,600 to \$2,700 and family deductibles went from \$5,200 to \$5,400.

Pavement Management Program

The Pavement Management Program was established in 1992 and has been used to maximize efficiency in street repair and replacement of the City's roadways ever since. In 2016, the City expanded the program with the collection of franchise fees. With the expansion of franchise fees, existing trails are maintained and street overlay maintenance is fully funded. Bloomington residents will pay \$7.50 per household per month on their utility bills in franchise fees. Eighty-six percent of Hennepin County taxpayers pay franchise fees. After needs are identified, funding is provided through State aids, assessments, the City's annual levy and franchise fees for PMP projects.

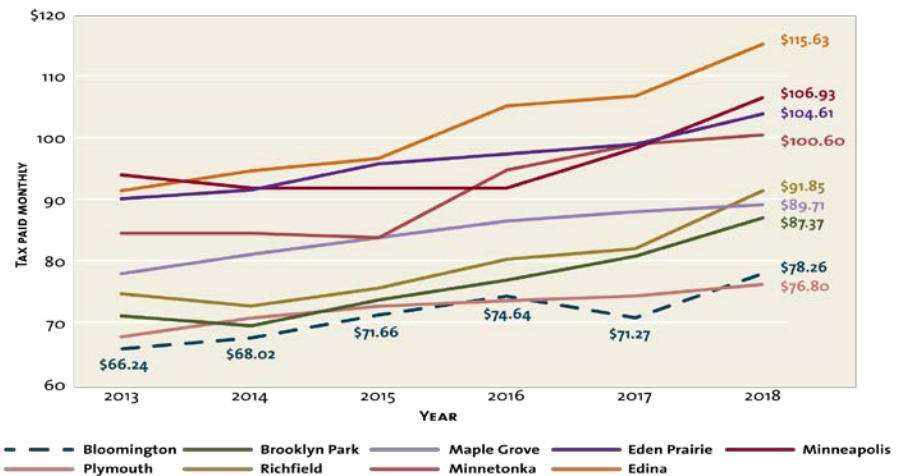
Staff Changes

Many key positions were filled in 2017. The City hired a new Deputy Director of Public Works, Assistant City Manager, Maintenance Superintendent and Utilities Superintendent. In 2018, the City will hire a Community Development Director and a Golf Course Manager. Position listings were evaluated to eliminate long-time unfilled positions that no longer hold value for the organization. Nine positions were eliminated in this review. A Crime Victim Liaison was added late in 2017 to assist crime victims with advocacy in the court system. This is a mostly grant-funded position. A full-time Deputy Fire Chief is budgeted to be hired by September 1, 2018 to assist with administration of the volunteer fire department.

Council 2018 Budget Policy Decision

The City Council adopted a property tax levy of \$58,398,517 in December, an increase of 4.5 percent. This means the monthly cost of tax-supported services for the owner of a \$246,400 median-valued home is \$78.26 for 2018. The 2016 amount was \$74.64 and the 2017 amount was \$71.17. The increase in monthly cost from 2017 is the result of a one-time increase in the tax base when Mall of America came out of tax increment financing.

CITY PROPERTY TAX ON MEDIAN VALUE SINGLE-FAMILY HOME



The total cost of services for a median-valued home, which includes property taxes, franchise fees, water, sewer and solid waste, is \$121.75. This cost remains lower than 10 of 11 neighboring peer communities in the Twin Cities.

In Minnesota, local governments set a total property tax dollar amount instead of a tax rate as is done in some other states. Following state law, this is prorated to each property based on the property's value. With this property tax levy, the City's share of 2018 total residential property taxes is 30 cents out of every tax dollar paid. The remaining amount goes to the county, school district and other taxing districts. Prorated 2016 home sales reflected the increase in value and are the basis for the 2017 assessment for taxes payable in 2018.

Since 1999, the City's annual base property tax levy increase has averaged 3.98 percent on existing properties.

Conclusion

As one of only 32 cities nationwide that has achieved triple-A ratings from all three credit rating agencies, Bloomington is at the top of its class for financial strength and stability. The budget for fiscal year 2018 will maintain the City's strong financial foundation and continue to move the City toward its long-term goals. One of these goals is empowering all the people in our community to be heard and share their story to make their mark on the canvas of Bloomington. How will you make your mark?

BUDGET OVERVIEW

Table of Contents

Budget Summary - All Funds	29 - 39
Changes in Fund Balance and Working Capital Balances	40 - 46
General Fund Ten-Year Budget Projection	47 - 50
Operating Fund Crosswalk	51
Staffing	52

2018 Budget Summary – All Funds (except Capital Funds)

REVENUES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Property Taxes				
General Fund	\$45,068,529	\$47,163,076	\$46,729,772	\$48,815,256
Debt Service	3,922,748	4,156,714	4,077,765	4,156,714
Other Funds	1,922,138	2,884,945	2,879,467	3,489,325
Other Taxes	9,807,314	8,654,583	9,393,619	8,800,463
Special Assessments	2,949,401	3,128,605	3,038,657	3,429,811
Permit/Licenses	5,090,480	5,773,430	5,679,268	5,667,070
Fines	1,057,518	1,000,000	1,232,703	1,000,000
Intergovernmental	6,477,107	4,376,607	4,957,905	4,560,022
Program Income	47,665,771	47,488,533	45,806,151	48,666,377
Interest	356,914	470,798	853,384	555,579
Cable Franchise	1,470,757	1,536,000	1,496,364	1,538,000
Other Revenue	8,885,467	27,036,766	8,942,206	17,593,265
Utility Fees	30,794,865	38,766,253	36,105,884	40,840,056
Subtotal	\$165,469,008	\$192,436,310	\$171,193,145	\$189,111,938
2018 Does not include tax abatement levy of \$996,907 or Strategic Priorities levy of \$535,037. 2017 Does not include tax abatement levy of \$936,328 or Strategic Priorities levy of \$295,000 2016 Does not include tax abatement levy of \$804,026 or Strategic Priorities levy of \$528,783.				
EXPENDITURES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Staffing				
Salaries and Wages	\$ 49,542,325	\$ 52,397,389	\$51,126,795	\$ 53,038,640
Benefits	19,369,087	20,686,494	20,772,233	21,400,193
Operating Expenses				
Professional/Technical Services	3,610,768	3,562,428	3,658,033	4,037,176
Utilities/Maintenance	21,365,655	27,692,902	26,166,934	28,068,102
Operations	12,749,291	11,071,538	11,242,670	12,669,244
City Support Services	30,933,950	31,335,045	31,460,975	33,192,459
Materials/Supplies	10,593,825	12,480,371	11,771,181	12,664,915
Capital Outlay	7,843,564	33,512,212	12,307,018	21,634,599
Debt Service	9,275,897	9,870,179	10,595,463	10,043,664
Transfer Out	(1,670,109)	(2,845,221)	(5,054,463)	(3,180,814)
Estimated Unexpended		(2,311,956)		(1,941,326)
	\$163,614,253	\$197,451,381	\$174,046,839	\$191,626,852

2018 Budget Summary – All Funds

As noted in other sections of this document, the budget is a blueprint for City services and plans for fiscal year 2018.

The purpose of the budget is to communicate the financial plans of the City and its allocation of resources. This document expresses priorities, goals, plans and targets. The budget is an implementation plan to achieve the City's goals and objectives.

Two-Year Budget

Budgets are adopted for the General Fund, Special Revenue Funds, Enterprise Funds and Internal Service Funds. The City of Bloomington has a two-year budget cycle. The 2017 Budget and related property tax levies were approved by the City Council and certified to Hennepin County in December, 2016. The 2018 Budget and related levies were approved in concept by the City Council at that time. During 2017, the conceptual 2018 Budget was reviewed and refined, where necessary, before adoption by the City Council and certification to the County in December, 2017.

Adopted 2018 Budget

The 2018 Budget Summary schedule is shown on page 29. The budgeted revenues, including transfers in, for all funds total \$189,111,938. Appropriations for all funds total \$191,626,852. The \$2,514,914 differential comes from existing fund balances or retained earnings used for planned capital expenditures and to bring balances in line with fund goals, as appropriate.

The General Fund is balanced, with revenues equaling expenditures. The expenditure budget includes a contingency of \$1,816,974, 2.5 percent of the proposed budgeted expenditures as required by the City's Charter, which is available for emergencies or unanticipated costs or opportunities.

The Special Revenue Funds' revenue budget of \$6,682,282 is \$234,098 more than budgeted expenditures of \$6,448,184. Most of this is due to levying \$1,000,000 to build up a reserve to cover pension obligations for volunteer firefighters in future years.

The Enterprise Funds' budgets with revenues of \$61,024,774 and expenses of \$60,037,435 result in a net increase to fund balance of \$987,339. Most of the increase is due rate increases in the Utility Funds, to accrue a balance for improvements to the water, wastewater and storm water systems.

The \$1,732,414 decrease in the Internal Service Funds results from revenues of \$41,694,930, less than expenses of \$43,427,344. As part of the City's downturn strategy internal service fund charges to departments were decreased from the conceptual 2018 budget. The long-term plan is to return charges to "normal" while using working capital above established goals for any operational increases. Most of these funds use a 10-year or 15-year model to manage fee increases and predict the health of each fund.

Revenues

Excluding Internal Service Funds and Capital Project Funds, the largest sources of revenue are described below. The largest five categories account for 89 percent of the revenue budget.

Property Taxes - The largest source of revenue is property taxes of \$56,461,295 comprising 38 percent of total City revenues. Property taxes are levied for several different City purposes. The largest portion of property tax is used in the General Fund to support general taxpayer services such as public safety and infrastructure, community safety, planning, prevention and maintenance and quality of life programs. Property taxes are also levied to pay debt service and tax abatement and to support recreational facilities, the Fire Pension Fund and community strategic priorities initiatives supported by the City Council.

The City Council sets a total dollar levy. State law dictates the distribution over the tax base by property value. For 2018 this levy is allocated across the tax base according to market values set at the beginning of 2017 from sales data gathered from October 2015 to September 2016 and property classification rates. This process is set out in State Statute.

Utility Fees - Utility fees for water, sewer, storm water and solid waste account for \$40,840,056 of the City's revenues or 28 percent. Fees are charged for purchase of water and sewer service, storm water management and the City-wide recycling and solid waste programs. Rates are determined by calculating the amount of funding needed to cover operations and future capital costs less any other operating revenue, grants or intergovernmental funds predicted to be received by each utility operation. Tier One and Tier Two water rates were increased by 9.5 percent for 2018 and the cap for Tier One water rates was reduced from 7,500 gallons per month to 6,000 gallons per month. Utility funds are modeled out 15 years to keep rates in line with operating and capital needs.

This is the sixth year of state-mandated conservation fees in the Water and Wastewater funds which lowers rates for low volume users and raises them for higher volume users. Most of the increase in water rates for 2018 is to fine tune the rates to match the cost of operation. This is still a work in progress, but the more data collected over time the better we can match revenues and expenditures. Changing to conservation rates shifted residential wastewater rates from a set rate to a volume rate based on winter usage with an established minimum. Wastewater rates increase by 9.5 percent in 2018 to prepare for future increases by the Metropolitan Council Environmental Services (MCES) which treats the City's wastewater and increased capital costs to replace worn out infrastructure.

Program Income – Program income for all budgeted funds is \$7,697,786, or five percent of revenue. Program income includes funds received from fee-supported services such as green fees, pool admissions, sport team fees, and health examination fees. Fees are reviewed every year and usually increased to match the cost of service provision annually. The City Council reviewed justification for this increase which in most cases was to catch up to the cost of providing the service.

Lodging and Admission Taxes – These taxes account for \$8,800,463 of City revenues, or six percent. Lodging taxes of seven percent are collected from the sale of hotel and motel lodging accommodations and related services of which three percent goes to the City General Fund, two percent to the Port Authority and two percent to the Bloomington Visitors and Convention Bureau. An admissions tax of three percent is collected on every entertainment event in the City including theater tickets and cover charges at entertainment venues.

Other Revenue/Transfers/Interest – This revenue of \$17,208,465 includes cell tower rentals, donations, refunds, bond proceeds, interest and operating transfers from other funds and accounts for twelve percent of revenue. A major contributor to this type of revenue is the City's Port Authority which collects liquor and lodging

fees in the area around the Mall of America and transfers in funding to reimburse the City for things such as infrastructure projects and police operations. A \$9.67 million bond issue for a storm water project also contributes to this total.

Permits and License Fees – Permits and license fees of \$5,667,070 account for four percent of total revenues. Permits are required for most construction projects and major remodeling projects. Licenses are required for certain businesses such as taxi cabs and locations selling liquor or beer and for cats and dogs in the City.

Intergovernmental Revenue – Intergovernmental revenue of \$4,535,022 includes state aid for Police and Fire retirement and grants for health and public safety programs.

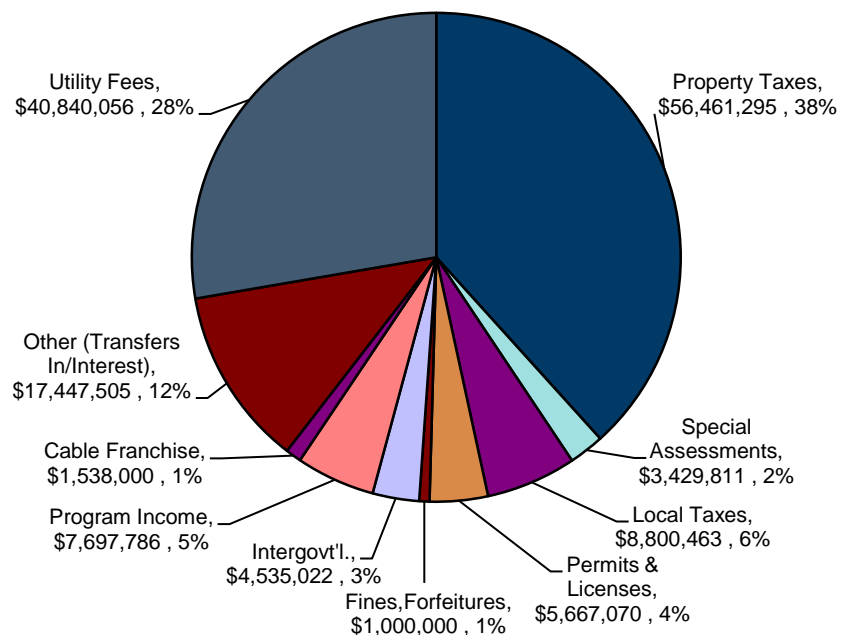
Special Assessments – These funds are collections from specific projects that require a payment from the affected taxpayer, such as street reconstruction, which is charged 25% to the homeowner on that street. This revenue is budgeted in 2018 at \$3,429,811, two percent of total revenue.

Fines, Forfeitures, Penalties – These funds are the City's share of police patrol traffic citations and other funding coming from the court system. The 2018 budget for this revenue of \$1,000,000 is one percent of total revenue.

Cable Franchise Fee – This funding is paid by the cable television franchise participants in the City of Bloomington based on gross receipts of Cable TV services (but no fee on internet service over same cable network). The budget of \$1,538,000 is one percent of total revenue.

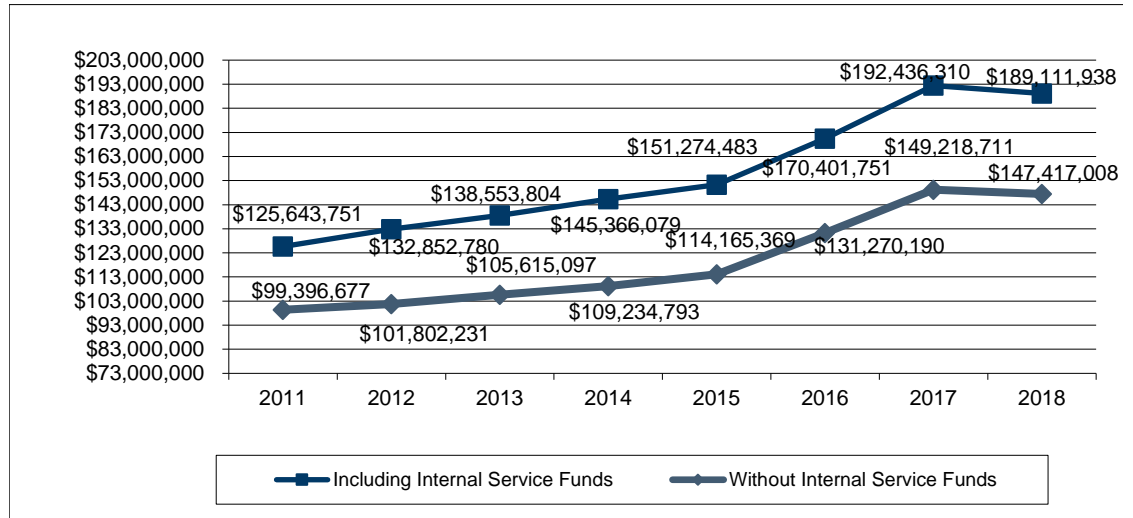
2018 Budgeted Revenues

All Budgeted Funds (Except Capital and Internal Service Funds)

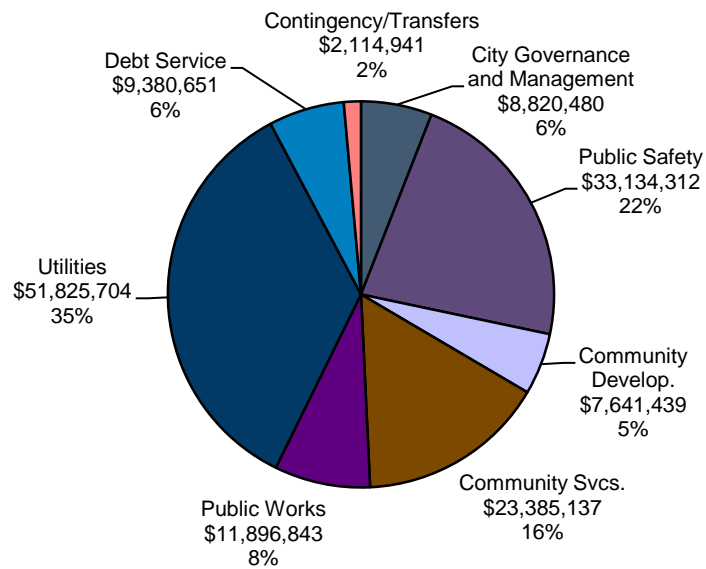


Total budgeted revenues for all funds equal \$189,111,938. Excluding internal service funds and capital projects, total revenues equal \$147,417,008 as shown in the chart by major source.

Total Budgeted Revenues

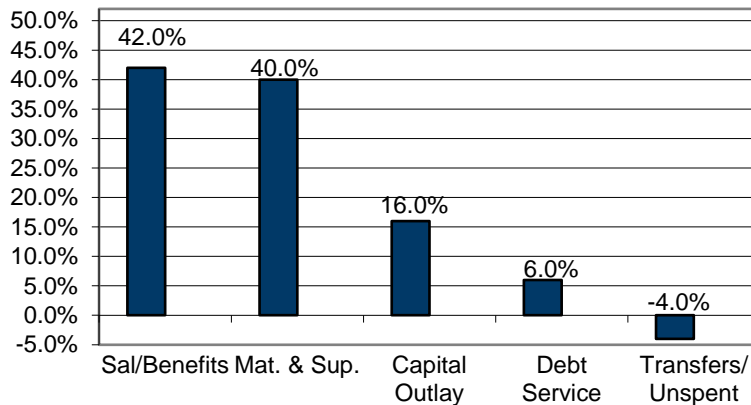


2018 Budgeted Appropriations



Total appropriations for all funds except capital projects equal \$191,626,852. Not including Internal Service Funds, total appropriations equal \$148,199,508. Major programs and funds, excluding Internal Service funds, are shown in the graph above.

All Funds – Appropriations by Categories



The City's expenditures are budgeted in five major spending categories: salaries and benefits, materials and supplies, capital, debt service and transfers. This chart shows the breakdown of expenditures by spending category for all funds. For the General Fund alone, Salaries and Benefits are 68 percent of the budget and Materials and Supplies are 40 percent of the budget before the Estimated Unspent amount is credited.

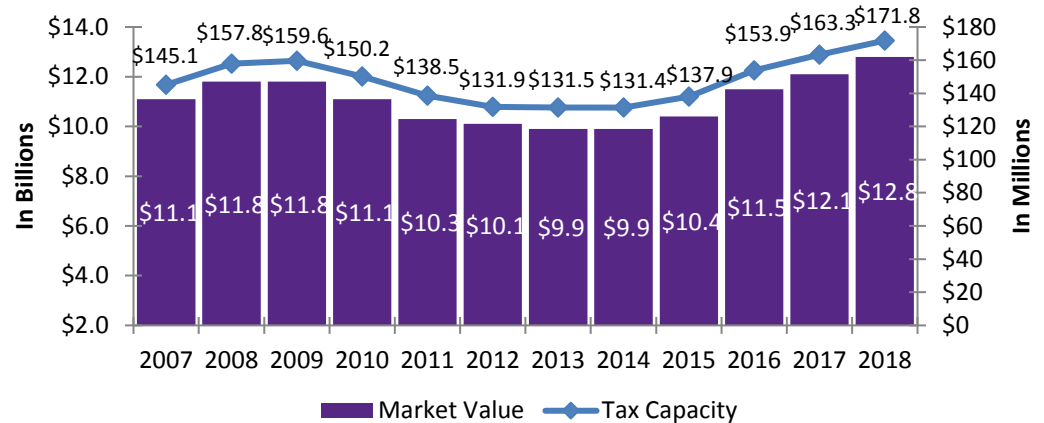
Tax Base

Market values used to calculate 2018 taxes increased by 6.0 percent from 2017. Market values are not used directly to calculate tax. Market values and state mandated classification rates are used only to distribute the dollar amount of levy requested.

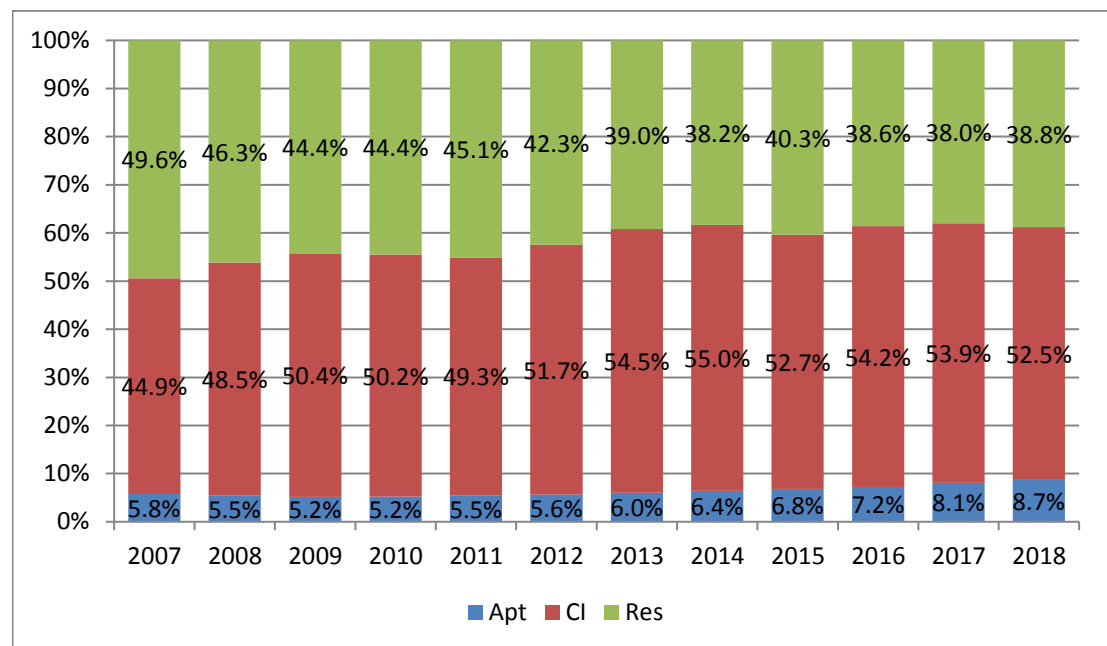
Tax capacity for the City increased by 5.6 percent from 2017 with residential tax capacity increasing by 7.8 percent, apartment tax capacity increasing by 12.0 percent and commercial and industrial tax capacity increasing by 3.1 percent.

The proportional share of tax burden borne by various property types is constantly changing based on relative changes in market value for each class of property.

Tax Capacity (\$ in billions)



In 2007, the trend of residential property gaining value faster than commercial and industrial property reversed and residential growth rates were lower than commercial growth. Total market value showed declines from 2009 to tax payable year 2014 dropping from \$11.8 billion to \$9.9 billion. For 2018 value increased to \$12.8 billion. Market values are determined according to State statute. Property sales from October 2015 through September 2016 were used as the basis for valuation statements which were issued in early 2017 for property taxes paid in 2018. This process is set out in State statute.



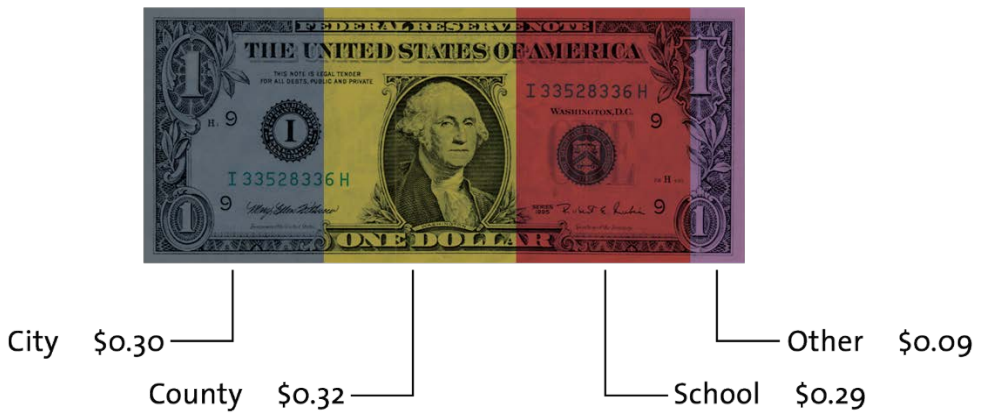
The City of Bloomington is fortunate to have a relatively large commercial and industrial (CI) tax base which illustrates its very competitive business climate. A healthy mixture of residential and commercial property helps to protect the local economy from shifts in tax base the way a well-diversified portfolio protects an investor from market fluctuations.

Taxes Payable 2018

This graphic illustrates the total tax for a residential property as shared by the taxing jurisdictions. Only 30 percent of the total tax is levied for City activities.

Residential

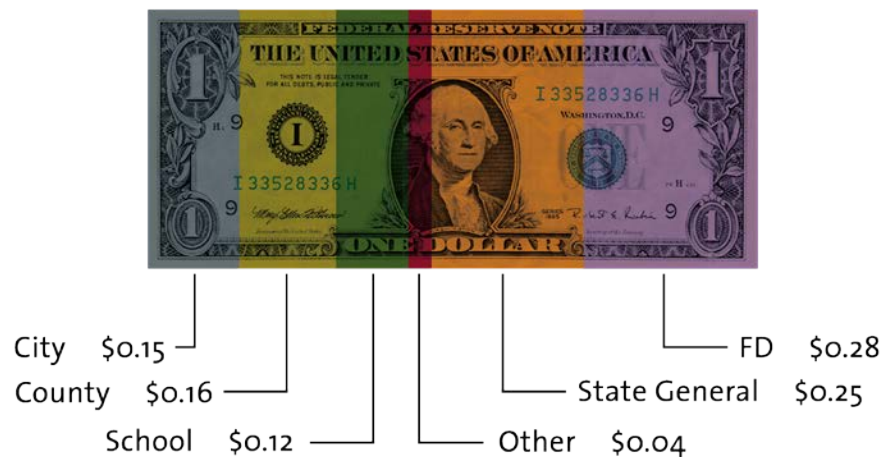
Dividing up the tax dollar (payable 2018)



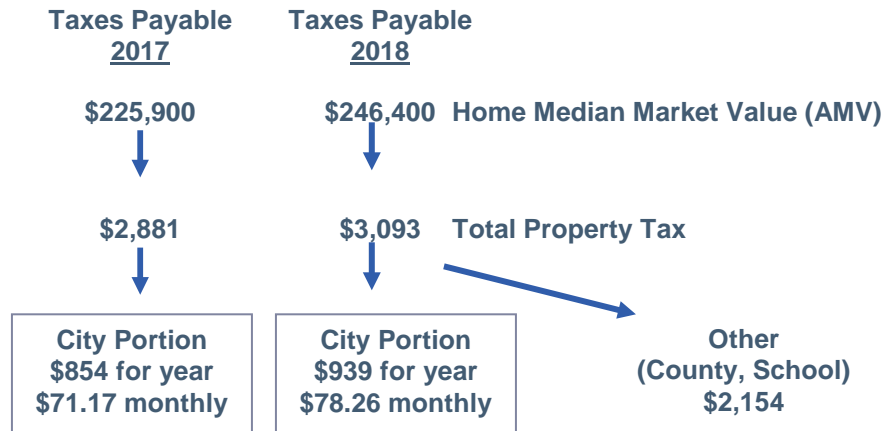
This graphic illustrates the total tax for a commercial property. For every total tax dollar, 15 cents comes to the City.

Commercial/Industrial

Dividing up the tax dollar (payable 2018)



City Services



The City's levy is allocated against the tax base along with the levies for the school district, county and other local governments. A median value home in Bloomington pays on an assessed market value determined in 2017 of \$246,400. Homestead properties receive favorable tax treatment with a value exclusion applied before the tax levy is apportioned.

Total taxes of \$3,093 are shared by local governmental agencies based on each taxing district's adopted levy.

The City's share of property taxes of \$939 annually equals \$78.26 per month on a median value home in Bloomington.

City Allocation of Property Tax Resources

The net tax cost by service expenditure amount was calculated by crediting related revenues against the appropriate expenditures and allocating the local taxes against the remaining balances. Net monthly property tax costs for budgeted years 2016, 2017 and 2018 are as follows:

<u>City Service</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police	\$23.90	\$22.88	\$25.23
Public Works	15.34	14.73	14.84
Community Services	16.44	15.84	17.57
Debt and Capital	7.89	7.64	8.13
Fire	7.23	6.71	7.74
Strategic Priorities	0.77	0.44	0.79
Community Develop.	<u>3.07</u>	<u>2.93</u>	<u>3.96</u>
	\$74.64	\$71.17	\$78.26

City Council Established General Fund Service Priorities

The City Council prioritized the tax supported programs of the City as shown below. The cost shown is the net property tax cost to the median value single family home.

Tier I services, the highest priority, include mostly public safety and City infrastructure programs. Tier II includes mostly community safety, planning, prevention and maintenance programs. Tier III is generally made up of quality of life programs.

TIER I PUBLIC SAFETY AND INFRASTRUCTURE		TIER II COMMUNITY SAFETY, PLANNING, PREVENTION AND MAINTENANCE		TIER III QUALITY OF LIFE	
Police Patrol (including EMS)	\$18.81	Engineering	\$ 2.97	General Recreation	\$ 3.37
Street Maintenance	8.31	Environmental Health	2.22	Public Health	1.26
Police Investigation	5.38	Community Planning	1.74	Aquatics	1.69
Capital/Debt	8.13	Emergency Preparedness	0.07	Cultural & Special Events	0.76
Fire Suppression	5.18	Crime Prevention	0.97	Center for Arts	1.45
Bomb Squad	0.06	Parks Maintenance	5.47	Strategic Priorities	0.79
Building and Inspections	0.00			Golf	0.48
Fire Pension	<u>1.58</u>	Street and Traffic Lights	3.56	Artistry	<u>0.32</u>
		Human Services	2.77		
		Fire Marshall/Fire Prevention	<u>0.92</u>		
Total	<u>\$47.45</u>		<u>\$ 20.69</u>		<u>\$10.12</u>

City Service and Community Investment and Renewal Costs

Taxes are allocated to taxpayers based on property value. However, the cost of most City services is often independent of the value of the property receiving the service.

- Police and Fire send the same emergency response and provide the same prevention service regardless of whether the property is a one-story ranch style or a three-story walkout.
- Public Works provides the same level of snow removal, street maintenance and street repair to a home valued at \$200,000 on an 80-foot lot as to a home valued at \$500,000 on an 80-foot lot.
- Parks Maintenance and Parks and Recreation programming are a function of the people who use the services, not the value of the property on which these people live.

Another factor related to City cost is community renewal and infrastructure replacement. Bloomington is an older community and older communities have larger renewal and infrastructure replacement costs than their faster growing suburban neighbors.

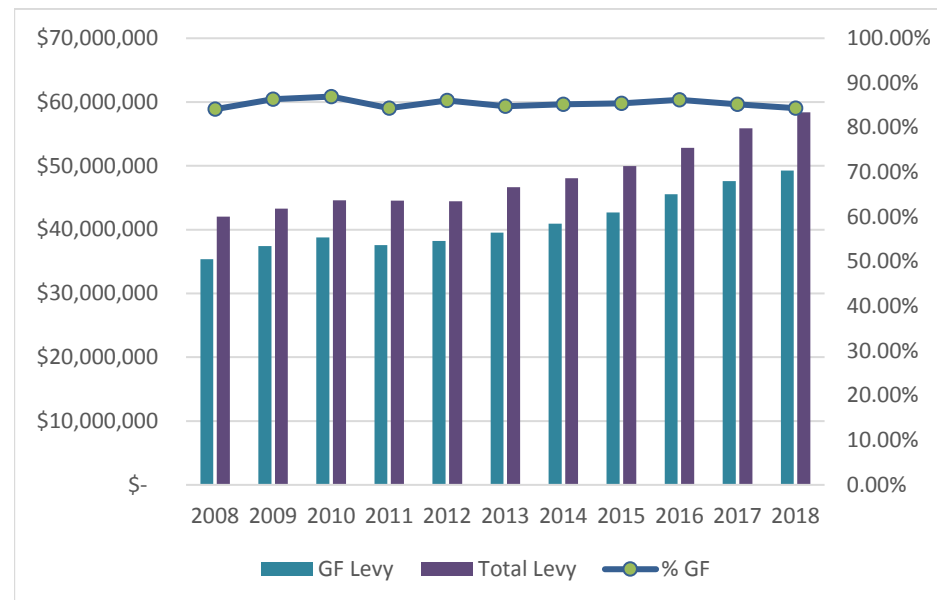
Levy Components

The dollars levied in 2018 by fund as compared to the 2017 levy are illustrated in the following table:

<u>Fund</u>	<u>2017</u>	<u>2018</u>	<u>Current % Increase (Decrease) Over 2017</u>
General	\$47,610,760	\$49,275,894	3.50%
Debt Service	4,156,714	4,136,391	(0.49)
Tax Abatement	936,328	996,907	6.47
Recreation Facilities	2,134,946	2,489,325	16.60
Fire Pension	750,000	1,000,000	33.33
Strategic Priorities	295,000	500,000	69.49
Total	<u>\$55,883,748</u>	<u>\$58,398,517</u>	4.50%

The City's general fund levy increased from 2017 to 2018 by 3.50 percent or \$1,665,134. The 2018 General Fund budget includes a 2.19 percent increase from 2017.

General Fund Portion of Levy



The average increase in the gross levy over the past fifteen years is 4.05 percent; the past ten years is 3.36 percent; and the past five years is 4.60 percent.

Changes in Fund Balance

Fund balance is defined as the difference between a fund's assets and liabilities. Adequate fund balance is necessary to have funds for emergency or unexpected events, to enhance the City's financial position and bond ratings, to provide cash for operations prior to receipt of tax revenues and to maximize investment earnings.

Fund Name	Est. YE 2017 Fund Balance	2018 Revenues	2018 Expenditures	Ending Balance
Public Health Special Revenue	\$ 133,576	\$1,146,824	\$1,152,413	\$127,987
Police Special Revenue	3,161,785	2,862,020	2,418,334	3,605,471
Communications	709,389	1,823,306	1,961,636	571,059
South Loop Development	81,992	175,300	120,000	137,292
Water	38,938,108	13,946,349	14,176,769	38,707,688
Wastewater	12,892,066	14,218,569	12,800,910	14,309,725
Storm Water	38,583,719	16,068,265	4,150,623	50,501,361
Solid Waste	1,567,337	8,659,410	8,782,402	1,444,345
Recreational Facilities	10,150,551	6,521,391	6,338,222	10,333,720
Police Contractual	0	950,000	950,000	0
Motor Vehicle	239,913	660,790	785,009	115,694
Information Systems	2,984,510	5,194,646	5,999,878	2,179,278
Equipment	16,104,622	8,091,927	7,851,480	16,345,069
Support Services	138,877	506,495	552,533	92,839
Public Safety Radio	862,222	703,965	766,602	799,585
Self-Insurance	2,792,643	2,368,316	2,321,658	2,839,301
Insured Benefits	2,246,085	10,447,021	10,527,068	2,166,038
Accrued Benefits	(1,600,722)	1,756,294	1,877,073	(1,721,501)
Facilities & Parks	45,161,727	12,626,266	12,390,153	45,397,840
General Fund	30,732,723	72,553,238	72,553,238	30,732,723
Park Grants	(20,658)	72,402	72,000	(20,256)
Placemaking	38,059	401,857	400,000	39,916
Cemetery	658,502	200,573	323,801	535,274

Fund Name	% Change in Fund Balance	\$ Change in Fund Balance	Reason for Greater than 10 Percent Variance
Public Health Special Revenue	(4.2) %	\$(5,589)	
Police Special Revenue	14.0 %	443,686	Includes \$1,000,000 levy to support fire pension obligations.
Communications	(19.5)%	(138,330)	Increased publication of the Briefing newsletter
South Loop Development	67.4 %	55,300	Fee revenue increased due to development.
Water	(0.6) %	(230,420)	
Wastewater	11.0%	1,417,659	Build up cash reserve for asset management
Storm Water	30.9 %	11,917,642	Large capital project added to the system
Solid Waste	(7.8) %	(122,992)	
Recreational Facilities	1.8 %	183,169	
Police Contractual	0 %	0	
Motor Vehicle	(51.8) %	(124,219)	State computer glitch results in less revenue
Information Systems	(27.0) %	(805,232)	Technology upgrades, professional services
Equipment	1.5 %	240,447	
Support Services	(33.2) %	(46,038)	Increase in staffing costs.
Public Safety Radio	(7.3) %	(62,637)	
Self-Insurance	1.7 %	46,658	
Insured Benefits	(3.6) %	(80,047)	
Accrued Benefits	7.5 %	(120,779)	
Facilities & Parks	0.5 %	236,113	
General Fund	0 %	0	
Park Grants	1.9 %	402	
Placemaking	4.9 %	1,857	
Cemetery	(18.7)%	(123,228)	Capital project, road construction.

Working Capital Balances

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/17 Working Capital	Estimated 12/31/18 Working Capital
General Fund	35-40% of General Fund expenditures or revenues for the following year.	Cash flow – 1 st half of property taxes are not received until June.	$\$72,553,238 \times 39\%$	\$28,295,763	\$29,893,586	\$29,893,586
Public Health Funds State Incentive Grant	Operates on a reimbursement basis – funds must be expended to receive grant revenue. At year-end current assets equal current liabilities. No working capital.	Generally Accepted Accounting Principles		\$0	\$133,576	\$127,987
Police Special Revenue Funds	DWI Forfeiture –	Emergency Expenditures	Lump Sum	\$87,000	\$382,714	\$327,903
	Enhanced 911 –	Emerg. repairs, future replacement	Lump Sum	\$40,000	\$48,986	\$83,133
	Drug Forfeiture – Lump Sum	Emergency Capital	Lump Sum	\$50,000	\$605,628	\$631,728
	Police Grants			\$0	\$(113,519)	\$(113,519)
	Police Pension Residual Asset Fund	Per 20-year plan		\$0	\$29,869	\$0
	Fire Pension	Next year obligation	Lump Sum	<u>\$2,000,000</u>	<u>\$2,208,107</u>	<u>\$2,676,226</u>
				\$2,177,000	\$3,161,785	\$3,605,471
Communications	Possible change in regulated services source of funds; a reserve kept to allow budget amendment if necessary.	Cash flow – Franchise fee is distributed quarterly and is subject to significant fluctuations. To avoid borrowing, a substantial balance is needed	3 month cash flow	\$385,000	\$709,389	\$571,059
	Lump Sum	Capital replacement		<u>\$162,400</u> \$547,400		
South Loop	Permit surcharges are collected to fund studies that take place prior to project approval. No working capital	Generally Accepted Accounting Principles		\$0	\$81,992	\$137,292

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/17 Working Capital	Estimated 12/31/18 Working Capital
Park Grants	Track grants for regional park maintenance from State of Minnesota via Met Council	Approximately two times annual grant amount for repairs or replacements	Lump Sum	\$125,000	\$(20,658)	\$(20,256)
Creative Placemaking	Funding for unexpected opportunities		Lump Sum	\$100,000	\$38,059	\$39,916
Cemetery	Accumulate funds for future real estate purchase and capital projects	To be prepared for a lot purchase and capital improvements	Lump Sum	\$625,000	\$658,502	\$535,274
Water Utility	Two months of customer revenue Lump Sum System replac. Long-term capital needs: Lump Sum	Cash flow Emergency repairs Reinvestment for Asset Management	$\$13,152,000 \times \frac{2}{12}$	\$2,192,000 + \$500,000 + 385,000 + <u>\$4,000,000</u> \$7,077,000	 \$2,659,072	 \$2,223,652
Wastewater Utility	Two months of customer revenue Lump Sum Long-term capital needs: Lump Sum	Cash flow Emergency repairs Reinvestment for Asset Management	$\$13,046,000 \times \frac{2}{12}$	\$2,174,000 + \$500,000 + <u>\$5,100,000</u> \$7,774,000	 \$3,073,187	 \$3,490,846
Storm Water Utility	Two months of customer revenue Lump Sum Lump Sum Lump Sum Lump Sum	Cash flow Emergency repairs Long-term capital needs: PMP & Maintenance projects Storm water system upgrades NPDES requirements	$\$6,256,000 \times \frac{2}{12}$	\$1,043,000 + \$1,000,000 + \$2,758,340 + \$1,200,000 <u>0</u> \$6,001,340	 \$8,249,926	 \$9,236,568

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/17 Working Capital	Estimated 12/31/18 Working Capital
Solid Waste Management	60% of the Neighborhood Clean-up Program cost	City is concerned that funding from Hennepin County may be substantially reduced or eliminated.	$\$1,000,000 \times 60\%$	\$600,000		
	Reserve for tree disposal, storm clean-up and hazardous waste			\$325,171		
	One month garbage	Billing expense		\$411,811		
	Tree Replacement	\$800 Per Tree + take down	\$0	\$205,000		
	40% remaining budgeted operating expenses	Reserve for cash flow to draw from rather than raise rates if funding is cut.	$\$545,000 \times 40\%$	<u>\$218,000</u>		
				\$1,759,982	\$1,849,257	\$1,727,265
Motor Vehicle	4/12 of budgeted operating expenses	Operating expenses	$\$786,000 \times 4/12$	\$262,000 +		
	Lump sum	Emergency purchase		<u>\$20,000</u> \$282,000	\$258,806	\$134,587
Information Systems	1 month operating expenses	Cash Flow	$\$3,807,300 \times 1/12$	\$317,000 +		
	Lump Sum	Equipment replacement (major components)		<u>\$650,000</u> \$967,000	\$2,149,330	\$1,027,199
Support Services	1 or 2 Month's budgeted operating revenues	Cash flow		\$51,500	\$91,446	\$50,408
Accrued Compensation Fund	Enough assets to offset liability	Generally Accepted Accounting Principles		\$0	(\$1,670,797)	(\$1,791,576)
Self-Insurance Fund	Amount cited in Actuarial Report as minimum to cover losses	Guard against significant impact of large claims		\$1,770,000	\$2,296,031	\$2,342,689
Insured Benefits Fund	One Month's Premiums	Operating Expenses – multi-year modeling need	$\$10,524,000 \div 12$	\$877,000		
	Reserve for Premium Increases			<u>\$1,500,000</u> \$2,377,000	\$1,968,207	\$1,888,160

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/17 Working Capital	Estimated 12/31/18 Working Capital
Equipment	Operations & Maintenance One month of charges	Cash flow for operations and inventory replacement	\$4,897,000 / 12	\$408,000 +	\$2,179,362	\$2,125,966
	Lump Sum	Fuel contingency		200,000 +		
	Replacement – One year of charges	Flexibility to reduce charges in economic downturn		\$1,813,000 +	\$2,312,710	\$1,979,937
	Fire Equipment Replacement – 2 years of charges to Fire Dept. for replacement	Build funds for replacement	\$550,000 x 2	\$1,100,000 +	\$841,785	\$1,375,871
	Small Fire Equipment	Build funds for replacement	Next year's purchases	\$508,409	\$665,598	\$317,007
	Small Police Equipment	Build funds for replacement	Next year's purchases	\$82,459 \$4,111,868	\$105,225 \$6,104,679	\$7,347 \$5,806,128
Recreational Facilities Funds	Aquatics facilities (2)	Operations		\$205,650 +	\$232,400	\$121,404
	Ice Garden – Lump sum+ 2 Months Operating Expenses	Capital Improvements, Cash Flow		\$399,000 \$156,617	\$686,232	\$789,915
	Art Center – 12 months of selected budgeted operating expenses Lump Sum	Cash Flow		\$353,900 +		
		Furniture, fixtures, equipment		\$70,000 +	\$132,502	\$415,103
	Golf courses (2) – Lump Sum Emergency	Cash flow Emergency repairs		\$435,250 + \$480,000 +	\$55,505	\$44,886
	Capital			\$70,000 \$2,170,417	\$1,106,639	\$1,371,308
Facility Replacement & Maintenance	Maintenance 1 or 2 months' budgeted operating revenues or expenditures	Cash flow – multi-year modeling need		\$1,237,000 +	\$2,472,885	\$1,808,997
	Replacement Lump Sum	Minimize future debt of facility replacement		\$6,921,169 \$7,120,866	\$5,934,724 \$8,407,609	\$6,534,724 \$8,343,721

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/17 Working Capital	Estimated 12/31/18 Working Capital
Radio Fund	One month's budgeted operating revenue	Cash flow – multi-year modeling need	\$516,000 ÷ 12	\$43,000 +		
	Lump sum	To replace/ purchase additional MDT's/Radios		\$25,000 +		
	Lump Sum	Fiber Optic Network		<u>\$34,572</u> \$102,572	\$101,725	\$49,088

General Fund Ten- Year Budget Projection

The City utilizes a ten-year budget model for its General Fund to assist in long-term strategic planning and to detect any future structural funding and property tax levy problems as early as possible. This model is also used to provide financial context for significant policy decisions such as the impact of major increases in pavement management and the effect an increase in bonding will have on the levy. This section looks at these projections and the assumptions made in developing these projections.

Revenues

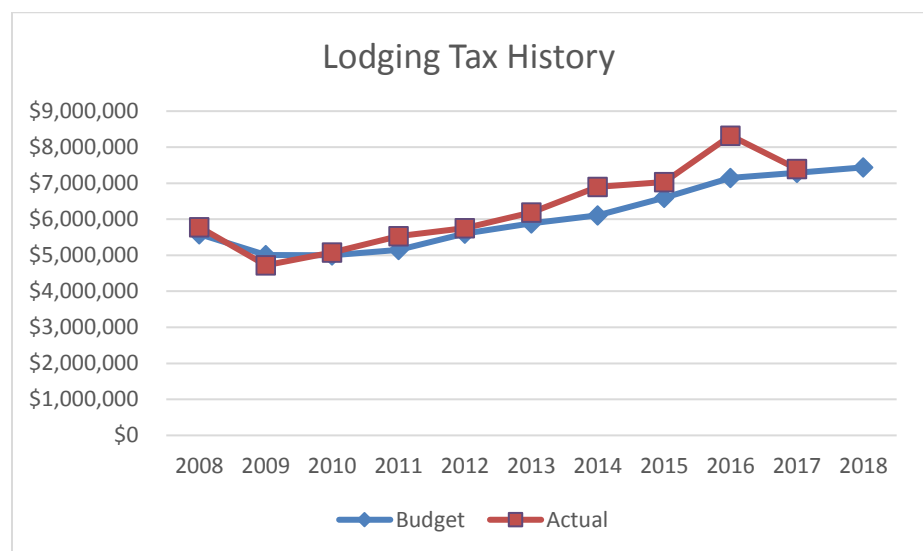
In 2018, revenues are budgeted to increase from the 2017 budget by 2.19 percent. In the ten year model, the first five years of which are shown later in this section, revenues are projected to increase each year from 2019 to 2027 at rates ranging from 2.30 percent to 4.18 percent with an average increase of 4.13 percent.

Market Value Tax Base Growth - Projected market value tax base growth is used as a guide in keeping property tax increases to a reasonable level. Market values increased by an average of 5.28 percent over the past 5 years (since 2013) including a decline in payable year 2014 in tax base of 0.7 percent.

Property tax revenues are the primary source to fund a number of activities in the City including Public Safety, Public Works and Community Services. An annual property tax levy increase is modeled in the succeeding ten years to cover reasonable downturn scenarios. This increase will likely be reduced as future budgets are refined through appropriation reductions or revenue increases.

Admission taxes of 3 percent are collected from businesses for amusement parks, movie and nightclub admissions. The budget model shows these revenues stay flat based on the 2018 estimate through 2027.

Lodging taxes are extremely sensitive to market downturns as shown in the chart below. The collection in 2013 surpassed the collection in 2008, prior to the economic downturn. A 2.0 percent growth rate is expected for 2018 and is also projected out to the later years of the model.



Business licenses and permits are fairly consistent in quantity each year except for animal licenses which will change from annual to lifetime in 2018. Fees for each license type are generally increased to reflect inflation. Permit and license fees increased by 0.11% from the 2017 budget. Even though fees are increased, the following categories have underperformed in revenue collection: taxi licenses and multiple family rentals. Business license revenue is modeled to decrease by 0.8% for 2019 and increase by 2.0 percent through 2027.

Non-business licenses and permits include building permits, which can fluctuate significantly depending on the reinvestments made by property owners to upgrade existing properties and invest in significant new projects. Some delay occurs between when permits are paid for in one year and the inspection activity for that permit which can occur in the succeeding year or a few years later for larger projects. Permit fee revenue is budgeted in 2018 to decrease by 1.65% from the 2017 budget based on the strength of the building market in 2017. Permit revenue is budgeted to increase by 2.3% each year through 2027.

Court fines and forfeits are generated from traffic and other violations of the law. This revenue is held flat from 2017. Revenue for this category is budgeted to remain flat through 2027 based on the historical growth rate of this revenue.

Program income is generated by various programs throughout the City. The volume of activity may fluctuate depending on the weather (for seasonal operations) and the cost of services. The budget for 2018 shows a 3.71 percent decrease from the 2017 budget. Program revenue is expected to remain flat through 2027 based on the historical performance of this revenue.

Intergovernmental revenues increase 1.12 percent in the 2018 budget from the 2017 budget with an increase in state aid for public safety pensions weighed against a decrease in grant funding. Funding for 2019 through 2027 remains flat because of the uncertainty of this funding source.

Interest is scheduled to increase by 2.5 percent from the 2017 budget. Interest earnings are expected to maintain a growth rate of 2.5 percent based on projections of interest rates and cash balances with a policy change to require more fund balance adopted in 2016.

Appropriations

Appropriation needs are developed by the responsible program manager after certain fixed costs such as salaries, benefits and internal charges are forecast. On average, salaries and benefits make up approximately 68 percent of General Fund service costs.

Overall, appropriations in the model are projected to increase annually at a rate of 4.13 percent through 2027.

Salaries are projected, as well as most other expenses, to increase by an estimated cost of living plus incentives for merit and step increases. For 2012 through 2017 wage increases of 1.0, 2.5, 2.0, 2.5, 2.5 and 2.75 percent were appropriated. In 2018 a 2.5 percent increase was budgeted. The later years of the model include wage increases for modeling purposes only.

Health and dental costs had a rate decrease for 2017 of 6.5 percent after the City went out for bids. The City has the Insured Benefits Internal Service Fund to help smooth out the variability of health and other benefit insurance costs. The long-term plan is for this Internal Service fund to help level out the effect of steep rate increases, especially to the General Fund. Departmental charges were set to build a reserve for anticipated premium increases. That reserve was tapped in 2015 and 2016 to cover part of the premium increases. Plan changes implemented in 2016 were increasing deductibles and introducing a Health Saving Account (HSA). For 2018, the City received a 12 percent increase in premiums and increased the HRA and HSA City contribution from \$1,750 to \$1,800 and deductibles for these plans were raised from \$2,600 for single to \$2,700 and from \$5,200 for family to \$5,400.

Downturn Strategy Recovery – Part of the City's strategy for dealing with the loss of revenue during economic downturns is to reduce expenditures to the Internal Service Funds. One example is the Accrued Compensated Absences Fund. Appropriations were originally budgeted for a 5 percent charge to full-time and permanent part-time salaries as revenue for this fund. Revisions to the 2018 budget reduced this charge to 3.5 percent to keep costs for the General Fund at a moderate increase. Another strategy implemented in prior years was to keep open positions vacant longer than normal.

Contingency - A contingency of at least 2.5 percent of the current year's budgeted expenditures, as required by the City's Charter, is included in the model. An estimated unspent estimate is included to offset the budget by an amount historically under spent in the general fund as a whole.

Structural Balance

The General Fund long-term model is a reflection of conservative estimates of revenue and expenditures (keeping non-property taxes slightly less than spending and expenditures at assumed inflation levels) and shows a balanced budget for all years. Each year the model is adapted 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 policy influenced levels of service.

During the past 23 years that this model has been used, budget gaps identified have always been closed at least a year or two before budget adoption through the employment of cost reduction and/or revenue enhancement methods.

This General Fund model is part of a larger model the City developed in 1998 to deal with cyclical downturns. As explained in several sections of this document, there are a number of alternatives for increasing revenues or 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 restoring fund balances where appropriate. One of the main principles used is conservative budget management to keep expenditure increases in line with inflation plus community growth. The City has expanded this model from five years to ten years. This longer term model will enhance the City's planning capacity to identify economic cycles and levy projections further into the future.

General Fund Model

REVENUES	2018	2019	2020	2021	2022	2023
Property Tax	\$49,275,894	\$52,387,697	\$55,164,862	\$58,422,850	\$61,446,471	\$64,648,667
Less Delinq. & Abatements	(660,638)	(673,850)	(687,327)	(701,074)	(715,095)	(729,397)
Delinquent Collections	200,000	200,000	200,000	200,000	200,000	200,000
Admissions Tax	1,360,583	1,360,583	1,360,583	1,360,583	1,360,583	1,360,583
Hotel-Motel Tax	7,439,880	7,588,678	7,740,451	7,895,260	8,053,165	8,214,229
Business Lic. & Permits	1,987,070	1,971,811	2,011,248	2,051,473	2,092,502	2,134,352
Non-Bus. Lic. & Permits	3,189,000	3,262,347	3,337,381	3,414,141	3,492,666	3,572,997
Court Fines	850,000	850,000	850,000	850,000	850,000	850,000
Program Income	2,061,404	2,061,404	2,061,404	2,061,404	2,061,404	2,061,404
Intergovernmental Rev.	2,347,656	2,347,656	2,347,656	2,347,656	2,347,656	2,347,656
Interest Earnings	82,786	84,856	86,977	89,151	91,380	93,665
Transf. from Other Funds	1,450,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
South Loop Revenue	1,927,574	1,975,763	2,025,157	1,763,161	1,807,240	1,852,421
All Other	1,042,029	1,085,608	1,118,628	1,152,681	1,187,797	1,224,011
Total Revenues	<u>\$72,553,238</u>	<u>\$75,652,552</u>	<u>\$78,767,020</u>	<u>\$82,057,286</u>	<u>\$85,425,769</u>	<u>\$88,980,588</u>
APPROPRIATIONS	2018	2019	2020	2021	2022	2023
City Council/Com.	\$586,629	\$610,094	\$634,498	\$659,878	\$686,273	\$714,136
City Manager	712,701	741,209	770,857	801,692	833,759	867,110
Legal	1,535,321	1,596,734	1,660,603	1,727,027	1,796,108	1,867,953
Human Resources	866,463	901,122	937,166	974,653	1,013,639	1,054,185
Finance	1,138,565	1,184,108	1,231,472	1,280,731	1,331,960	1,385,238
Police	25,464,450	26,483,028	27,542,349	28,644,043	29,789,805	30,981,397
Fire	5,121,898	5,326,774	5,539,845	5,761,439	5,991,896	6,231,572
Community Develop.	7,317,711	7,610,419	7,914,836	8,231,430	8,560,687	8,903,114
Community Services	14,326,627	14,899,692	15,495,680	16,115,507	16,760,127	17,430,532
Public Works	12,224,728	12,713,717	13,222,266	13,751,156	14,301,203	14,873,251
Technical Service Group	3,084,530	3,207,911	3,336,228	3,469,677	3,608,464	3,752,802
Offset for Est. Unspent	(1,941,326)	(1,914,126)	(1,885,905)	(1,856,627)	(1,826,250)	(1,794,735)
Contingency	1,816,941	1,891,870	1,967,125	2,046,681	2,128,098	2,214,032
Transfers to Other Funds	298,000	400,000	400,000	450,000	450,000	500,000
Total Expenditures	<u>\$72,553,238</u>	<u>\$75,652,552</u>	<u>\$78,767,020</u>	<u>\$82,057,286</u>	<u>\$85,425,769</u>	<u>\$88,980,588</u>

Notes: Years 2019-2023 are estimates.

To honor space concerns, only the first six years of the ten year model are shown on this page.

Operating Fund Crosswalk

This matrix shows the relationship between functional units and funds. For example, the Police Department has some authorized appropriations in the General Fund, in the Police Contractual Enterprise Fund and in several Special Revenue Funds.

Operating Fund	Administration of Fund							
	Police	Fire	Public Works	Community Development	Community Services	Parks & Recreation	Finance	General Government
General Fund	X	X	X	X	X	X	X	X
Enterprise Funds								
Water			X					
Wastewater			X					
Storm Water			X					
Solid Waste			X					
Golf Course						X		
Ice Garden						X		
Art Center						X		
Aquatics						X		
Police Contractual	X							
Motor Vehicle								X
Special Revenue Funds								
Other Health Grants					X			
Drug Forfeiture	X							
Enhanced 911	X							
DUI Forfeiture	X							
Other Police Grants	X							X
Pension Residual	X	X						
South Loop Revolving Development				X				
Communications					X			
Parks Grants					X			
Cemetery								X
Placemaking				X				
Landscaping				X				

Staffing

	2013 Authorized Full-Time	2014 Authorized Full-Time	2015 Authorized Full-Time	2016 Authorized Full-Time	2017 Authorized Full-Time	2018 Authorized Full-Time
City Manager	3	3	3	4	4	3
Community Development	54	56	51*	51	52	51
Community Services	40	40	40	40	40	36
Finance	22	22	22	23	24	24
Fire Protection	4	4	9*	9	9	10
General Government/ City Council	1	1	1	1	1	1
Human Resources	6	6	6	6	6	6
Legal	12	12	12	12	13	13
Police	150	150	150	155	155	154
Public Works	66	66	66	66	67	67
Technical Services Group	20	20	20	21	21	21
GENERAL FUND TOTAL	378	380	380	388	392	386
Communications	8	8	8	9	9	9
Creative Placemaking	0	0	0	0	0	1
Public Health	9	8	8	6	6	7
South Loop Revolving Development Svcs.	5	5	5	5	5	5
Special Revenue	22	21	21	20	20	22
Motor Vehicle	5	5	6	6	6	6
Rec Facilities Fund	17	18	18	18	18	16
Solid Waste Mgt.	1	1	1	1	1	1
Storm Water Utility	12	12	12	12	12	12
Water & Wastewater Utilities	54	54	54	54	54	54
Enterprise	89	90	91	91	91	89
Equipment Pool	15	15	15	15	15	15
Facilities and ParksMaintenance	39	39	39	40	40	40
Information Systems	13	13	13	13	13	13
Radio Operations	1	1	1	1	1	1
Support Services	3	3	3	3	3	1
Internal Service	71	71	71	72	72	70
Housing and Redevelopment	10	10	10	10	10	10
Port Authority	3	3	3	3	4	4
TOTAL ALL	573	575	576	584	589	581

**Fire Inspections moved from Community Development to Fire which accounts for the change in FTE.*

GENERAL FUND – FUND 1001

Table of Contents

	Department Number	
Total General Fund Budget Summary		55
Direct Service Departments		
Public Safety – Police	45	56 - 63
Public Safety – Fire	50	64 - 71
Community Development	55	72 - 81
Community Services	60	82 - 93
Public Works	65	94 - 103
Technical Services	70 - 75	104 - 109
Administrative Service Departments		
General Government	10	110 - 115
City Manager	20	116 - 117
Legal	25	118 - 119
Human Resources	30	120 - 121
Finance	35	122 - 129
Contingency		130 - 131

TOTAL GENERAL FUND BUDGET SUMMARY

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Property Taxes	\$ 45,092,671	\$ 47,163,076	\$ 47,163,076	\$ 46,769,631	\$ 48,815,256
Lodging/Admission Taxes	9,807,314	8,654,583	8,654,583	9,393,619	8,800,463
Licenses/Permits	4,732,140	5,227,430	5,227,430	5,212,166	5,176,070
Fines/Forfeitures	831,429	850,000	850,000	885,524	850,000
Intergovernmental	2,448,871	2,321,560	2,452,352	2,571,212	2,347,656
Program Income	1,986,476	2,140,729	2,142,251	1,875,747	2,061,404
Interest	80,591	80,767	80,767	254,172	82,786
Transfers In	3,615,169	3,622,016	3,622,016	3,864,240	3,377,574
Other	981,110	936,029	954,899	1,221,189	1,042,029
TOTAL REVENUES	69,575,771	70,996,190	71,147,374	72,047,500	72,553,238
Expenditures					
Staffing					
Salaries and Wages	33,036,743	34,956,106	35,013,288	33,932,458	35,693,952
Benefits	12,419,910	13,145,631	13,247,482	13,202,151	13,470,288
Operating Expenditures					
Professional and Technical Services	1,346,938	1,409,884	1,461,346	1,414,352	1,548,629
Utilities and Maintenance	3,690,592	3,613,812	3,700,474	3,329,937	3,584,835
Operations	1,226,545	1,509,064	1,558,847	1,250,713	1,507,621
City Support Services	18,942,701	19,011,124	19,009,124	18,977,172	20,138,243
Materials and Supplies	2,399,431	2,928,228	3,671,492	3,060,235	2,899,946
Capital Outlay					
Equipment	76,112	837,000	172,646	169,252	92,000
Transfers Out & Contingency	1,752,804	2,096,687	3,471,687	1,561,000	2,114,941
TOTAL EXPENDITURES	74,891,776	79,507,536	81,306,386	76,897,270	81,050,455
Less Expenses Charged to Others	(6,005,535)	(6,199,388)	(6,199,388)	(6,155,402)	(6,555,891)
Less Budgeted Estimated Unspent	-	(2,311,958)	(2,311,958)	-	(1,941,326)
NET TOTAL EXPENDITURES	68,886,241	70,996,190	72,795,040	70,741,868	72,553,238
FUND BALANCE SOURCES (USES)	689,530	-	(1,647,666)	1,305,632	-
Fund Balance Beginning of Year	27,898,424	28,587,954	28,587,954	28,587,954	29,893,586
Fund Balance at Year-End	\$ 28,587,954	\$ 28,587,954	\$ 26,940,288	\$ 29,893,586	\$ 29,893,586
Fund Balance goal	\$ 25,898,946	\$ 27,688,514	\$ 27,688,514	\$ 27,688,514	\$ 29,021,295

Public Safety - Police

Divisions

Administration

Patrol Division

**Investigations
Division**

**Special Operations
Division**

**Professional
Standards Division**

**Support Services
Division**

The Police Department employs 154 people, of which 123 are sworn officers. The Police Department provides safety within our community, prevents crime through an easily recognizable presence, enforces state and local laws fairly and aggressively and provides educational 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. Approximately 160,000 emergency and non-emergency phone calls are logged into the dispatch center annually. Of these, approximately 47,500 are emergency (911) calls coming into the dispatch center. Not all of these calls result in a request for police services. Other 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. This 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 tax dedicated to South Loop expenses.



86 percent of residents say they feel safe in Bloomington.

96 percent of residents surveyed said they feel safe in their neighborhood.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$19,658,686	\$20,077,238	2.1%
Materials/Supplies/Services	5,531,644	5,732,796	3.6%
Capital	0	0	0.0
Expenses Charged to Others	(336,596)	(345,584)	2.7
	\$24,853,734	\$25,464,450	2.5%

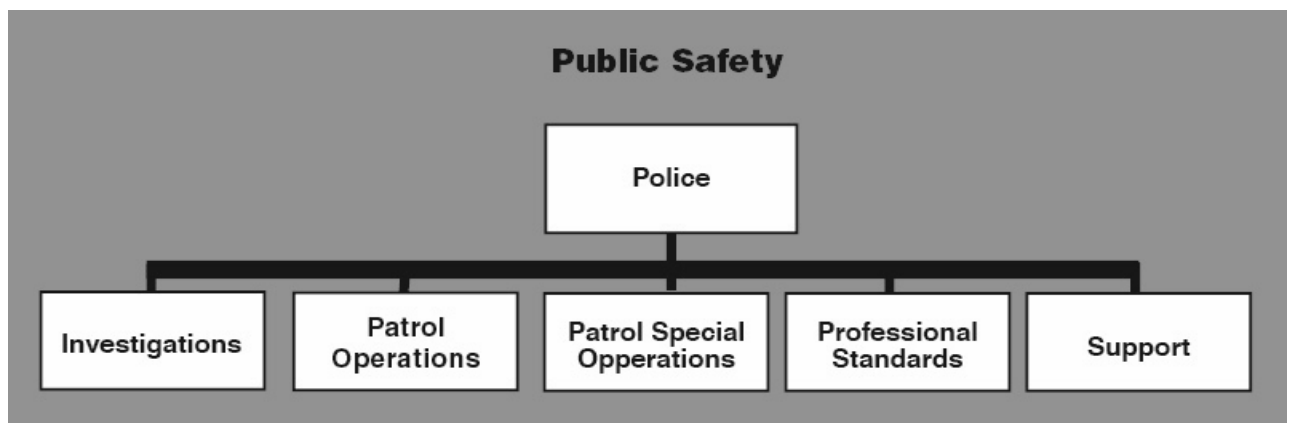
Authorized Full-Time Police

FY2016	FY2017	FY2018
150	155	154

POLICE
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 302,194	\$ 314,800	\$ 319,000	\$ 171,322	\$ 321,684
Intergovernmental	118,939	78,000	163,892	139,069	78,000
TOTAL REVENUES	421,133	392,800	482,892	310,391	399,684
Expenditures					
Staffing					
Salaries and Wages	13,598,570	14,283,698	14,283,698	14,105,302	14,499,322
Benefits	5,217,710	5,374,988	5,374,988	5,547,175	5,577,916
Operating Expenditures					
Professional and Technical Services	77,986	109,662	109,662	92,341	108,172
Utilities and Maintenance	738,241	356,178	356,178	312,921	357,184
Operations	220,745	239,372	266,872	263,537	238,198
City Support Services	4,290,664	4,317,758	4,317,758	4,314,657	4,580,365
Materials and Supplies	447,090	466,674	590,828	578,066	448,877
Transfer Out	800	42,000	42,000	42,000	-
TOTAL EXPENDITURES	24,591,806	25,190,330	25,341,984	25,255,999	25,810,034
Less Expenses Charged to Other Funds	(291,576)	(336,596)	(336,596)	(336,588)	(345,584)
NET TOTAL EXPENDITURES	\$ 24,300,230	\$ 24,853,734	\$ 25,005,388	\$ 24,919,411	\$ 25,464,450

	2016	2017	2018
Property tax cost of service for median value home per month:			
Police	\$24.57	\$22.88	\$25.23



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.

2018 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** 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.
- I** Update our Use of Force Policy and training program by year-end based on recommendations from subject matter experts and a continuous review of court rulings.
- S** Continued development of our Crisis Intervention Training (C.I.T.) Program by training an additional 20 officers by year-end, resulting in nearly half of our sworn personnel having been through this training.
- I** Continued efforts to improve communications throughout the entire organization.
- I** Implement Body Camera Pilot Program before summer and full program roll-out by year-end.
- S** Super Bowl LII planning and execution.
- S** Hire and train 5-7 new Officers by the end of the year.

2017 Results

- Awarded a \$200,000 matching funds grant for body cameras.
- 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.
- Participation of supervisors and Police Department senior staff in High Performing Organization (HPO) leadership and management training by completing the training of all department members that have supervisory/leadership responsibilities.
- Super Bowl LII planning and preparation.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 791,755	\$ 804,106	1.6%
Materials/Supplies/Services	108,306	115,028	6.2
Expenses Charged to Others	(2,830)	(2,915)	3.0
	\$ 897,231	\$ 916,219	2.1%

Authorized Full-Time

	FY2016	FY2017	FY2018
	4	4	4
Administrative Assistant	1	1	1
Chief of Police	1	1	1
Deputy Chief of Police	2	2	2

POLICE ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Intergovernmental	\$35,956	\$40,000	\$50,000	\$10,000	\$40,000
TOTAL REVENUES	35,956	40,000	50,000	10,000	40,000
Expenditures					
Staffing					
Salaries and Wages	576,690	581,740	581,740	575,710	593,076
Benefits	201,205	210,015	210,015	220,109	211,030
Operating Expenditures					
Professional and Technical Services	425	-	-	810	-
Utilities and Maintenance	-	202	202	-	-
Operations	13,375	10,260	32,160	24,282	10,477
City Support Services	113,149	94,155	94,155	94,079	100,862
Materials and Supplies	2,777	3,689	30,389	17,121	3,689
TOTAL EXPENDITURES	907,621	900,061	948,661	932,111	919,134
Less Expenses Charged to Other Funds	(2,760)	(2,830)	(2,830)	(2,832)	(2,915)
NET TOTAL EXPENDITURES	\$904,861	\$897,231	\$945,831	\$929,279	\$916,219

Police - Operations

Activities

Patrol

Investigations

Special Operations

The Patrol Division provides twenty-four hour, seven-day a week response to requests for officer assistance each year, 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.

2018 Objectives

- S** Full implementation of Body Worn Camera System by year end.
- S** Continue Crisis Intervention training for officers.
- S** Provide planning and public safety for the 2018 Super Bowl, a Special Event Assessment Rating 1 event.
- 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 2018 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 2018.
- I** Continue Community Engagement Events at each of our Elementary Schools, Safe Summer Night events, and other activities that will provide a positive contact between patrol officers and our youth.
- S** Maintain a Field Training Program that emphasizes strong training ethics for 5-7 new officers in 2018.
- IE** Continued Field Training of 3 "Pathways to Policing" officers to prepare them for patrol duty.
- S** Work with City Attorney's Office and the School District to design a school bus stop arm violators program that withstands a rigorous defense and leads to increased convictions by 10%
- S** Decrease the number of traffic crashes resulting in injury by ten percent in 2018 by operating speed patrols and DUI enforcement. Continue to work Towards Zero Deaths (TZD) on our roadways through aggressive traffic enforcement.
- S** Continue to utilize our Police Canines to detect hazards and apprehend criminals. Add a patrol canine for explosives detection.
- S** Provide education to local businesses to prevent the sale and distribution of alcohol and tobacco products to underage persons.
- S** Educate Hotel and Hospitality groups on Narcotics / Human Trafficking recognition to prevent criminal activities in local hotels.
- I** Provide information to parents, teachers, and social workers to identify youth drug trends to prevent use by adolescents.
- S** Continue to provide evening and weekend investigative staff to the public with scheduled Investigative Division personnel beyond traditional business hours, and Saturdays.

2017 Results

- Used technology to recover 79 stolen vehicles in 2017, resulting in 62 arrests.
- Currently 16,341 homes, 419 watch groups, 710 Block Captains in the Neighborhood Watch group.
- Received 159,468 calls to the dispatch center in 2017; 47,448 of these were 911 calls.
- Responded to 70,942 requests for Police services in 2017.
- Worked 545 traffic enforcement details that resulted from citizen complaints and traffic crash data.
- Conducted 316 Hit and Run Investigations.
- Investigated two traffic related fatalities in 2017.
- A Field Training program that trained 8 new officers in 2017
- Deployed our Police Canines 377 times. Two handlers were recognized regionally for their outstanding work with one of the two handlers also being recognized nationally.
- Conducted annual alcohol and tobacco compliance checks of licensed establishments.
- Continued the P.R.O.T.E.C.T. (Proactive Objectives Targeting Emerging Crime Trends) Program to respond to problem addresses.
- Bomb Squad responded to 40 calls for service and provided EOD planning for the upcoming Super Bowl.
- SWAT Team responded to 16 high-risk warrants and callouts.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 14,902,057	\$ 15,433,637	3.6%
Materials/Supplies/Services	3,736,829	3,885,091	4.0
Capital	0	0	0.0
Expenses Charged to Others	(37,000)	(37,000)	(0.0)
	\$ 18,601,886	\$ 19,281,728	3.7%

Authorized Full-Time

	FY2016	FY2017	FY2018
	108	115	115
Police Lieutenant	3	4	4
Police Officer	89	95	95
Police Sergeant	16	16	16

Part I Crimes

	2013	2014	2015	2016	2017	5 Year Average
Homicide	1	1	0	1	1	1
Rape	19	26	43	58*	47*	34*
Robbery	54	77	61	64	33	58
Aggravated Assault	60	59	58	68	66	62
Burglary	197	207	199	182	178	193
Theft	3,059	2,919	2,643	2,519	2,334	2,695
Vehicle Theft	119	128	104	132	141	123
Arson	16	6	10	11	12	11

*Note: In April 2015, the State Legislature changed multiple state statutes to be categorized as Part I "Forcible Rape" instead of Part II "Other Sex Offenses". This is the primary reason for the large increase from the 5 year average.

POLICE OPERATIONS BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$215,530	\$239,200	\$239,850	\$93,885	\$246,084
Intergovernmental	77,530	38,000	86,892	59,845	38,000
TOTAL REVENUES	293,060	277,200	326,742	153,730	284,084
Expenditures					
Staffing					
Salaries and Wages	10,365,703	10,796,830	10,796,830	10,735,514	11,133,596
Benefits	4,036,756	4,105,227	4,105,227	4,284,800	4,300,041
Operating Expenditures					
Professional and Technical Services	70,931	96,167	96,167	81,185	96,167
Utilities and Maintenance	92,471	98,970	98,970	100,094	98,937
Operations	56,260	74,792	80,392	71,301	74,634
City Support Services	3,019,665	3,088,227	3,088,227	3,087,001	3,288,949
Materials and Supplies	319,914	336,673	394,588	422,430	326,404
Transfer Out	-	42,000	42,000	42,000	-
TOTAL EXPENDITURES	17,961,700	18,638,886	18,702,401	18,824,325	19,318,728
Less Expenses Charged to Other Funds	-	(37,000)	(37,000)	(36,996)	(37,000)
NET TOTAL EXPENDITURES	\$17,961,700	\$18,601,886	\$18,665,401	\$18,787,329	\$19,281,728

	2016	2017	2018
Property tax cost of service for median value home per month:			
Police Investigations	\$4.50	\$4.10	\$5.38
Police Patrol	\$19.11	\$17.87	\$18.81
Bomb Squad	\$0.06	\$0.06	\$0.06

Activities

Communications

Records

Animal Control

Property Control

Detention

Technology

**Training and
Development**

**Professional
Standards**

Crime Prevention

Police – Support Division

The Police Support Division consists of the professional standards unit, the police records unit, police and fire dispatch operations, property and evidence control and animal control functions. These activities support the operational units of the Police Department and the Fire Department, as well as providing comprehensive animal control for the community.

2018 Objectives

- I** Partner with Bloomington Chamber of Commerce to enhance the Police Business Academy in 2018.
- 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 expanding community engagement efforts, Coffee with a Cop, Safe Summer Nights, Kids to Cops, etc.
- S** Expand the number of officers receiving the 40 hour C.I.T./De-escalation training in 2018. Develop CIT Policy, currently in draft form.
- I** Continue to enhance the Police Citizens Academy which takes place annually.

2017 Results

- Entered 11,461 police reports into the record management system (RMS) in 2017.
- 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.
- Partnered with a local school and significantly increased participation in the New Americans Academy.
- Expanded the Multi-Cultural Advisory Board for multi-cultural residents, and broadened their scope.
- Property and Evidence room received 10,678 property items that were held as evidence. This room currently holds over 34,000 pieces of evidence and averages 29 pieces received each day.
- Again participated in Safe Summer Nights and Voices Heard, and developed a Coffee With a Cop program, holding monthly events at various locations around the city.
- Increased our Twitter followers, and expanded other social media efforts, to include the use of NextDoor to better connect with the community.
- All sworn personnel received 10 hours of Crisis Intervention/De-escalation training.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 3,964,874	\$ 3,839,495	(3.2)%
Materials/Supplies/Services	1,686,509	1,732,677	2.7
Capital	0	0	0.0
Expenses Charged to Others	(296,766)	(305,669)	3.0
	\$ 5,354,617	\$ 5,266,503	(1.6)%

Authorized Full-Time

	FY2016	FY2017	FY2018
	38	36	35
Accounting Assistant	1	1	1
Animal Control Officer	2	2	1
Civilian Police Dispatcher	14	14	13
Civilian Dispatch Supervisor	0	0	1
Civilian Services Manager	0	1	1
Crime Analyst	1	1	1
Crime Prevention Coordinator	1	1	1
Lead Records Assistant	1	1	1
Police Lieutenant	3	1	1
Police Officer	2	2	2
Police Records Specialist	10	9	9
Police Sergeant	2	2	2
Property Control Specialist	1	1	1



- 309 employee training requests for classes were approved.
- 354 audio statements transcribed.
- Responded to 1293 requests for video & audio evidence for Prosecutors.
- Processed 689 requests for permits to purchase a firearm.
- Processed 11,461 police reports in E-Forms.
- Trained the department on Crisis Intervention/De-escalation training.

POLICE SUPPORT
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 86,664	\$ 75,600	\$ 79,150	\$ 77,437	\$ 75,600
Intergovernmental	5,453	-	27,000	69,224	-
TOTAL REVENUES	92,117	75,600	106,150	146,661	75,600
Expenditures					
Staffing					
Salaries and Wages	2,656,177	2,905,128	2,905,128	2,794,078	2,772,650
Benefits	979,749	1,059,746	1,059,746	1,042,266	1,066,845
Operating Expenditures					
Professional and Technical Services	6,630	13,495	13,495	10,346	12,005
Utilities and Maintenance	645,770	257,006	257,006	212,827	258,247
Operations	151,110	154,320	154,320	167,954	153,087
City Support Services	1,157,850	1,135,376	1,135,376	1,133,577	1,190,554
Materials and Supplies	124,399	126,312	165,851	138,515	118,784
Transfers Out	800	-	-	-	-
TOTAL EXPENDITURES	5,722,485	5,651,383	5,690,922	5,499,563	5,572,172
Less Expenses Charged to Other Funds	(288,816)	(296,766)	(296,766)	(296,760)	(305,669)
NET TOTAL EXPENDITURES	\$ 5,433,669	\$ 5,354,617	\$ 5,394,156	\$ 5,202,803	\$ 5,266,503

	2016	2017	2018
Property tax cost of service for median value home per month:			
Crime Prevention	\$0.93	\$0.89	\$0.97

Activities**Operations and Training****Fire Prevention****Emergency Management**

96 percent of residents surveyed rated fire service in Bloomington excellent or good, much above others in a national comparison.

Public Safety - Fire

The Fire Department responded to 1,802 calls for service in 2017. These ranged from water rescues and vehicle extractions to structural fires, medical emergencies, and hazardous materials emergencies. The average response time for 2017, from the dispatch of the call until the first fire unit reaches the scene was 4 minutes 14 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. All firefighters are required to meet training standards throughout the year.

The paid on call Fire 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.

2018 Objectives

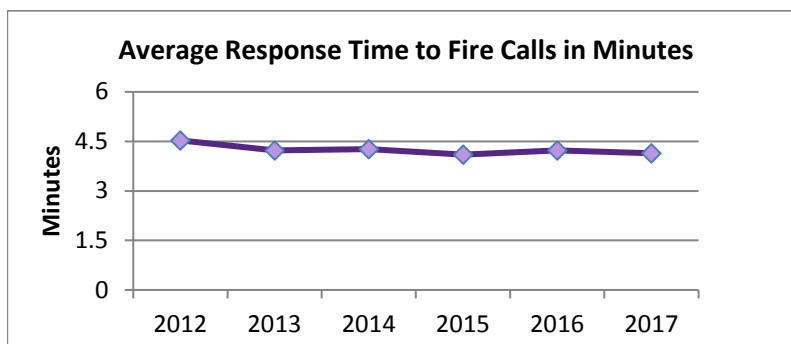
- S** Provide fire prevention services and fire education to residents, businesses, and visitors.
- S** Respond to fires, hazardous materials incidents, medical emergencies, and rescues.
- S** Preserve and protect life, property, and the environment against injury and damage from fires, hazardous materials incidents, natural and manmade disasters, and other incidents occurring within the City of Bloomington
- S** On average, respond to calls within 4 minutes 30 seconds of dispatch.

2017 Results

- Averaged a 4 minute 14 second response time in 2017 from the time the call was dispatched until the first fire department unit (Ladder or Engine Company or Chief Officer) was on scene.
- Averaged a 5 minute 58 second response time in 2017 from the time the call is received at the 911 public safety answering point until the first fire department unit arrived on scene.

Expenditures	FY2017	FY2018	Percent Change
	Original Budget	Approved Budget	
Salaries/Wages/Benefits	\$ 1,223,477	\$ 1,298,220	6.1%
Materials/Supplies/Services	3,607,047	3,823,678	6.0
Capital Outlay	20,000	0	(100.0)
	\$ 4,850,524	\$ 5,121,898	5.6%

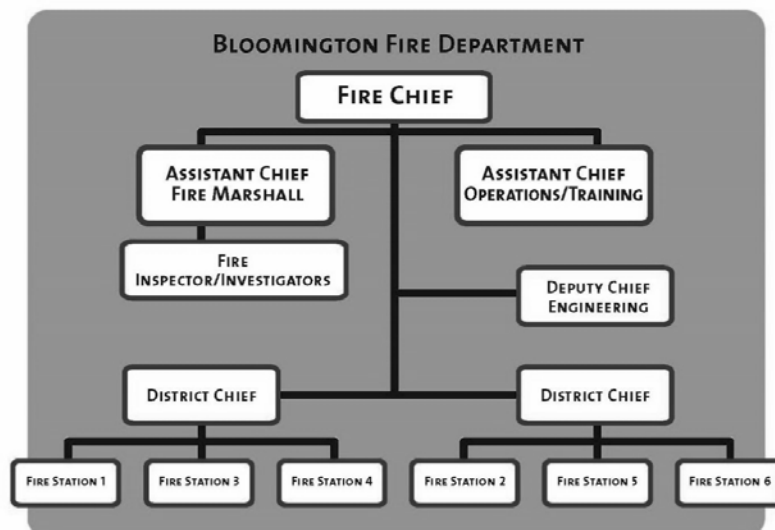
Personnel Staffing	FY2016	FY2017	FY2018
	9	9	10
Administrative Assistant	2	2	2
Deputy Fire Chief	0	0	1
Assistant Fire Chief	2	2	2
Fire Chief	1	1	1
Fire Inspector I	1	1	1
Fire Inspector II	3	3	3
Volunteers	125	124	119



This graph shows average response time from dispatch sending out the call to the Fire Department to the first fire unit arriving at the scene.

FIRE
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 526	\$ -	\$ 650	\$ 700	\$ -
Intergovernmental	37,736	-	-	73,919	-
TOTAL REVENUES	38,262	-	650	74,619	-
Expenditures					
Staffing					
Salaries and Wages	796,136	843,464	843,464	825,649	891,849
Benefits	375,373	380,013	380,013	341,910	406,371
Operating Expenditures					
Professional and Technical Services	834,655	832,600	834,403	730,477	854,750
Utilities and Maintenance	372,572	345,850	348,730	396,796	340,500
Operations	87,003	122,110	122,110	99,416	150,250
City Support Services	1,903,635	2,109,187	2,109,187	2,110,143	2,265,653
Materials and Supplies	192,778	197,300	197,950	180,628	212,525
Capital Outlay					
Buildings and Improvements	-	-	-	-	-
Equipment	15,899	20,000	20,000	-	-
TOTAL EXPENDITURES	4,578,051	4,850,524	4,855,857	4,685,019	5,121,898
Less Expenses Charged to Other Funds	-	-	-	-	-
NET TOTAL EXPENDITURES	\$ 4,578,051	\$ 4,850,524	\$ 4,855,857	\$ 4,685,019	\$ 5,121,898



Fire - Operations and Training

Activities

Emergency Response

Training

Exercises

Special Events

Maintenance and Repair

Specifications and Research and Development

Dispatching and response planning

Fire operations and training are led by Assistant Chief Forster. Fire Operations encompasses fire response, dispatching, and building and equipment maintenance and repair. Fire operations also includes new equipment research and development of new methods and technology to improve emergency response and performance.

Dispatching of emergency calls is handled by Bloomington Police Dispatch. Assistant Chief Forster is the liaison for the Fire Department to dispatch for response assignments and protocols.

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.

2018 Objectives

- S** Respond to all emergency calls for service in 4 minutes 30 seconds or less.
- S** Response of 15 firefighters within 9 minutes to structure fires where fire attack hose lines are deployed.
- S** Provide quality training to firefighters to meet or exceed Federal and State training requirements
- S** Continue to work with dispatch to maintain 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.

2017 Results

- Responded to 1802 emergency calls for service in an average of 4 minutes, 14 seconds.
- Responded with 15 or more firefighters within 9 minutes 52% of the time to all structure fires where fire attack hose lines were deployed.
- Responded to 187 non-emergency calls for service.
- Provided 12,140 hours of training for current firefighters to meet Federal and State requirements.
- Provided 1776 hours of live fire training to meet Federal and State requirements.
- Coordinated and trained with auto-aid and mutual aid partners to maintain competency and capability for large incident response.
- Represented the Fire Department in ongoing operations of the Tri-Tech Computer Aided Dispatch (CAD) system.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 765,762	\$ 824,286	7.6%
Materials/Supplies/Services	3,466,491	3,701,215	6.8%
	\$ 4,232,253	\$ 4,525,501	6.9%

	FY2016	FY2017	FY2018
Authorized Full-Time	4	4	4/5*
Administrative Assistant	2	2	2
Deputy Fire Chief	0	0	0/1*
Assistant Fire Chief	1	1	1
Fire Chief	1	1	1
Paid on Call			
Deputy Chief	1	1	1/0*
District Chief	2	2	2
Captains	20	19	17
Firefighters	102	102	100
Total	125	124	119

*Denotes addition of Deputy Fire Chief to full-time 8/2018.

FIRE OPERATIONS AND TRAINING
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 526	\$ -	\$ 400	\$ 450	\$ -
Intergovernmental	37,736	-	-	73,919	-
TOTAL REVENUES	38,262	-	400	74,369	-
Expenditures					
Staffing					
Salaries and Wages	488,192	514,588	514,588	507,845	561,676
Benefits	244,227	251,174	251,174	192,072	262,610
Operating Expenditures					
Professional and Technical Services	823,057	810,000	811,803	724,678	834,750
Utilities and Maintenance	362,309	337,000	339,880	385,804	332,000
Operations	75,401	105,600	105,600	86,361	143,750
City Support Services	1,802,361	2,043,291	2,043,291	2,044,147	2,196,190
Materials and Supplies	176,161	170,600	171,000	166,053	194,525
Capital Outlay					
Buildings and Improvements					
Equipment	-	-	-	-	-
TOTAL EXPENDITURES	3,971,708	4,232,253	4,237,336	4,106,960	4,525,501
Less Expenses Charged to Other Funds					
NET TOTAL EXPENDITURES	\$ 3,971,708	\$ 4,232,253	\$ 4,237,336	\$ 4,106,960	\$ 4,525,501

	2016	2017	2018
Property tax cost of service for median value home per month:			
Fire Suppression	\$4.59	\$4.52	\$5.18

Fire - Fire Prevention

Activities

Fire Prevention

Determine Fire Cause and Origin

Arson

Investigation

Fire Safety Education

Sprinkler, Fire Alarm Inspections and Plan Review

Fire prevention is led by Assistant Chief McCarthy. Fire Prevention staff inspects all new construction and renovation of commercial, industrial and multi-family residential structures to ensure fire code compliance. Five 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. 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 chairs the City's multi-department Development Review Committee.

2018 Objectives

- S** Issue the majority of the fire sprinkler and fire alarm permits within three business days.
- S** Inspect a majority of designated high-risk occupancies each year.
- S** Inspect half of existing commercial, industrial and multi-family residential properties.
- S** Ensure annual maintenance of all life safety systems, fire sprinkler systems and fire alarm systems in schools, businesses and apartment buildings.
- S** Maintain an inventory of hazardous materials stored/used in commercial 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** Clear one half of the incendiary and suspicious fire cases.
- 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 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.

2017 Results

- Performed 3024 inspections (annual, building final, fire alarm testing, rough-in, tanks)
- Annual inspections done at 618 buildings out of approximately 1300 properties, 41%.
- Reviewed 74 plans.
- Conducted 59 cause and origin fire investigations including follow-ups with a 54% clearance rate (not including cases pending). 24% of these investigations were considered incendiary.
- Completed 68 Home Safety Survey Inspections in owner occupied single family homes.
- Conducted 115 safety presentations at K-12 schools, businesses, senior living facilities and other venues.
- Made 335 follow-ups on orders written, inspections, and non-fire calls.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 456,715	\$ 473,934	3.8%
Materials/Supplies/Services	108,556	90,463	(16.7)%
	\$ 565,271	\$ 564,397	(0.2)%

	FY2016	FY2017	FY2018
Authorized Full-Time	5	5	5
Assistant Chief/Fire Marshal	1	1	1
Fire Inspectors	4	4	4



87 percent of residents surveyed rated fire prevention and education services excellent or good.

**FIRE PREVENTION
BUDGET SUMMARY**
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ -	\$ -	\$ 250	\$ 250	\$ -
Intergovernmental					
TOTAL REVENUES	-	-	250	250	-
Expenditures					
Staffing					
Salaries and Wages	307,944	327,876	327,876	317,804	330,173
Benefits	131,146	128,839	128,839	149,838	143,761
Operating Expenditures					
Professional and Technical Services	-	2,600	2,600	-	-
Utilities and Maintenance	-	350	350	2,357	-
Operations	11,602	16,010	16,010	12,795	6,000
City Support Services	101,274	65,896	65,896	65,609	69,463
Materials and Supplies	15,969	23,700	23,950	14,503	15,000
Capital Outlay					
Buildings and Improvements					
Equipment					
TOTAL EXPENDITURES	567,935	565,271	565,521	562,906	564,397
Less Expenses Charged to Other Funds					
NET TOTAL EXPENDITURES	\$ 567,935	\$ 565,271	\$ 565,521	\$ 562,906	\$ 564,397

Fire Prevention Division moved here from Community Development.

	2016	2017	2018
Property tax cost of service for median value home per month:			
Fire Prevention	\$1.12	\$0.96	\$0.92

Activities

Maintain and Update the City's Emergency Operations Plan (EOP)

Maintain and Update the City's Continuity of Operations Plan (COOP)

Maintain and Update the City's Emergency Early Warning Systems

Maintain the City's Emergency Operations Center capability



The City's Continuity of Operations Plan (COOP) is designed to ensure the continued performance of essential functions during potential emergencies. The COOP provides the structure for a rapid response to a significant business interruption lasting more than 48 hours.

Fire – Emergency Management

Fire and 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 training and there are several certified emergency managers.

The EOP and COOP are both plans that have had extensive review by all City Departments in past years and both are due to be updated and revised.

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.

2018 Objectives

- S** Review and revise the City's Emergency Operations Plan.
- S** Review and revise the City's Continuity of Operations Plan.
- 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.

2017 Results

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

Expenditures	FY2017 Approved Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1,000	\$ 0	(100)%
Materials/Supplies/Services	\$ 32,000	\$ 32,000	0%
Capital Outlay	\$ 20,000	\$ 0	(100)%
	\$ 53,000	\$ 32,000	(39.6)%

EMERGENCY MANAGEMENT
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ -				
Intergovernmental					
TOTAL REVENUES	-	-	-	-	-
Expenditures					
Staffing					
Salaries and Wages	-	1,000	1,000	-	-
Benefits	-	-	-	-	-
Operating Expenditures					
Professional and Technical Services	11,598	20,000	20,000	5,799	20,000
Utilities and Maintenance	10,263	8,500	8,500	8,635	8,500
Operations	-	500	500	260	500
City Support Services	-	-	-	387	-
Materials and Supplies	648	3,000	3,000	72	3,000
Capital Outlay					
Buildings and Improvements					
Equipment	15,899	20,000	20,000	-	-
TOTAL EXPENDITURES	38,408	53,000	53,000	15,153	32,000
Less Expenses Charged to Other Funds					
NET TOTAL EXPENDITURES	\$ 38,408	\$ 53,000	\$ 53,000	\$ 15,153	\$ 32,000

	2016	2017	2018
Property tax cost of service for median value home per month:			
Emergency Management	\$0.12	\$0.07	\$0.07

Community Development

Divisions

Administration

Planning &
Economic
Development

Building &
Inspection

Environmental
Health

2018 Objectives

Our role is to assist in the successful operation and development of the City. We will:

- A R** Define future City directions through long-range planning and zoning requirements.
- R** Review development proposals for compliance with City standards.
- S** Protect public health and safety by ensuring compliance with State and City codes.
- R** Prepare and implement housing and redevelopment plans.
- S** Educate customers and encourage voluntary compliance with codes.
- S** Coordinate services with other government units.
- S** Offer user-friendly documents, processes and customer contacts.
- R** Define and implement the City's economic development strategy.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$5,846,097	\$5,984,836	2.4%
Materials/Supplies/Services	1,275,645	1,332,875	4.5
Expense Charge to Others	0	0	-
	\$7,121,742	\$7,317,711	2.8%

Authorized Full-Time

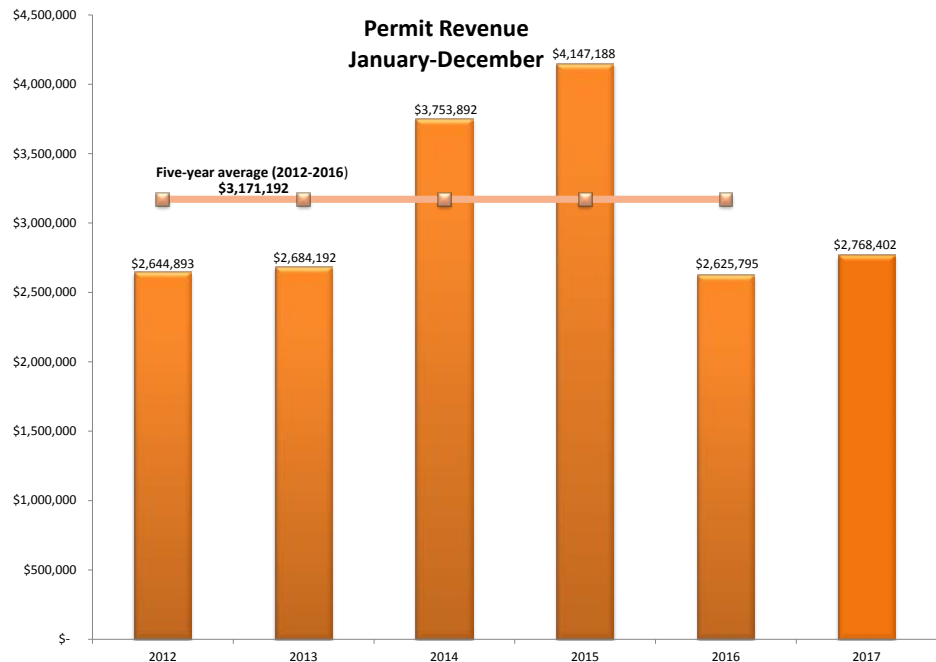
FY2016	FY2017	FY2018
52	52	51

71 percent of residents surveyed ranked land use, planning and zoning services excellent or good.

77 percent of residents ranked economic development excellent or good.

75 percent of residents say the City's overall direction is excellent or good.

ANNUAL PERMIT REVENUE



COMMUNITY DEVELOPMENT BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 251,886	\$ 233,960	\$ 233,960	\$ 388,407	\$ 282,210
Intergovernmental	11,216	11,000	11,000	13,534	11,000
TOTAL REVENUES	263,102	244,960	244,960	401,941	293,210
Expenditures					
Staffing					
Salaries and Wages	3,997,617	4,323,323	4,323,323	4,105,749	4,420,142
Benefits	1,430,167	1,522,774	1,522,774	1,525,832	1,564,694
Operating Expenditures					
Professional and Technical Services	33,781	27,000	27,000	36,380	69,500
Utilities and Maintenance	5,559	6,050	7,682	1,632	3,050
Operations	103,893	124,630	124,630	97,583	100,010
City Support Services	1,097,175	1,041,051	1,041,051	1,039,863	1,114,515
Materials and Supplies	38,229	32,914	40,914	32,518	45,800
Transfers Out	-	44,000	44,000	44,004	-
TOTAL EXPENDITURES	\$ 6,706,421	\$ 7,121,742	\$ 7,131,374	\$ 6,883,561	\$ 7,317,711

	2016	2017	2018
Property tax cost of service for median value home per month:			
Community Development	\$3.33	\$2.93	\$3.96



Community Development – Management & Services

The Community Development Director provides direction to the Community Development Department's divisions.

Administrative support staff manage customer contacts, maintain records, issue permits and schedule inspections for the Building Inspection and Fire Prevention Divisions.

2018 Objectives

- S** Issue monthly building activity snapshot reports, and other reports as needed, to facilitate communication between department staff, the public, the City Council and the City Manager.
- S** Assure that resources are used to provide effective work products and high quality customer service.
- S** Implement new online customer portal by third quarter 2018; improving processes through the implementation.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$947,355	\$985,479	4.0%
Materials/Supplies/Services	334,510	327,657	(2.1)
	\$1,281,865	\$1,313,136	2.4%

Authorized Full-Time

	FY2016	FY2017	FY2018
	9	9	9
Administrative Assistant	1	1	1
Director-Community Development	1	1	1
Office Supervisor	1	1	1
Office Support Specialist	6	6	6



COMMUNITY DEVELOPMENT - MANAGEMENT & SERVICES
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 6,610	\$ 8,000	\$ 8,000	\$ 98,757	\$ 6,000
TOTAL REVENUES	6,610	8,000	8,000	98,757	6,000
Expenditures					
Staffing					
Salaries and Wages	650,478	702,596	702,596	665,170	733,016
Benefits	236,943	244,759	244,759	245,617	252,463
Operating Expenditures					
Professional and Technical Services	4,079	5,000	5,000	1,224	5,000
Utilities and Maintenance	5,419	6,050	7,682	1,632	3,050
Operations	15,038	38,305	38,305	15,680	14,140
City Support Services	303,357	266,755	266,755	265,475	277,817
Materials and Supplies	15,518	18,400	18,400	12,806	27,650
TOTAL EXPENDITURES	\$ 1,230,832	\$ 1,281,865	\$ 1,283,497	\$ 1,207,604	\$ 1,313,136

Community Development - Planning

Activities

Development Review

Long Range Planning

Customer Services

The Planning Division defines and implements future directions for the City through planning studies 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.

2018 Objectives

- R** Promote renewal and guide growth to maximize benefits for Bloomington and Bloomington property owners.
- R** Review development proposals to ensure Code compliance.
- R** Update the Zoning Ordinance as described in the Planning Commission's 2018 Work Plan.
- S** Negotiate and administer City wireless and fiber leases.
- A I E S** Update the City's Comprehensive Plan.

2017 Results

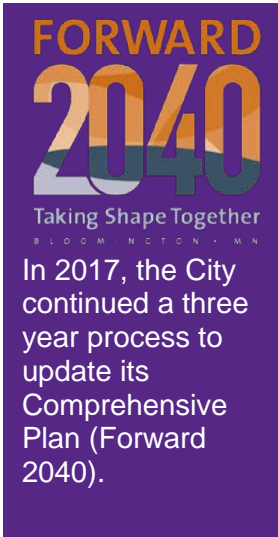
- Continued Forward 2040, the comprehensive plan update process including significant community outreach and input.
- Reviewed 128 development and land use applications, 113 sign permits and 243 driveway permits.
- Updated the South Loop AUAR.
- Updated farmer's market, exterior materials, and polling for standards.
- Updated the Normandale Lake District Plan.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,074,377	\$1,016,900	(5.3)%
Materials/Supplies/Services	146,039	196,137	34.3
	\$1,220,416	\$1,213,037	(0.6)%

Authorized Full-Time

	FY2016	FY2017	FY2018
	10	10	9
Office Assistant	1	1	1
Office Support Specialist	1	0	0
Planner	5	5	4
Planning Technician	0	1	1
Planning Manager	1	1	1
Senior Planner	2	2	2



COMMUNITY DEVELOPMENT - PLANNING
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 5,032	\$ 5,660	\$ 5,660	\$ 7,776	\$ 5,510
TOTAL REVENUES	5,032	5,660	5,660	7,776	5,510
Expenditures					
Staffing					
Salaries and Wages	691,131	784,879	784,879	701,747	742,255
Benefits	248,124	289,498	289,498	268,647	274,645
Operating Expenditures					
Professional and Technical Services	4,108	2,000	2,000	1,076	39,500
Operations	19,890	21,175	21,175	13,992	23,125
City Support Services	108,080	116,950	116,950	111,806	128,362
Materials and Supplies	4,192	5,914	5,914	2,216	5,150
TOTAL EXPENDITURES	\$ 1,075,525	\$ 1,220,416	\$ 1,220,416	\$ 1,099,484	\$ 1,213,037

	2016	2017	2018
Property tax cost of service for median value home per month:			
Planning	\$1.78	\$1.67	\$1.74

Activities

Building
 Plumbing
 Heating
 Electrical
 Plan Review
 Time of Sale
 Program
 Complaint
 Investigation
 Administration

76% of residents
 rate the City's
 overall built
 environment as
 excellent or good.

Community Development – Building & Inspections

The Building and Inspection Division reviews construction plans for consistency with codes, issues permits and inspects work while it is in progress to ensure compliance with the Minnesota building, energy, electrical, plumbing and heating codes. The Building and Inspection Division also administers the time-of-sale (TOS) inspection program for owner-occupied housing.

2018 Objectives

- S** Issue residential remodeling, plumbing, electrical and mechanical permits on the same day as application.
- S** By December 2018, 50% of all permits will be submitted through the customer portal and plans will be reviewed electronically.
- S** Complete 45% of all time of sale inspections by City TOS 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).
- S** Implement an automated customer satisfaction survey to be delivered with each emailed permit.
- S** 100% of all field inspections will be completed on Cityview Mobile.
- S** Update the city code to align with division policies and nuisance policies with other city departments, i.e. City code and administrative penalty orders do not align at this time.

2017 Results

- Issued 100% of residential remodeling, plumbing, electrical and mechanical permits on the same day as application.
- By December 2017, 30% of plans were submitted and reviewed electronically.
- Completed 45% of all TOS inspections by City TOS inspectors.
- Promoted one inspector to General Inspector and one to Program coordinator to better align staffing with work.
- Completed 98% of all inspections within 48 hours of request.
- Completed 90% of all plan review within 7 working days.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,923,886	\$1,905,879	(1.0)%
Materials/Supplies/Services	374,591	401,248	7.1
Transfers	44,000	0	(100.0)
	\$2,342,477	\$2,307,127	(1.5)%

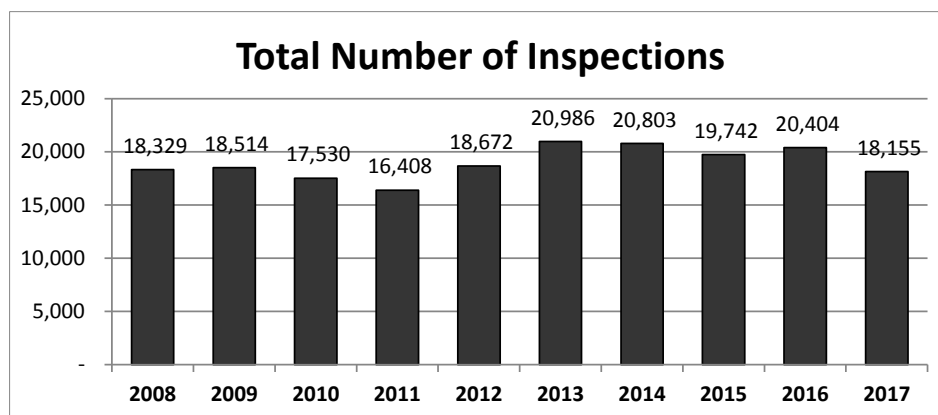
Authorized Full-Time

	FY2016	FY2017	FY2018
	16	16	16
Assistant Building Official	1	1	1
Building & Inspection Manager	1	1	1
Inspectors	12	12	11
Plan Check Engineer	1	1	1
Program Coordinator	1	1	2
Permit Technician/Plan Router	0	0	1

COMMUNITY DEVELOPMENT - BUILDING & INSPECTIONS
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 113,558	\$ 90,000	\$ 90,000	\$ 151,574	\$ 127,875
TOTAL REVENUES	113,558	90,000	90,000	151,574	127,875
Expenditures					
Staffing					
Salaries and Wages	1,311,797	1,450,884	1,450,884	1,324,185	1,427,397
Benefits	444,007	473,002	473,002	478,838	478,482
Operating Expenditures					
Professional and Technical Services	25,594	20,000	20,000	34,040	25,000
Operations	31,775	30,390	30,390	35,412	27,735
City Support Services	336,621	319,701	319,701	325,520	342,463
Materials and Supplies	8,347	4,500	12,500	10,011	6,050
Transfers Out	-	44,000	44,000	44,004	
TOTAL EXPENDITURES	\$ 2,158,141	\$ 2,342,477	\$ 2,350,477	\$ 2,252,010	\$ 2,307,127

	2016	2017	2018
Property tax cost of service for median value home per month:			
Building & Inspections	\$0.00	\$0.00	\$0.00



Activities

Residential and
Commercial
Property
Inspections

Zoning Enforcement

Rental Property
Inspection

Food Establishment
Inspections

Food Safety
Education

Hotel and Pool
Inspections

Well Inspections

2017 National
Citizens Survey
shows 89% of
Bloomington's
residents rated their
neighborhood
excellent or good
as a place to live.

83% of residents
rated the overall
appearance of
Bloomington as
excellent or good.

59% of residents
rated code
enforcement as
excellent or good.

71% of residents
reported housing
maintenance as
essential or very
important in the
next 5 years.

Community Development – Environmental Health

Environmental Health handles inspection and enforcement activities in three program areas:

- Minnesota Departments of Health and Agriculture delegate inspection and plan review of **food and lodging establishments, public pools, manufactured home parks and wells**; including investigating lead poisoning, and food and waterborne illness outbreaks in Bloomington and Richfield (contract for services).
- **Residential and commercial property** complaint and systematic inspections including zoning enforcement to maintain the City's residential and commercial properties. This maintains property values for those living and working in Bloomington.
- **Rental property** inspection and enforcement to provide safe and well-maintained rental housing.

2018 Objectives

- S I** Inspect high-risk food establishments twice per year, medium-risk once or twice per year and low-risk at least once per year plus all needed follow-up inspections.
- S** Inspect public pools two to three times per year and hotels once per year.
- S** Inspect at least 70 percent of all well permits.
- S I** Investigate all complaints of food or waterborne illness within 24 hours of receiving the complaint.
- S I** Investigate all residential and commercial nuisance and rental complaints.
- S I** Systematically inspect all residential properties at least once per year.

2017 Results

- One confirmed outbreak of foodborne illness investigated in 2017
- 1,588 food safety inspections, 75 food and 6 beach illness complaints investigated, and 54 food and hotel establishment plan reviews
- 217 temporary food and 22 farmers' market stands inspected
- 467 inspections at 172 licensed public pools
- 42 hotels with 8,975 rooms; all hotels inspected, including 10 percent of rooms
- 458 multiple-family licensed rental buildings inspected
- 1,759 single-family and duplex rental dwelling units licensed and inspected
- 3,299 residential, rental and commercial complaints investigated
- 133 of 170 well permits (78%) inspected
- Richfield Inspections: 339 food safety, 68 pool, and 5 lodging inspections; 1 illness outbreak, 18 illness complaints, 11 plan reviews, and 78 temporary food inspections

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,900,479	\$2,076,578	9.3%
Materials/Supplies/Services	376,505	407,833	8.3
Transfers Out	0	0	-
	\$2,276,984	\$2,484,411	9.1%

Authorized Full-Time

	FY2016 17	FY2017 17	FY2018 17
Environmental Health Manager	1	1	1
Environmental Health Prog. Coord.	4	2	2
Environmental Health Specialist	10	10	10
Environmental Health Supervisor	0	2	2
Office Support Specialist	2	2	2

COMMUNITY DEVELOPMENT - ENVIRONMENTAL HEALTH
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 126,686	\$ 130,300	\$ 130,300	\$ 130,300	\$ 142,825
Intergovernmental	11,216	11,000	11,000	13,534	11,000
TOTAL REVENUES	137,902	141,300	141,300	143,834	153,825
Expenditures					
Staffing					
Salaries and Wages	1,344,211	1,384,964	1,384,964	1,414,647	1,517,474
Benefits	501,093	515,515	515,515	532,730	559,104
Operating Expenditures					
Professional and Technical Services	-	-	-	40	-
Utilities and Maintenance	140	-	-	-	-
Operations	37,190	34,760	34,760	32,499	35,010
City Support Services	349,117	337,645	337,645	337,062	365,873
Materials and Supplies	10,172	4,100	4,100	7,485	6,950
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,241,923	\$ 2,276,984	\$ 2,276,984	\$ 2,324,463	\$ 2,484,411

	2016	2017	2018
Property tax cost of service for median value home per month:			
Environmental Health	\$1.54	\$1.54	\$2.22

Community Services

Divisions

Administration

Public Health

Human Services

Cultural/Arts
Events

General
Recreation

Community Services provides programs and facilities that enhance the lives of all who live and work in Bloomington. The Department oversees the Human Services, Parks and Recreation and Public Health divisions. Dwan and Hyland Greens golf courses, Bloomington Ice Garden, the outdoor swimming facilities and the Bloomington Center for the Arts are supported through a proprietary or Enterprise Fund. 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.

Community Services has a total of 69 full-time positions (included in the General Fund, Special Revenue Fund, Enterprise Fund and Internal Service Fund) and more than 350 part time positions.

2018 Objectives

- A** Preserve and enhance Bloomington's 3,700 acres of parks and open spaces.
- I** Fulfill the community's recreational needs through park facilities and recreational programs.
- S** Provide neighborhood gathering places for recreation, arts, culture and history.
- S** Protect and improve the health of the community through education, promotion of healthy lifestyles, public policy development and clinical services.
- S** Strengthen families and individuals through access to human services and public health programs.
- IE** Support Bloomington's changing diversity as it becomes more racially, ethnically and culturally distinct.
- IE** Facilitate engagement activities to build relationships and involve the community in issues that affect them.
- S** Educate the community about the City's programs, services and activities through a variety of communication vehicles.

89 percent of residents surveyed rated the City of Bloomington parks excellent or good.

*The National Citizen Survey™,
City of Bloomington, MN 2017*

Expenditures

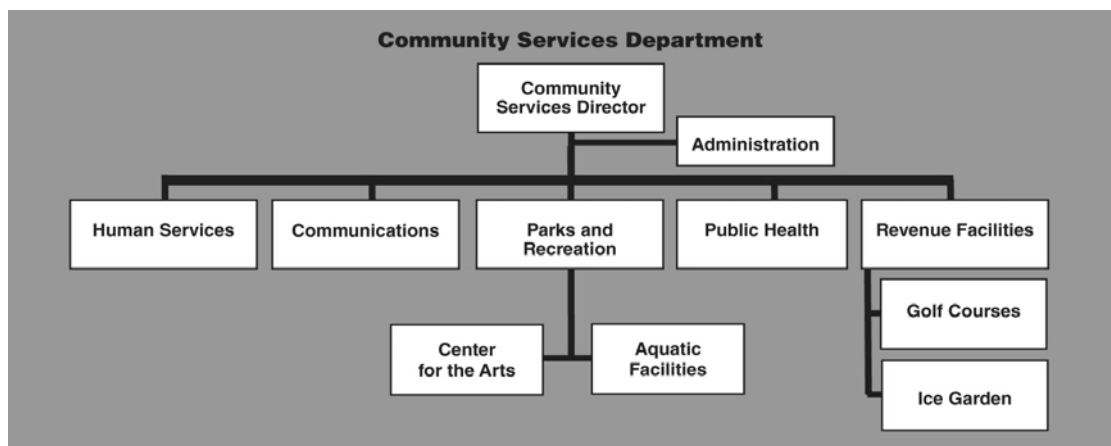
	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 5,727,182	\$ 5,647,026	-1.4%
Materials/Supplies/Services	8,471,679	8,725,034	3.0%
Capital	30,000	30,000	0.0
Expenses Charged to Others	(72,556)	(75,433)	4.0
	\$ 14,156,305	\$ 14,326,627	1.2%

Authorized Full-Time

FY2016	FY2017	FY2018
40	40	36

COMMUNITY SERVICES BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 2,112,535	\$ 2,207,316	\$ 2,227,058	\$ 2,092,312	\$ 2,205,004
Intergovernmental	1,232,390	1,120,560	1,129,060	1,228,475	1,146,456
TOTAL REVENUES	3,344,925	3,327,876	3,356,118	3,320,787	3,351,460
Expenditures					
Staffing					
Salaries and Wages	3,925,305	4,346,995	4,351,995	3,969,959	4,306,831
Benefits	1,277,336	1,380,187	1,380,187	1,299,004	1,340,195
Operating Expenditures					
Professional and Technical Services	34,202	48,679	54,901	33,037	66,869
Utilities and Maintenance	1,018,309	1,118,477	1,216,062	874,467	1,081,743
Operations	117,734	130,560	136,160	109,565	163,754
City Support Services	6,953,054	6,906,356	6,906,356	6,909,389	7,161,449
Materials and Supplies	231,796	267,607	283,827	208,167	251,219
Capital Outlay					
Equipment	262	30,000	59,646	59,424	30,000
Transfers out	2,000				
TOTAL EXPENDITURES	13,559,998	14,228,861	14,389,134	13,463,012	14,402,060
Less Expenses Charged to Other Funds	(71,279)	(72,556)	(72,556)	(73,264)	(75,433)
NET TOTAL EXPENDITURES	\$ 13,488,719	\$ 14,156,305	\$ 14,316,578	\$ 13,389,748	\$ 14,326,627

	2016	2017	2018
Property tax cost of service for median value home per month:			
Community Services	\$16.41	\$15.84	\$17.57



207b (2/2013)

Community Services – Administration

The Community Services Administration provides managerial support to its divisions.

2018 Objectives

- A** Secure a site, conduct market research, identify programming and amenities, and determine funding and financing for a new community center in collaboration with YMCA of the Greater Twin Cities to replace Creekside Community Center.
- A** Conduct community engagement activities such as targeted focus groups, welcome meals, student in government day and Bloomington Learn to Lead Initiative.
- S** Carry out the seventh annual National Citizen Survey™ and third National Business Survey™ to solicit citizen and business opinions about the City's services and amenities.
- S** Complete a service analysis of the Human Services and Public Health divisions and implement recommendations emanating out of the final report.
- I** Engage community partners to implement the City Council's strategic priorities via the Inclusion and Equity and Community Amenities Action Groups.

2017 Results

- Secured City Council approval for a memorandum of understanding (MOU) with the YMCA of the Greater Twin Cities to explore a shared site partnership and launched work to achieve the milestones in the MOU by the Community Center Stakeholder Working Group.
- Collaborated with a team of staff across the organization to develop a RFP, solicit and review proposals, and provide a recommendation to City Council for the redevelopment of the eastern portion of the Hyland Greens Golf Course.
- Revamped the sixth annual National Citizen Survey™ of Bloomington residents to accommodate more custom questions; the survey found that overall quality of life scores improved in 39 areas from 2016, including overall quality of life which grew from 85% in 2016 to 92 percent in 2017.
- Engaged eight focus groups with 154 under-represented members of the Bloomington community to solicit insights on City services and quality of life.
- Gathered more than 50 community leaders for the launch of the One Bloomington Action Groups in August 2017 focused on the City Council's strategic priorities.
- Conducted an Organizational Network Analysis of the Community Services Department in partnership with the University of Minnesota.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 249,918	\$ 256,026	2.4%
Materials/Supplies/Services	74,985	74,945	(0.0)
Expenses Charged to Others	(72,556)	(74,733)	3.0
	\$ 252,347	\$ 256,238	1.5%

Authorized Full-Time

	FY2016	FY2017	FY2018
	2	2	2
Administrative Assistant	1	1	1
Director Community Services	1	1	1



In 2017, the City of Bloomington received its highest ratings in six years on its annual resident survey. Of the 129 areas tested in The National Citizen Survey™, 55 received record-high ratings or tied old ones and 39 areas improved from 2016.

*The National Citizen Survey™,
City of Bloomington, MN 2017*

COMMUNITY SERVICES - ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income					
Intergovernmental	\$ 30	\$ -	\$ -	\$ 500	\$ -
TOTAL REVENUES	30	-	-	500	-
Expenditures					
Staffing					
Salaries and Wages	187,839	192,552	192,552	198,573	197,515
Benefits	63,476	57,366	57,366	60,315	58,511
Operating Expenditures					
Professional and Technical Services	-	-	-	6	-
Utilities and Maintenance	-	1,040	1,040	-	500
Operations	4,533	8,214	8,214	3,354	7,144
City Support Services	55,380	58,377	58,377	60,214	60,901
Materials and Supplies	8,263	7,354	7,354	3,956	6,400
TOTAL EXPENDITURES	319,491	324,903	324,903	326,418	330,971
Less Expenses Charged to Other Funds	(70,620)	(72,556)	(72,556)	(72,552)	(74,733)
NET TOTAL EXPENDITURES	\$ 248,871	\$ 252,347	\$ 252,347	\$ 253,866	\$ 256,238

Activities

Prenatal and
parenting support

Women, Infants &
Children (WIC)
Program

Immunization
Services

Help Me Grow
developmental
screening

Community Health
Education

Senior Health
Promotion

Community Health
Assessment and
Planning



Public Health was recently recognized as a breastfeeding friendly division with the Minnesota Department of Health's gold award. To achieve this, the division had to complete 10 steps to promote breastfeeding in the community.

Community Services – Public Health

Mission – To promote, protect and improve the health of our community.

2018 Objectives

- I** Continue to disseminate positive stories of our work in the community: increase social media platform use to share public health issues
- R** Increase staff access to laptops or other technology to increase their mobility to work in the community.
- IE** Ensuring all Bloomington residents have equitable access to Public Health services through informed and educated staff.
- ES** Revamp our performance management system to include meaningful measures for our program areas.
- S** Complete a customer service quality improvement project to improve the quality of service we provide our residents.

2017 Results

- Assessed 96% of prenatal women referred to Public Health to determine needs to promote healthy pregnancy outcomes (full term births, healthy birth weights).
- Assessed and provided appropriate follow up for all Bloomington police nuisance referrals.
- Followed up on vaccine-preventable disease reports within 24 hours in order to prevent the spread of infectious diseases.
- 82% of children referred to Help Me Grow received a developmental screening.
- Provided health in all policies and equity in comprehensive planning.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$2,457,836	\$2,438,634	-0.78%
Materials/Supplies/Services	554,784	621,975	12.11
	\$3,012,620	\$3,060,609	1.59%

Authorized Full-Time

	FY2016 20	FY2017 20	FY2018 17
Accountant	1	1	1
Accounting Assistant	1	1	1
Assistant Health Administrator	1	1	1
Communications Specialist	0	0	1
Health Administrator	1	1	1
Health Program Manager	3	3	3
Health Specialist	3	3	2
Office Assistant	1	1	1
Office Supervisor	1	1	1
Office Support Specialist	1	1	1
Public Health Nurse	7	7	4

COMMUNITY SERVICES - PUBLIC HEALTH
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 856,937	\$ 937,333	\$ 943,555	\$ 850,195	\$ 912,032
Intergovernmental	1,226,660	1,120,560	1,120,560	1,224,475	1,141,456
TOTAL REVENUES	2,083,597	2,057,893	2,064,115	2,074,670	2,053,488
Expenditures					
Staffing					
Salaries and Wages	1,681,127	1,840,107	1,840,107	1,690,319	1,827,484
Benefits	582,528	617,729	617,729	597,945	611,150
Operating Expenditures					
Professional and Technical Services	14,048	21,267	27,489	15,577	44,467
Utilities and Maintenance	3,048	3,096	3,096	3,053	3,096
Operations	46,924	40,225	40,225	31,999	71,025
City Support Services	386,265	404,967	404,967	404,365	420,891
Materials and Supplies	77,456	85,229	85,229	74,412	82,496
TOTAL EXPENDITURES	\$ 2,791,396	\$ 3,012,620	\$ 3,018,842	\$ 2,817,670	\$ 3,060,609

	2016	2017	2018
Property tax cost of service for median value home per month:			
Public Health Services	\$1.06	\$1.03	\$1.26

Community Services – Human Services

Target Populations

- Individuals with disabilities
- Older adults
- Multi-cultural individuals and families
- Children, youth and families with low-income
- Individuals who are Homeless

Activities

- Contractual Agencies
- Resident Support Services
- Volunteer Services
- Meal Programs
- Senior Programs
- Community Programs
- Creekside Community Center
- Food Resource Programs
- Americans with Disabilities Compliance Program
- Human Rights Commission

Vision – Human Services strengthens the quality of life of Bloomington citizens by addressing relevant community issues through its expertise, resources, and partnerships.

Mission – to assure human services needs are met through the engagement of Bloomington residents.

2018 Objectives

- IE** Research a fair housing policy with the Human Rights Commission and the HRA board to be in compliance with the Metropolitan Council housing performance requirements by year-end.
- S** Provide leadership to develop an organization wide collaborative approach to working with volunteers including development of a volunteer handbook/policies, common application and recognition by third quarter of 2018.
- S IE** Expand Connect with Human Services by assisting partners to pilot resource centers hub in the community. Facility collaboration of centers.
- S** Engage non-profit and business partners to develop a mobile application to human services resources.
- S** Citizens are directly connected to State, County, local, business and non-profit services and informal service providers, such as faith and neighborhood organizations.
- S** Act as a resource to internal departments by supporting City staff to provide effective customer service for target populations.
- IE** Provide support to implement the Human Rights Commission 2018 work plan including hosting a minimum of 10 Welcome Meals and Children of Immigrants Art Exhibit(s)

2017 Results

- More than 300 people attended a Veterans appreciation dinner and resource fair in November. A presentation included a film produced by Dr. Chuck Sawyer with interviews of local Vietnam veterans.
- Partnered with The Arc Minnesota, Inc. on person centered planning for people with disabilities. 23 people attended.
- Provided leadership in several Inclusion and Equity programs including Students in Government, Community Survey Focused Conversations, Diversity and Inclusion in Government (D.I.G.) and Bloomington Learn to Lead Initiative (BLLI).
- Supported 250 volunteers to provide 29,500 hours totaling \$778,800 (\$26.40/hr) in value-added service.
- Received \$18,930 cash and in-kind donations.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1,416,161	\$ 1,316,802	-7 %
Materials/Supplies/Services	910,375	939,697	3.22
Capital	30,000	30,000	0.0
Expenses Charged to Others	0	(700)	0.0
	\$ 2,356,536	2,285,799	-3.0%

Authorized Full-Time

	FY2016	FY2017	FY2018
	11	11	10
Administrative Assistant	1	1	1
Creekside Community Ctr. Coordinator	1	1	1
Human Services Admin. Coordinator	1	1	1
Human Services Manager	1	1	1
Human Services Program Coordinator	4	4	3
Maintenance Worker	1	1	1
Office Assistant	2	2	2



Advancing the City Council's strategic priority of Equity and Inclusion, Human Services staff created and organized six Diversity in Government (DIG) training sessions that attracted 300 employees.

COMMUNITY SERVICES - HUMAN SERVICES
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 175,913	\$ 124,174	\$ 131,394	\$ 124,742	\$ 116,114
Intergovernmental	-	-	3,500		-
TOTAL REVENUES	175,913	124,174	134,894	124,742	116,114
Expenditures					
Staffing					
Salaries and Wages	934,938	1,040,687	1,040,687	924,257	992,239
Benefits	338,078	375,474	375,474	321,785	324,563
Operating Expenditures					
Professional and Technical Services	4,621	9,512	9,512	870	4,812
Utilities and Maintenance	180,482	228,896	258,071	173,845	230,365
Operations	21,791	27,488	27,488	18,295	26,908
City Support Services	570,693	566,322	566,322	556,610	595,472
Materials and Supplies	72,788	78,157	88,077	61,241	82,140
Capital Outlay					
Equipment	262	30,000	59,646	59,424	30,000
Transfers Out	2,000	-	-	-	-
TOTAL EXPENDITURES	2,125,653	2,356,536	2,425,277	2,116,327	2,286,499
Less Expenses Charged to Other Funds	(659)	-	-	(712)	(700)
NET TOTAL EXPENDITURES	\$ 2,124,994	\$ 2,356,536	\$ 2,425,277	\$ 2,115,615	\$ 2,285,799

	2016	2017	2018
Property tax cost of service for median value home per month:			
Human Services	\$2.90	\$2.70	\$2.77

Community Services – Cultural/Arts Events

This area of the Parks and Recreation Division coordinates special events, Arts in the Parks, cultural arts support for resident fine arts organizations, and historical education and outdoor education/recreation experiences through management of the historic Pond-Dakota Mission Park.

2018 Objectives

- AI S** Expansion of Winter Fete activities to include a minimum of two new events that will appeal to kids and families which will also include new partners such as the DNR and Wilderness Inquiry to assist in creation of quality programs
- AI S** Work to identify ways in which Arts in the Parks Programs can be more easily brought to underserved communities
- AI S** Creation and implementation of Arts in the Parks music or movie series that will take place on the city's east side in June and August to expand geographic program offerings.
- IE I** Implementation of an expanded Latin Music event, either featuring a Saturday festival, or an expanded Thursday evening event. Community partners would be brought in to participate in this.
- S** Increase the number of sponsored Arts in the Parks events to 25%
- IE** Continue the growth of the Dakota Language Camp to increase attendance, including attendance by people in the Dakota Community.
- S** Explore the streamlining of food vendor licensing for Summer Fete, possibly including the vendor fee and obtaining a blanket license to cover the event
- ESR** Complete the Cultural Resources section of the MN River Valley Strategic Plan by October 31.
- ESR S** Develop a good system of helping individuals who want to do their own invasive species removals both on their property and possibly City property
- A IE** Develop a method for conducting accurate visitor surveys for the Minnesota River Valley trails

2017 Results

- Added several family programs to the Pond House schedule to enhance visitor opportunities.
- Began new periodic environmental based programming at Pond Dakota Mission Park including a program on bat ecology that coincided with an Eagle Scout project to place bat houses in the park.
- Conducted public and corporate invasive species removal events at Pond Dakota Mission Park and Parkers Picnic Grounds, with more than 80 people participating.
- Established partnership with Izaak Walton League Bush Lake chapter to have them assist in monitoring restoration efforts on some City owned land along Bush Lake.
- Developed recommendations for the Bloomington Historical Society to become more accessible and efficient in housing collections and exhibits in its use of the Old Town Hall facility.
- Hosted the largest number of rentals ever at Normandale Lake Park, which included several new non-profit organizations utilizing the park for the first time.
- Exceeded revenue projections for Arts in the Parks, which includes bandshell rentals
- Expanded the Summer Fete Normandale and 84th Street family offerings to include a bigger carnival area and additional food vending options. The 84th Street stage entertainment was also increased to include music later in the evening than in the past, which was well received by visitors.
- Managed several natural resource based projects in the City, and worked with Great River Greening, Inc. and Park Maintenance to design a large Minnesota River Valley restoration project.
- As part of the Minnesota River Valley Strategic Planning team, worked on both the Natural Resources and Cultural Resources sections of the plan. Also worked with the Sustainability Commission to develop priorities for projects in the City.
- For the third straight year enjoyed maximum capacity school attendance at River Rendezvous.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 212,125	\$ 219,397	3.4%
Materials/Supplies/Services	520,013	534,003	2.7
	\$ 732,138	\$ 753,400	2.9%

Authorized Full-Time

	FY2016	FY2017	FY2018
	1	1	1
Recreation Supervisor	1	1	1

The Friday Night Moonlight Movies series features many of the most popular recent movies in addition to a variety of classic films.

COMMUNITY SERVICES - CULTURAL/ARTS EVENTS
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 153,002	\$ 147,400	\$ 147,400	\$ 156,358	\$ 153,550
TOTAL REVENUES	153,002	147,400	147,400	156,358	153,550
Expenditures					
Staffing					
Salaries and Wages	158,703	161,827	161,827	153,992	168,014
Benefits	50,378	50,298	50,298	52,492	51,383
Operating Expenditures					
Professional and Technical Services	942	2,900	2,900	2,070	2,590
Utilities and Maintenance	307,719	322,260	322,260	315,482	330,193
Operations	10,850	13,073	13,073	12,322	12,285
City Support Services	169,030	166,151	166,151	168,650	177,560
Materials and Supplies	14,578	15,629	15,629	11,133	11,375
TOTAL EXPENDITURES	\$ 712,200	\$ 732,138	\$ 732,138	\$ 716,141	\$ 753,400

	2016	2017	2018
Property tax cost of service for median value home per month:			
Cultural/Special Events	\$0.77	\$0.70	\$0.76

Activities

Skating

Playgrounds

Adaptive Recreation
& Learning

Exchange (AR&LE)

Youth Events

Adult Sports

Administration

Youth Athletics

Galaxy Youth

Center

Armory

Volunteer Services

Community Services – General 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 self-directed leisure activities.

2018 Objectives

- S I** Increase participation in teen volunteer program by 5%, enhance programming, offer leadership development.
- IE I** Host a community event in summer 2018 to boost community engagement and park usage at Wright's Lake Park
- S** Work with Three Rivers Park District, Artistry, Bloomington Public Schools and other community partners to offer a variety of quality summer recreational opportunities for youth preschool through tenth grade.
- IE S** Enhance Adaptive Recreation programming by introducing one new recreational offering in 2018
- IE S** Collaborate with Three Rivers Park District to offer nature based programming at nine different locations, focusing on underrepresented populations.
- S** Recruit five new warming house volunteers by December 2018
- RA** Continue to undertake data collection for the park asset inventory.
- S** Continue to offer, evaluate, and enhance the summer student internship program, now in its fourth year.
- AIS** Regrade softball fields 8-11 at Dred Scott to enhance playability before adult softball leagues begin on April 20.
- AIS** Upgrade the drainage system at Red Haddock Field by May 13 to increase playable conditions for the summer baseball season and tournaments.
- S** By February 23, in association with Park Maintenance, create field maintenance tiers to be added to our field use policy to enhance services for youth and adult tournaments hosted in Bloomington.
- S** Review and enhance our field permitting language by working with our legal department by March 16.
- S** Create a field use policy by adding in the field maintenance tiers and upgraded permitting language by April 30.
- S** Evaluate all adult athletic leagues at least twice in 2018 through participant surveys; staff discussions/input and observations; and by applying ideas and concepts learned at conferences, educational trainings, and meetings.
- I** Create, maintain and enhance relationships with youth athletic organizations, schools, and businesses to better market Parks and Recreation programs. Advertise at Northwestern Health Sciences University by March 9 to promote summer athletic opportunities.
- AI** With the Bloomington Fastpitch Association, construct a new storage shed at Dred Scott before October 19.
- S** Buy two sets of volleyball standards and nets for use at the Armory by February 23 to enhance adult league play.

2017 Results

- Provided and expanded high quality recreation programs for the residents of Bloomington:
 - Summer Adventure Playgrounds served over 250 participants.
 - The View and Mini View filled to capacity and served 220 participants.
 - Camp Kota served over 700 participants.
 - Adaptive Softball served over 100 youth and adults with disabilities.
 - Over 700 community volunteers gave their time and talent to the park systems.
- 51% staff retention in warming house attendants
- Performed community outreach through open houses and got feedback through surveys via mail and online
- Collaborated with AR&LE partners to provide programs to meet the needs of youth and adults with disabilities
- Worked in partnership with the 7 Recognized Bloomington Youth Athletic Organizations and 6 Bloomington schools to create comprehensive summer and fall schedules for use of Bloomington athletic facilities.
- Increased adult athletic marketing by opening advertising opportunities at Normandale Community College.
- Increased participation in adult basketball by two teams.
- Increased participation in summer sand volleyball by six teams.
- Increased participation in fall volleyball by one team.
- Increased league numbers in sports offered through our Adult Sports League Collaboration with Richfield Parks and Recreation.
- Increased the visibility of the internship nationally by creating a relationship with the Young Professional Network of the National Recreation and Park Association.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1,391,142	\$ 1,416,167	1.8%
Materials/Supplies/Services	6,411,522	6,554,414	2.2
	\$ 7,802,664	\$ 7,970,581	2.2%

Authorized Full-Time

	FY2016	FY2017	FY2018
	6	6	6
Assistant Parks & Recreation Manager	1	1	1
Office Assistant	1	1	1
Office Support Specialist	1	1	1
Parks & Recreation Manager	1	1	1
Recreation Supervisor	2	2	2



79 percent of
residents surveyed
rated Bloomington's
recreational
opportunities
excellent or good.

The National Citizen Survey™,
City of Bloomington, MN 2017

COMMUNITY SERVICES - GENERAL RECREATION
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 926,684	\$ 998,409	\$ 1,004,709	\$ 961,017	\$ 1,023,308
Intergovernmental	5,700	-	5,000	3,500	5,000
TOTAL REVENUES	932,384	998,409	1,009,709	964,517	1,028,308
Expenditures					
Staffing					
Salaries and Wages	962,698	1,111,822	1,116,822	1,002,818	1,121,579
Benefits	242,876	279,320	279,320	266,467	294,588
Operating Expenditures					
Professional and Technical Services	14,591	15,000	15,000	14,514	15,000
Utilities and Maintenance	527,060	563,185	631,595	382,087	517,589
Operations	33,636	41,560	47,160	43,595	46,392
City Support Services	5,771,686	5,710,539	5,710,539	5,719,550	5,906,625
Materials and Supplies	58,711	81,238	87,538	57,425	68,808
TOTAL EXPENDITURES	\$ 7,611,258	\$ 7,802,664	\$ 7,887,974	\$ 7,486,456	\$ 7,970,581

	2016	2017	2018
Property tax cost of service for median value home per month:			
General Recreation	\$9.20	\$8.21	\$8.84

Divisions

Administration

Engineering/Traffic

Maintenance

Administration

Street Maintenance

Public Works

The Public Works Department provides well-maintained streets, an efficient transportation network, and provides parks and building maintenance for Bloomington-owned property. This department also oversees the Water, Wastewater, Storm Water, Solid Waste, as well as Facilities and Equipment Funds which are internal service fund types.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 7,525,578	\$ 7,663,673	1.8%
Materials/Supplies/Services	7,142,876	7,460,713	4.4
Capital	787,000	62,000	(92.1)
Expenses Charged to Others	(2,842,013)	(2,961,658)	4.2
	\$ 12,613,441	\$ 12,224,728	(3.1)%

Authorized Full-Time

FY2016	FY2017	FY2018
66	67	67



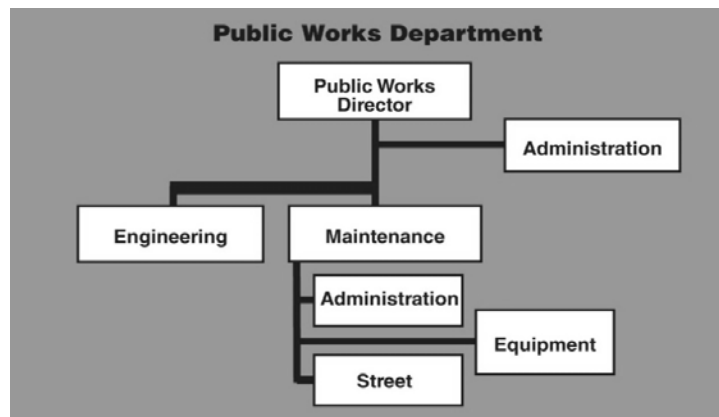
Fleet Maintenance has made significant improvements to its operations by upgrading the fleet software to a web interface. In preparation for that, several items were reviewed, revised, purged, and created. As a result, amendments to the motor pool process have been made including lower rates; the ability to track productivity has improved; paper-use has reduced; and changing vehicle classifications made parts ordering efficiently streamlined.

In 2018, the next step will be implementation of a customer access portal.

PUBLIC WORKS
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 70,030	\$ 69,200	\$ 69,200	\$ 88,051	74,985
Transfers In	\$ 150,000	\$ -	\$ -	\$ 150,000	150,000
Permits	12,061	10,000	10,000	21,715	10,000
TOTAL REVENUES	232,091	79,200	79,200	259,766	234,985
Expenditures					
Staffing					
Salaries and Wages	5,080,804	5,384,604	5,384,604	5,254,059	5,600,220
Benefits	2,007,813	2,140,974	2,140,974	2,098,787	2,063,453
Operating Expenditures					
Professional and Technical Services	77,720	167,967	267,586	233,927	168,800
Utilities and Maintenance	1,494,679	1,688,077	1,817,642	1,639,363	1,716,795
Operations	133,817	166,230	177,430	125,601	166,189
City Support Services	3,384,750	3,343,210	3,343,209	3,341,326	3,650,849
Materials and Supplies	1,301,702	1,777,392	2,424,545	1,885,368	1,758,080
Capital Outlay					
Buildings and Improvements	-	725,000	725,000	83,002	-
Equipment	59,950	62,000	62,427	26,826	62,000
TOTAL EXPENDITURES	13,541,235	15,455,454	16,343,417	14,688,259	15,186,386
Less Expenses Charged to Other Funds	(2,728,542)	(2,842,013)	(2,842,013)	(2,532,945)	(2,961,658)
NET TOTAL EXPENDITURES	\$ 10,812,693	\$ 12,613,441	\$ 13,501,404	\$ 12,155,314	12,224,728

	2016	2017	2018
Property tax cost of service for median value home per month:			
Public Works	\$14.65	\$14.73	\$14.84



209b (02/13)

Public Works - Administration

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

2018 Objectives

- ES** Work with the Sustainability Commission, City Council, and staff to develop and administer an annual work plan for sustainability initiatives, which will be presented to Council in February.
- S** Coordinate organizational development efforts; including monthly meetings of the new Public Works Leadership Team and sending 10 to 20 people to High Performance Organizations training.
- ES** Continue to develop the garbage and recycling efforts in the city by offering organics collection by late April.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 603,398	\$ 512,089	(15.1)%
Materials/Supplies/Services	158,136	163,652	3.5
Expenses Charged to Others	(556,147)	(587,461)	5.6
	\$ 205,387	\$ 88,280	(57.0)%

Authorized Full-Time

	FY2016	FY2017	FY2018
	4	4	3
Accountant	1	1	1
Deputy Director of Public Works	1	1	1
Director of Public Works	1	1	1
Office Supervisor	1	1	0


GARBAGE AND RECYCLING
BLOOMINGTON • MINNESOTA

The Sustainability Commission held their first meeting on April 11, 2017. Some of their 2018 goals include: opening organics drop off sites in April 2018, presenting the Xcel Partners in Energy Action Plan to City Council and begin implementation, identifying more sustainable options for Spring Clean-up, reviewing and making priority recommendations on the MN River Valley Natural Resources Plan and identifying methods for City-wide Water Conservation.

PUBLIC WORKS - ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 2,353	\$ 2,000	\$ 2,000	\$ 1,768	\$ 2,000
TOTAL REVENUES	2,353	2,000	2,000	1,768	2,000
Expenditures					
Staffing					
Salaries and Wages	\$ 414,747	\$ 450,194	\$ 450,194	\$ 369,001	\$ 400,051
Benefits	149,498	153,204	153,204	135,477	112,038
Operating Expenditures					
Professional and Technical Services	35,851	50,000	63,149	57,663	50,000
Utilities and Maintenance					
Operations	12,483	21,200	26,800	22,574	20,800
City Support Services	72,140	83,836	83,835	83,793	88,352
Materials and Supplies	3,435	3,100	3,100	4,622	4,500
TOTAL EXPENDITURES	688,154	761,534	780,282	673,130	675,741
Less Expenses Charged to Other Funds	(576,959)	(556,147)	(556,147)	(556,140)	(587,461)
NET TOTAL EXPENDITURES	\$ 111,195	\$ 205,387	\$ 224,135	\$ 116,990	\$ 88,280

Activities

Administration

Infrastructure

Construction &
DesignEngineering
ServicesTraffic and
Transportation
Engineering

Normandale Blvd (CSAH 34) from W. 94th Street to approximately Nine Mile Creek is winding down construction of its safety improvement project. The project included reconstruction of Normandale Blvd to become a four-lane divided roadway with projected left turn lanes. It also included reconstruction of a multi-modal trail along the corridor, several retaining walls and signal improvements.

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, the construction of approximately 12 miles of reconstructed or overlaid streets per year and other local and regional projects.

2018 Objectives

- IE ES** To facilitate movement of people and goods efficiently, safely, cost effectively to any desired destination while seeking to minimize associated impacts on community livability and the environment.
- A** To endorse and pursue a "Complete Streets" transportation system.
- A R** Renew the City's transportation and utility infrastructure in a cost effective manner to accommodate forecasted growth and to keep costs affordable.
- IE S** Provide assistance and guidance to City property owners, prospective buyers and developers regarding parcel information and data, existing and planned City infrastructure, City code and Engineering policies.
- A IE ES R** Provide comprehensive long-range planning, design and construction for local and regional transportation system, sanitary/storm sewer and water main infrastructure within Bloomington.

2017 Results

- Under the Pavement Management Program reconstructed 4.5 miles of pavement (at \$1.6 million per mile) and overlaid 7.07 miles of pavement (at \$450,000 per mile).
- Installed 6 new accessible pedestrian ramps and upgraded 147 accessible pedestrian ramps.
- Installed 1,300 linear feet of new sidewalk and replaced 7,100 linear feet of existing sidewalk. Installed 5,900 linear feet of new trail and replaced 14,400 linear feet of existing trail.
- Installed 10 new street and pedestrian lights and 12 replacements of existing street lights.
- Installed 1 rectangular rapid flashing beacon enhanced crosswalk.
- Installed almost 8 miles of signal fiber interconnect.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$3,275,999	\$3,445,098	5.2%
Materials/Supplies/Services	821,093	868,549	5.8
Capital	34,000	34,000	0.0
Expenses Charged to Others	(1,873,532)	(1,953,093)	4.2
	\$2,257,560	\$2,394,554	6.1%

Authorized Full-Time

	FY2016 28	FY2017 29	FY2018 29
Analyst	1	1	1
Assistant Traffic Engineer	1	1	1
City Engineer	1	1	1
Civil Engineer	4	4	4
Engineering Technician	10	11	11
Computer Specialist	1	1	1
Office Support Specialist	1	1	1
Professional Land Surveyor	1	1	1
Senior Civil Engineer	1	1	1
Sr. Engineering Technician	6	6	6
Traffic & Transportation Engineer	1	1	1

PUBLIC WORKS - ENGINEERING
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 338	\$ 900	\$ 900	\$ 82	\$ 400
Permits	12,061	10,000	10,000	21,715	10,000
TOTAL REVENUES	12,399	10,900	10,900	21,797	10,400
Expenditures					
Staffing					
Salaries and Wages	2,235,397	2,418,362	2,418,362	2,401,079	2,565,768
Benefits	771,995	857,637	857,637	847,347	879,330
Operating Expenditures					
Professional and Technical Services	40,699	116,267	202,737	172,279	117,100
Utilities and Maintenance	4,261	8,852	8,852	360	5,652
Operations	60,513	72,520	78,120	51,046	73,079
City Support Services	515,069	496,818	496,818	479,906	543,704
Materials and Supplies	71,216	126,636	167,380	141,945	129,014
Capital Outlay					
Equipment	33,124	34,000	34,427	-	34,000
TOTAL EXPENDITURES	3,732,274	4,131,092	4,264,333	4,093,962	4,347,647
Less Expenses Charged to Other Funds	(1,833,304)	(1,873,532)	(1,873,532)	(1,742,457)	(1,953,093)
NET TOTAL EXPENDITURES	\$ 1,898,970	\$ 2,257,560	\$ 2,390,801	\$ 2,351,505	\$ 2,394,554

	2016	2017	2018
Property tax cost of service for median value home per month:			
Engineering	\$2.45	\$2.68	\$2.97

Activities

Street Lighting

Traffic Operation and Maintenance



Traffic Maintenance staff paints 500 crosswalks, 300 traffic arrows, 50 railroad crossing symbols, and 245 linear miles of road lines (100 percent of inventory) every year and maintains 70 signal systems and 1,175 street lights. 64 percent of citizens surveyed rated traffic signal timing excellent or good, similar to other cities included in a nationwide data base.

Public Works – Traffic and Maintenance Administration

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

2018 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.

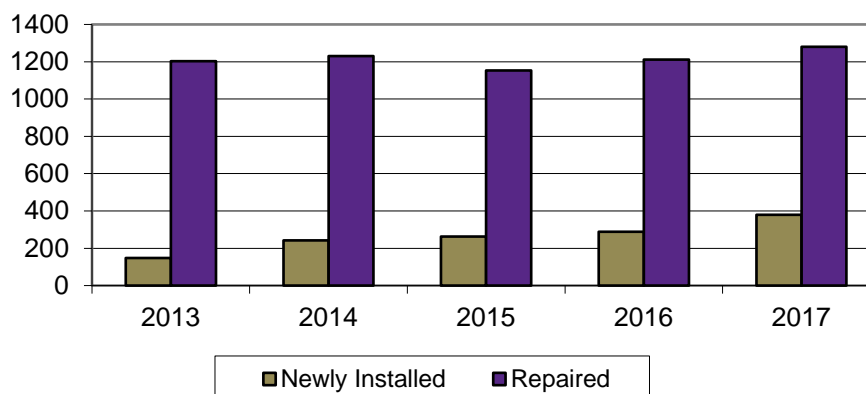
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,056,311	\$1,187,288	12.4%
Materials/Supplies/Services	1,683,723	1,726,849	2.6
Capital	28,000	28,000	0.0
Expenses Charged to Others	(30,000)	(30,000)	0.0
	\$2,738,034	\$2,912,137	6.4%

Authorized Full-Time

	FY2016	FY2017	FY2018
	11	11	12
Analyst	1	1	1
Computer Specialist	1	1	1
Equipment Operator 1	2	2	2
Maintenance Superintendent	1	1	1
Office Supervisor	0	0	1
Office Support Specialist	2	2	2
Senior Signal/Instrument. Tech	1	1	1
Signal/Instrument. Technician	2	2	2
Traffic Supervisor	1	1	1

Traffic and Street Signs Installed and Repaired



PUBLIC WORKS - MAINTENANCE ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 49,148	\$ 48,300	\$ 48,300	\$ 79,131	\$ 54,585
TOTAL REVENUES	49,148	48,300	48,300	79,131	54,585
Expenditures					
Staffing					
Salaries and Wages	778,963	734,362	734,362	812,823	839,178
Benefits	309,335	321,949	321,949	328,070	348,110
Operating Expenditures					
Professional and Technical Services	260	300	300	3,260	300
Utilities and Maintenance	1,031,814	1,117,250	1,156,315	1,134,534	1,149,842
Operations	20,047	22,055	22,055	14,215	21,855
City Support Services	315,571	404,312	404,312	414,522	428,586
Materials and Supplies	115,898	139,806	146,406	125,580	126,266
Capital Outlay					
Equipment	26,826	28,000	28,000	26,826	28,000
TOTAL EXPENDITURES	2,598,714	2,768,034	2,813,699	2,859,830	2,942,137
Less Expenses Charged to Other Funds	(31,629)	(30,000)	(30,000)	(30,000)	(30,000)
NET TOTAL EXPENDITURES	\$ 2,567,085	\$ 2,738,034	\$ 2,783,699	\$ 2,829,830	\$ 2,912,137

	2016	2017	2018
Property tax cost of service for median value home per month:			
Traffic Control and Street Lights	\$3.32	\$3.21	\$3.56

Activities

Administration

General Pavement Maintenance

Sealcoating

Public Right-of-Way

Snow and Ice

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.

2018 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.

2017 Results

- For 2017, 95 percent of roadways are above problem condition.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$2,589,870	\$2,519,198	(2.7)%
Materials/Supplies/Services	4,479,925	4,701,663	4.9
Capital	725,000	0	-
Expenses Charged to Others	(382,334)	(391,104)	2.3
	\$7,412,461	\$6,829,757	7.9%

Authorized Full-Time

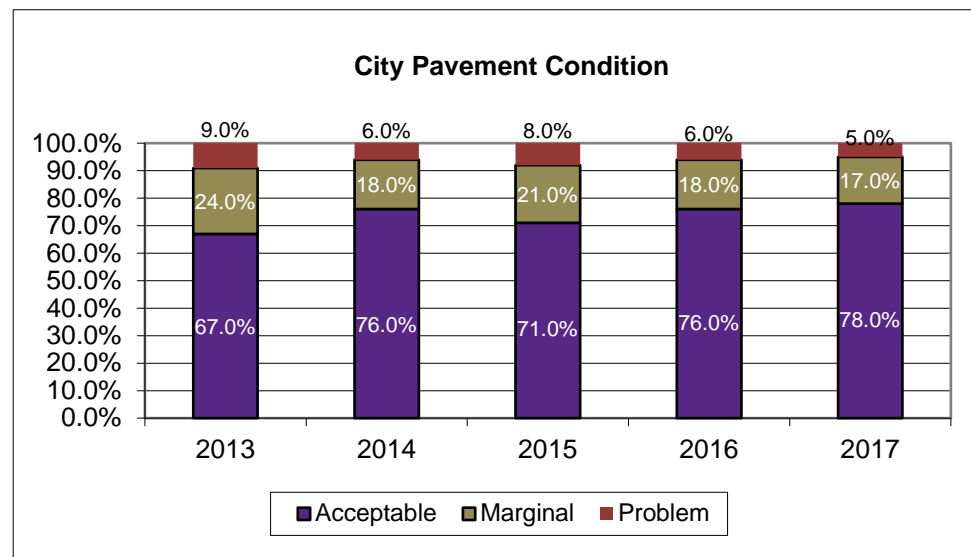
	FY2016	FY2017	FY2018
	23	23	23
Asst. Maint. Superintendent	1	1	1
Equipment Operator I	13	13	13
Equipment Operator II	8	8	8
Street Maintenance Supervisor	1	1	1



In 2017, 342 miles of streets were maintained, including approximately 30 miles of sealcoating and over 122,000 feet of cracks sealed.

64 percent of citizens surveyed rated traffic flow on major streets excellent or good.

82 percent of citizens surveyed rated snow removal excellent or good, higher than the national benchmark, placing Bloomington in the top ten percent of communities nationwide.



PUBLIC WORKS - STREET MAINTENANCE
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Transfers In	150,000	-	-	150,000	150,000
Program Income	\$ 18,191	\$ 18,000	\$ 18,000	\$ 7,070	\$ 18,000
TOTAL REVENUES	168,191	18,000	18,000	157,070	168,000
Expenditures					
Staffing					
Salaries and Wages	1,651,697	1,781,686	1,781,686	1,671,156	1,795,223
Benefits	776,985	808,184	808,184	787,893	723,975
Operating Expenditures					
Professional and Technical Services	910	1,400	1,400	725	1,400
Utilities and Maintenance	458,604	561,975	652,475	504,469	561,301
Operations	40,774	50,455	50,455	37,766	50,455
City Support Services	2,481,970	2,358,245	2,358,245	2,363,105	2,590,207
Materials and Supplies	1,111,153	1,507,850	2,107,659	1,613,221	1,498,300
Capital Outlay					
Buildings and Improvements	-	725,000	725,000	83,002	-
Equipment	-				
TOTAL EXPENDITURES	6,522,093	7,794,795	8,485,104	7,061,337	7,220,861
Less Expenses Charged to Other Funds	(286,650)	(382,334)	(382,334)	(204,348)	(391,104)
NET TOTAL EXPENDITURES	\$ 6,235,443	\$ 7,412,461	\$ 8,102,770	\$ 6,856,989	\$ 6,829,757

	2016	2017	2018
Property tax cost of service for median value home per month:			
Street Maintenance	\$8.86	\$8.83	\$8.31

Divisions**Assessing
City Clerk**

Technical Services Group

The City Assessor's office provides appraisal services and administration of special assessments and property records for property tax, condemnation, acquisitions and other values for local properties. The City Clerk's office is responsible for services related to election administration, Bloomington Cemetery administration, business licensing, passports, data requests, records management and oversight of the Deputy Registrar/Motor Vehicle enterprise.

A Steering Committee made up of Department Directors and the City Manager provides direction to the programs within this group. The group also includes Information Systems which is budgeted for separately in the Internal Service Fund group.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$2,502,680	\$2,589,687	3.5%
Materials/Supplies/Services	623,437	629,129	0.9
Reimbursed Expenditures	(130,519)	(134,266)	2.9
	\$2,995,598	\$3,084,530	5.2%

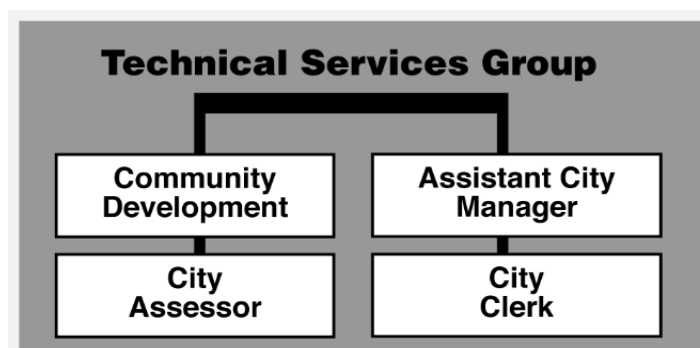
Authorized Full-Time

FY2016	FY2017	FY2018
21	21	21



**TECHNICAL SERVICES
BUDGET SUMMARY**
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 32,463	\$ 96,700	\$ 96,700	\$ 112,444	\$ 51,300
TOTAL REVENUES	32,463	96,700	96,700	112,444	51,300
Expenditures					
Staffing					
Salaries and Wages	1,817,336	1,821,621	1,821,621	1,792,746	1,872,546
Benefits	643,824	681,059	681,059	697,681	717,141
Operating Expenditures					
Professional and Technical Services	8,368	7,814	7,814	18,542	11,250
Utilities and Maintenance	48,897	86,710	86,710	76,996	75,874
Operations	50,989	68,217	68,217	56,474	56,303
City Support Services	459,601	427,886	427,886	424,872	454,853
Materials and Supplies	35,409	32,810	32,810	29,968	30,829
TOTAL EXPENDITURES	3,064,424	3,126,117	3,126,117	3,097,279	3,218,796
Less Expenses Charged to Other Funds	(128,653)	(130,519)	(130,519)	(164,792)	(134,266)
NET TOTAL EXPENDITURES	\$ 2,935,771	\$ 2,995,598	\$ 2,995,598	\$ 2,932,487	\$ 3,084,530



Activities

Industrial/Comm.

Appraisals

Residential

Appraisals

Homestead Records

**Property Owner
Notice**

**Special Assessment
Records**

**New Legislation
Compliance**

**Administration and
Records**

**Interdepartmental
Services**



The residential assessment for the City of Bloomington is divided into 29 single-family housing districts, 111 townhouse districts and 178 condominium districts.

Technical Services Group – City Assessor

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.

2018 Objectives

- S** Complete field review and revaluation of required number 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 that statistical measurements of accuracy and equalization for both the residential and commercial assessments remain within the desired targets set by the Department of Revenue.

2017 Results

- Reviewed more than the 20 percent of parcels required – more than 9,051 out of approximately 32,000 parcels.

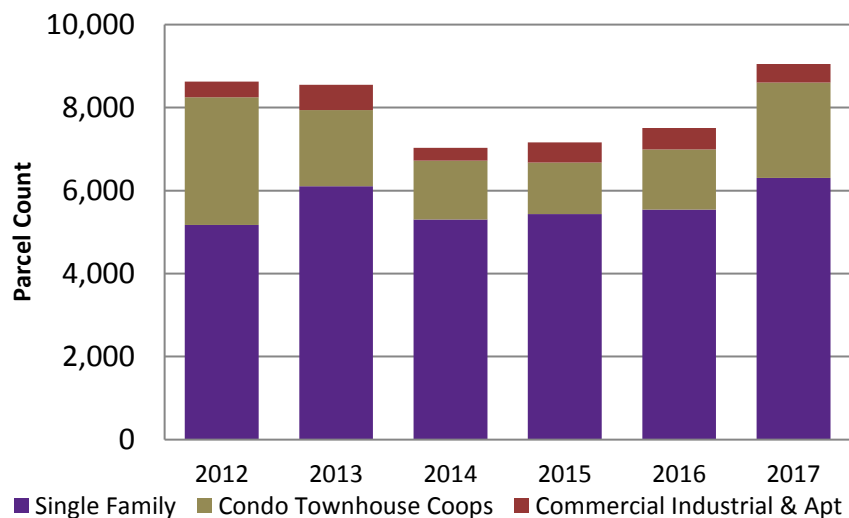
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,566,055	\$1,591,161	1.6%
Materials/Supplies/Services	312,789	326,614	4.5
Reimbursed Expenditures	(37,736)	(38,868)	3.0
	\$1,841,108	\$1,878,907	2.1%

Authorized Full-Time

	FY2016 13	FY2017 13	FY2018 13
Assessment Assistant	2	2	2
Assessment Specialist	1	1	0
Commercial Appraisal Manager	1	1	1
Residential Appraisal Manager	1	1	1
City Assessor	1	1	1
Commercial Property Appraiser	4	4	4
Residential Property Appraiser	3	3	4

Parcel Review Statistics



TECHNICAL SERVICES - ASSESSING
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 601	\$ 1,500	\$ 1,500	\$ 527	\$ 1,000
TOTAL REVENUES	601	1,500	1,500	527	1,000
Expenditures					
Staffing					
Salaries and Wages	1,058,411	1,136,541	1,136,541	1,090,988	1,139,020
Benefits	407,113	429,514	429,514	442,952	452,141
Operating Expenditures					
Professional and Technical Services	1,059	-	-	2,309	
Utilities and Maintenance	23,847	37,750	37,750	24,602	30,250
Operations	31,417	32,650	32,650	33,441	32,350
City Support Services	267,631	236,189	236,189	235,248	253,014
Materials and Supplies	8,569	6,200	6,200	3,406	11,000
TOTAL EXPENDITURES	1,798,047	1,878,844	1,878,844	1,832,946	1,917,775
Less Expenses Charged to Other Funds	\$ (41,437)	\$ (37,736)	\$ (37,736)	(72,020)	(38,868)
NET TOTAL EXPENDITURES	\$ 1,756,610	\$ 1,841,108	\$ 1,841,108	\$ 1,760,926	\$ 1,878,907

Activities

Administration

Cemetery

Elections

Licensing

Passports

Records

Management

Data Requests

Implemented new software for data requests in Oct 2017; processed 67 requests in Oct. – Dec. with avg. completion time for each of less than 10 days.

Business licensing was very busy in 2017 processing 8,702 licenses in 2017;

- 1,565 New
- 387 Special Events
- 3,045 pets

Passport agents processed 2,950 applications and 3,194 passport photos totaling \$121,660 in revenue.

Technical Services Group – City Clerk

The City Clerk Division conducts federal, state, and county elections in the even-numbered years and city and school district elections in the odd-numbered years. The Division manages business licensing and passports, maintains records and provides sales for the City cemetery and oversees an off-site local Deputy Registrar Office. It provides Records Management Services for all City records and oversees the processing of all data requests with the exception of police records/requests.

2018 Objectives

- I S** Ensure voters have a positive voting experience marked by efficiency, accuracy and transparency.
- IE S** Develop outreach programs to hire and train underrepresented populations as election judges
- IE S** Develop online training modules for experienced election judges by July 1
- I S** Operate effective licensing programs to promote the health and welfare of citizens and customers
- S** Review and update Chapter 14 of the City Code by year-end
- S** Manage City records to minimize costs of storage and retrieval and to maximize accessibility
- I S** Coordinate data requests with timely responses while maintaining the security of not public data
- I S** Create enhanced training tools for City staff relating to records management and data requests
- I S** Monitor enhancements for data request software

2017 Results

- Processed 8,702 annual licenses (1,565 of which were new licenses)
- Changed annual pet licensing to lifetime
- Coordinated and processed 134 large data requests from multiple departments for the public
- Implemented software to monitor poll book activities in 32 polling locations from city hall
- Implemented data request software tool and trained staff
- Developed electronic purge week training and managed all processes

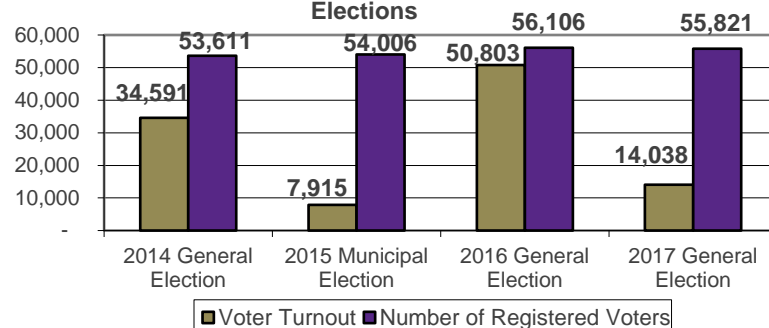
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 936,625	\$ 998,526	6.6%
Materials/Supplies/Services	310,648	302,495	(2.6)
Reimbursed Expenditures	(92,783)	(95,398)	2.8
	\$ 1,154,490	\$ 1,205,623	4.4%

Authorized Full Time

	FY2016	FY2017	FY2018
	8	8	8
City Clerk	1	1	1
Deputy City Clerk/Elections/Admin.	1	1	1
Deputy City Clerk/License Examiner	1	1	1
Licensing Specialists	2	2	2
Lead Licensing/Elections Specialist	1	1	1
Deputy City Clerk Records Manager	1	1	1
Records Specialist	1	1	1

Number of Registered Voters Turnout for General Elections



TECHNICAL SERVICES - CITY CLERK
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 31,862	\$ 95,200	\$ 95,200	\$ 111,917	\$ 50,300
TOTAL REVENUES	31,862	95,200	95,200	111,917	50,300
Expenditures					
Staffing					
Salaries and Wages	758,925	685,080	685,080	701,758	733,526
Benefits	236,711	251,545	251,545	254,729	265,000
Operating Expenditures					
Professional and Technical Services	7,309	7,814	7,814	16,233	11,250
Utilities and Maintenance	25,050	48,960	48,960	52,394	45,624
Operations	19,572	35,567	35,567	23,033	23,953
City Support Services	191,970	191,697	191,697	189,624	201,839
Materials and Supplies	26,840	26,610	26,610	26,562	19,829
TOTAL EXPENDITURES	1,266,377	1,247,273	1,247,273	1,264,333	1,301,021
Less Expenses Charged to Other Funds	(87,216)	(92,783)	(92,783)	(92,772)	(95,398)
NET TOTAL EXPENDITURES	\$ 1,179,161	\$ 1,154,490	\$ 1,154,490	\$ 1,171,561	\$ 1,205,623

General Government

Divisions

City Council

Boards and Commissions

The City Council and its advisory boards and commissions comprise the legislative branch of the City of Bloomington. The City Council establishes City policy, approves all major decisions and adopts the annual budget as presented herein. Boards and Commissions are utilized in an advisory capacity by the City Council.



94 percent of residents surveyed rated Bloomington as either excellent or good as a place to live.

92 percent of residents surveyed rated the overall quality of life in Bloomington excellent or good, similar to the national comparisons in the survey data base.

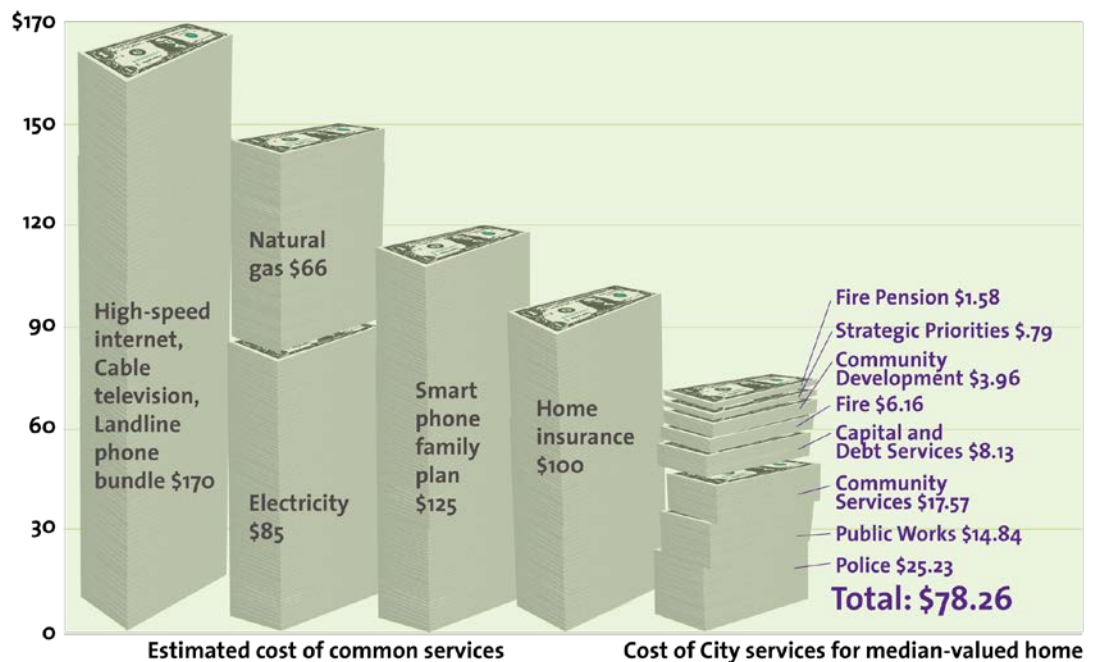
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$395,726	\$390,616	(1.3)%
Materials/Supplies/Services	383,743	406,878	6.0
Expenses Charged to Others	(204,723)	(210,865)	3.0
	\$574,746	\$586,629	2.1%

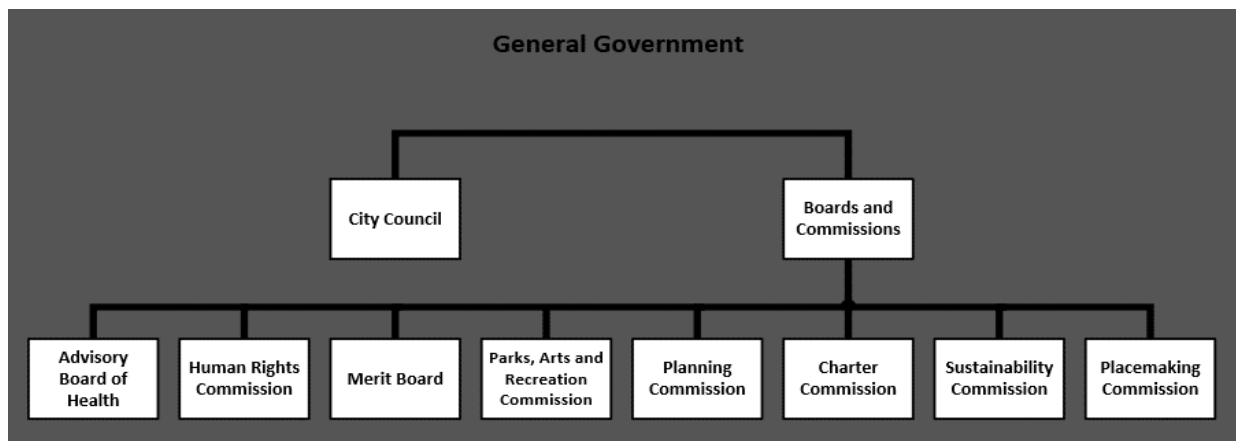
Authorized Full-Time

FY2016	FY2017	FY2018
1	1	1

COMPARISON OF MONTHLY COST OF SERVICES



GENERAL GOVERNMENT BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 1,600	\$ 500	\$ 500	\$ 5,130	\$ -
TOTAL REVENUES	1,600	500	500	5,130	-
Expenditures					
Staffing					
Salaries and Wages	234,554	241,365	241,365	233,579	240,978
Benefits	158,441	154,361	154,361	147,354	149,638
Operating Expenditures					
Professional and Technical Services	95,682	61,134	61,134	58,569	81,007
Utilities and Maintenance	5,869	6,200	6,200	5,450	10,000
Operations	161,578	175,855	170,855	160,487	171,790
City Support Services	110,805	118,195	118,195	94,684	124,222
Materials and Supplies	33,346	22,359	22,359	43,689	19,859
TOTAL EXPENDITURES	800,275	779,469	774,469	743,812	797,494
Less Expenses Charged to Other Funds	(213,772)	(204,723)	(204,723)	(204,720)	(210,865)
NET TOTAL EXPENDITURES	\$ 586,503	\$ 574,746	\$ 569,746	\$ 539,092	\$ 586,629



Activities

General
Government
General
Promotion
Special Projects



In a random citizen survey conducted in 2017, 86 percent of respondents rated "government services overall" as excellent or good.

General Government – City Council

The City is governed by an elected, part-time City Council consisting of a Mayor, elected at-large 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 who is responsible for the administration of City business, and citizens to advisory commissions.

2018 Objectives

- A I R S** Foster partnerships that will strengthen the community fabric of Bloomington
A I E S S R I E Provide strategic direction by continuing to support the 2017-2020 Strategic Plan. Provide policy direction and organization governance.

2017 Results

- Advanced a 2017-2020 Strategic Plan including Community Amenities, Community Image, Environmental Sustainability, Focused Renewal, High Quality Service Delivery and Inclusion & Equity.
- Established a Sustainability Commission and approved a work plan to advance the strategic plan's focus on Environmental Sustainability.
- Partnered with the YMCA to continue development of a community center project.
- Became one of the first MN cities to restrict tobacco sales to those under 21 years old.
- Successfully partnered with the bid committee of Expo 2023 to pursue Worlds' Fair in Bloomington; bringing positive national and international exposure to Bloomington.

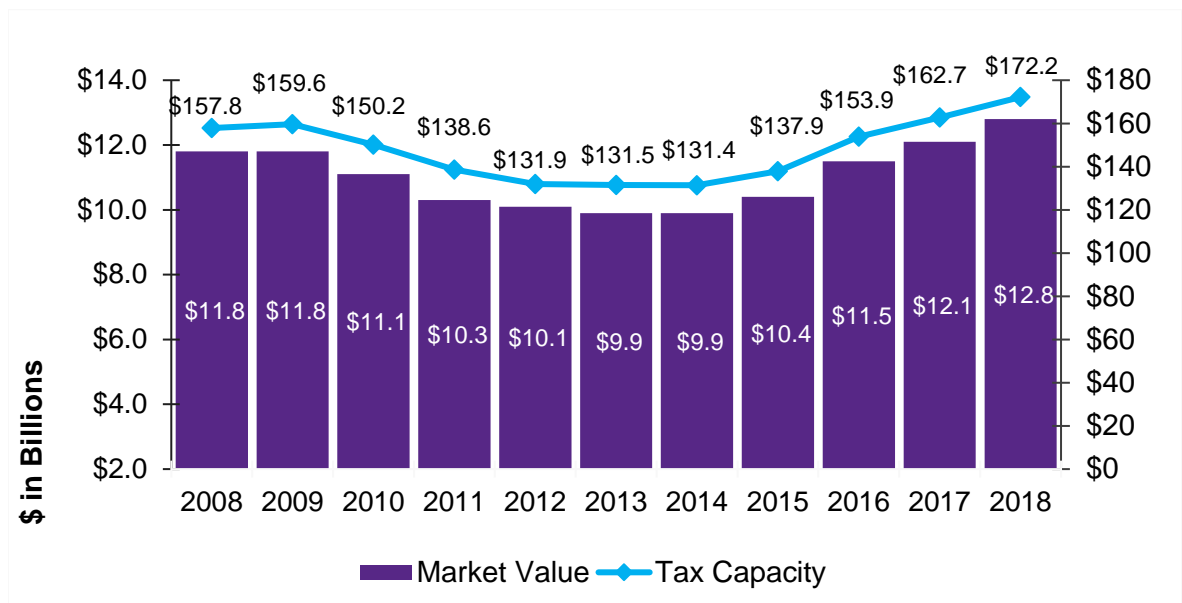
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 299,790	\$ 297,360	(0.8)%
Materials/Supplies/Services	338,016	353,560	4.6
Expenses Charged to Others	(204,723)	(210,865)	3.0
	\$ 433,083	\$ 440,055	1.6%

Authorized Full-Time

	FY2016	FY2017	FY2018
	1	1	1
Administrative Assistant	1	1	1

Total City Market Value and Tax Capacity by Tax Year



GENERAL GOVERNMENT - CITY COUNCIL
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 100	\$ -		\$ 130	\$ -
TOTAL REVENUES	100	-	-	130	-
Expenditures					
Staffing					
Salaries and Wages	170,627	168,670	168,670	165,734	172,280
Benefits	134,762	131,120	131,120	122,292	125,080
Operating Expenditures					
Professional and Technical Services	95,682	59,774	59,774	58,569	79,647
Utilities and Maintenance	1,769	1,200	1,200	-	-
Operations	141,906	147,650	147,650	141,714	143,750
City Support Services	107,049	114,292	114,292	91,769	120,063
Materials and Supplies	28,223	15,100	15,100	31,363	10,100
Equipment					
TOTAL EXPENDITURES	680,018	637,806	637,806	611,441	650,920
Less Expenses Charged to Other Funds	(213,772)	(204,723)	(204,723)	(204,720)	(210,865)
NET TOTAL EXPENDITURES	\$ 466,246	\$ 433,083	\$ 433,083	\$ 406,721	\$ 440,055

Boards and Commissions

Advisory Board of Health

Charter Commission

Human Rights Commission

Merit Board

Parks, Arts and Recreation Commission

Planning Commission

Sustainability Commission

Placemaking Commission

General Government – Boards and Commissions

Eight advisory boards and commissions provide residents with an opportunity to participate in the affairs of the City. The Council makes final decisions, but these commissions assist by studying and making recommendations on government issues, policies and services.

2018 Objectives

- A I S** Ensure a fair and equitable process for reviewing development applications in the best interests of the City. (Planning Commission)
- A I R** Maintain land development ordinances to reflect best practices for managing land use and implementing the *Comprehensive Plan*. (Planning Commission)
- A S** Continue work on the GIS-based asset inventory of the Bloomington parks system. (Parks, Arts and Recreation Commission)
- I S** Study issues affecting the health of residents and make recommendations to City Council as they perform their duties as a Community Health Board. (Advisory Board of Health)
- IE** Implement the 2018 work plan including hosting a minimum of 10 Welcome Meals, several Children of Immigrants Art Exhibit(s) and support the City of Bloomington in having a presence in Twin Cities Pride. (Human Rights Commission)
- ES** Take a work plan to City Council for implementation of sustainability strategies for 2018 by February 2018.

2017 Results

- Participated in the Community Center Task Force and presented recommendations to the City Council in October 2017. (Parks, Arts and Recreation Commission, Human Rights Commission and Advisory Board of Health)
- Awarded the 2017 Health and Wellness Award to Lynn Lenort and the Health Cabinet of Christ the King Lutheran Church. (Advisory Board of Health)
- Recommended the City Council raise the legal minimum age for sale of all tobacco products in Bloomington to age 21. (Advisory Board of Health)
- Presented six awards to food establishments, recognizing their achievement and commitment to food safety. (Advisory Board of Health)
- Held public hearings and rated playground equipment proposals for Dupont and Hampshire Hill Parks. (Parks, Arts and Recreation Commission)
- Provided input on the Alternative Transportation Plan Update and the Minnesota River Valley Master Plan. (Parks, Arts and Recreation Commission)
- Collaborated with the School District and the City to develop the "Statement on Immigration". Accepted 5/30/2017 at the Joint City Council/School Board meeting. (Human Rights Commission)



Collaborated with the School District and the City to develop the "Statement on Immigration". Accepted 5/30/2017 at the Joint City Council/School Board meeting.

Expenditures

	FY2017	FY2018	
	Original Budget	Approved Budget	Percent Change
Salaries/Wages/Benefits*	\$ 95,936	\$ 93,256	(2.8)%
Materials/Supplies/Services	45,727	53,318	16.6
	\$ 141,663	\$ 146,574	3.5%

*Wages paid for part-time workers or portions of full-time employees officially assigned to support their respective Advisory Boards and Commissions.

GENERAL GOVERNMENT - BOARDS AND COMMISSIONS
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 1,500	\$ 500	\$ 500	\$ 5,000	\$ -
TOTAL REVENUES	1,500	500	500	5,000	-
Expenditures					
Staffing					
Salaries and Wages	63,927	72,695	72,695	67,845	68,698
Benefits	23,679	23,241	23,241	25,062	24,558
Operating Expenditures					
Professional and Technical Services	-	1,360	1,360	-	1,360
Utilities and Maintenance	4,100	5,000	5,000	5,450	10,000
Operations	19,672	28,205	23,205	18,773	28,040
City Support Services	3,756	3,903	3,903	2,915	4,159
Materials and Supplies	5,123	7,259	7,259	12,326	9,759
TOTAL EXPENDITURES	120,257	141,663	136,663	132,371	146,574
Less Expenses Charged to Other Funds					
NET TOTAL EXPENDITURES	\$ 120,257	\$ 141,663	\$ 136,663	\$ 132,371	\$ 146,574

Activities

Strategic

Organizational Development

Municipal Service Provider

Policy

Development & Support to City Council

Administration

Intergovernmental Relations

Overall

Organizational Operation

City Manager

The City Manager has the power and duty to enforce all City ordinances and resolutions, direct the operations of the City, and recommend to the Council measures which the City Manager feels are necessary for the welfare of citizens and for efficient administration. The City Manager also appoints all other employees of the City and performs other duties required by the Council.

2018 Objectives

- S Develop community engagement strategies to enhance strategic planning for the community, increase civic participation and build relationships across the diverse resident population.
- S Build effective working partnerships with educational, business, and non-profit organizations.
- S Implement organizational development programs to build capacity of city staff to provide innovative, creative, and customer-focused services.
- S Ensure that equity is considered when reviewing or adopting City practices, policies and ordinances, and commit to including a diverse spectrum of stakeholders to be included in the review and approval processes.

2017 Results

- Advanced implementation of the City Council's 2017-2020 Strategic Plan.
- Continued implementation of a High Performance Organization (HPO) model to drive employee engagement, encourage innovation and improve city services; trained over 200 employees.
- Prepared budgets that met City Council expectations for maintaining quality services, meeting ongoing obligations and long-term infrastructure needs, and investing in strategic priorities.
- Provided positive operational financial results.

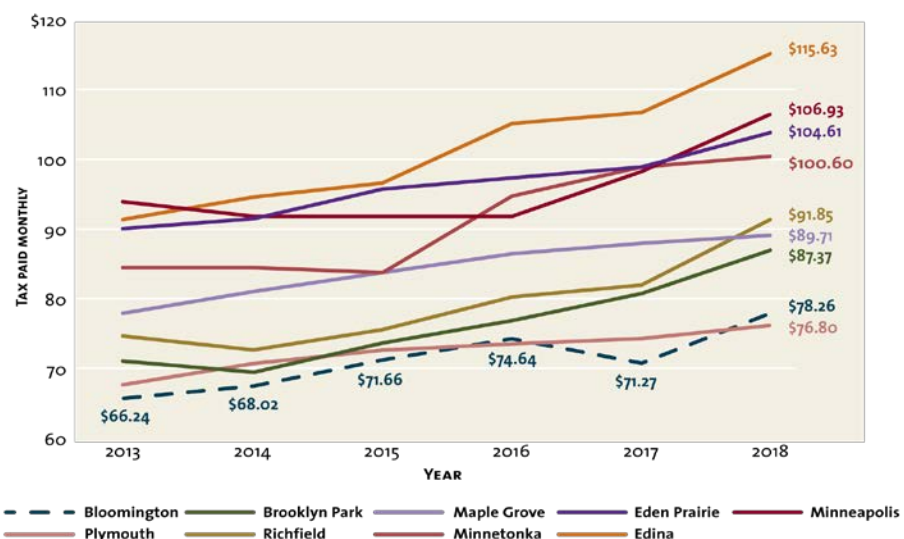
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 561,731	\$ 567,177	1.0%
Materials/Supplies/Services	278,190	297,620	7.0
Expenses Charged to Others	(147,666))	(152,096)	3.0
	\$ 692,255	\$ 712,701	3.0%

Authorized Full-Time

	FY2016	FY2017	FY2018
	4	4	3
Assistant City Manager	1	1	1
City Manager	1	1	1
City Manager's Secretary	1	1	1
Creative Placemaking Director	1	1	0

CITY PROPERTY TAX ON MEDIAN VALUE SINGLE-FAMILY HOME



CITY MANAGER
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Expenditures					
Staffing					
Salaries and Wages	\$384,511	\$431,232	\$431,232	\$390,069	\$432,808
Benefits	113,542	130,499	130,499	124,751	134,369
Operating Expenditures					
Professional and Technical Services	51,738	25,000	25,000	107,076	50,000
Utilities and Maintenance	1,622	1,200	1,200	-	-
Operations	100,587	162,400	192,400	67,214	152,400
City Support Services	65,080	69,290	69,290	71,840	72,720
Materials and Supplies	16,573	20,300	20,300	23,050	22,500
TOTAL EXPENDITURES	733,653	839,921	869,921	784,000	864,797
Less Expenses Charged to Other Funds	(153,844)	(147,666)	(147,666)	(147,672)	(152,096)
NET TOTAL EXPENDITURES	\$579,809	\$692,255	\$722,255	\$636,328	\$712,701

Legal

Divisions

Prosecution

Civil



**Our attorneys
made over
21,000 court
appearances in
2017.**

The City Attorney's Office provides legal counsel to the City Council, Advisory Boards and Commissions, the City Manager, and other City departments. It is also responsible for prosecuting non-felony criminal offenses occurring within the City.

2018 Objectives

- S I E** Promote justice and enhance public safety through locally accountable, fair, and effective criminal prosecution;
- S** Deliver timely, high quality, accessible and cost-effective legal counsel to the City;
- S I** Minimize the City's exposure to claims and lawsuits;
- S A I** Negotiate, draft, and review contracts that promote the City's interests and protect its assets;
- S A I E S I E R** Work with Community Development and the Port Authority to facilitate the high-quality development envisioned by the City's adopted District Plans;
- S A I E S I E R** Work with Planning and Community Development to shape the ordinances, District Plans, and Comprehensive Plan by which the City of Bloomington grows, develops, and renews itself;
- S I E** Work with Human Resources to develop employment policies that promote employee development;
- S I E S R** Work with Environmental Health to protect the safety of the City's neighborhoods and businesses by education, communication, and civil enforcement actions;
- S I E** Work with City Clerk to improve public access to City documents;
- S I A E S I E R** Work with Engineering, Parks and Recreation, Three Rivers Park District, and the Met Council to facilitate the growth of mass transit and other transportation opportunities within the City;
- S I A** Work with Licensing to improve the quality and safety of the City's licensed establishments through the screening and enforcement action processes; and
- S I E** Create and maintain a highly collaborative, focused, positive, professional work environment that promotes employee growth and satisfaction while providing convenient, accessible, and expert legal services to City's departments, staff, elected officials and other government entities.

2017 Results

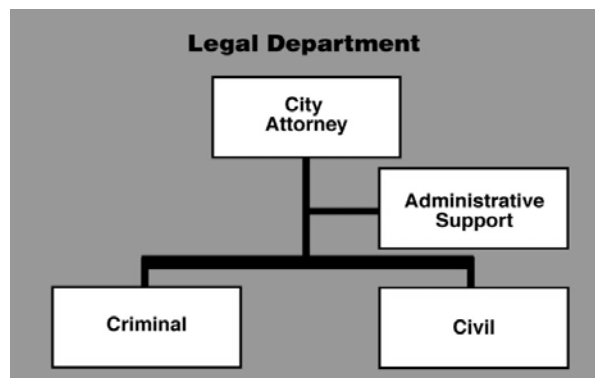
- Redesigned contracting documents and process, then trained employees to use new process; processed 100+ more contracts than prior years (760+ in 2017); reduced processing time.
- Collaborated with Police for Super Bowl LII contracts, trainings, and preparations; revised officer's blood-borne pathogen exposure process; assisted in body camera funding and implementation.
- Negotiated legislation for state-level small cell telecommunications and DWI enforcement.
- Opened 5,000+ criminal and 96 vehicle forfeiture cases; about 20,000 court appearances.
- Obtained grant to hire Crime Victim Liaison to enhance victim services and access to justice.
- Negotiated solutions for Penn American storm water system and long-term drinking water supply.
- Continued leadership roles in State, County, and 4th Judicial District.

Expenditures	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,570,023	\$1,590,586	1.3%
Materials/Supplies/Services	301,452	316,153	4.9
Expenses Charged to Others	(359,727)	(371,418)	3.2
	\$1,511,748	\$1,535,321	1.6%

Authorized Full-Time	FY2016	FY2017	FY2018
	12	13	13
Assistant Attorney	6	6	6
City Attorney	1	1	1
Legal Administrative Assistant	2	2	2
Office Assistant	1	1	1
Paralegal/Legal Assistant	2	2	2
Crime Victim Liaison	0	1	1

**LEGAL
BUDGET SUMMARY
Revenues and Expenditures**

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Intergovernmental Revenue	\$ -	\$ -	\$ 106,400	\$ -	-
Program Income	21,407	20,250	20,250	17,162	8,250
TOTAL REVENUES	21,407	20,250	126,650	17,162	8,250
Expenditures					
Staffing					
Salaries and Wages	1,053,442	1,163,155	1,245,164	1,110,536	1,155,111
Benefits	379,716	406,868	432,645	435,665	435,475
Operating Expenditures					
Professional and Technical Services	1,478	5,439	7,739	5,455	5,000
Utilities and Maintenance	1,906	2,250	2,250	1,899	2,689
Operations	60,604	70,825	77,845	59,124	69,795
City Support Services	207,655	208,338	208,338	208,495	219,569
Materials and Supplies	11,487	14,600	15,426	12,974	19,100
TOTAL EXPENDITURES	1,716,288	1,871,475	1,989,407	1,834,148	1,906,739
Less Expenses Charged to Other Funds	(366,254)	(359,727)	(359,727)	(410,953)	(371,418)
NET TOTAL EXPENDITURES	\$ 1,350,034	\$ 1,511,748	\$ 1,629,680	\$ 1,423,195	\$ 1,535,321



202b (01/10)

Human Resources

The Human Resources Department coordinates staff recruitment and hiring, designs and services employee benefit programs and conducts employee relations activities for all City employees. The HR Department 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.

2018 Objectives

- S I E** Continue building toward a more diverse City workforce through a comprehensive review and analysis of the City's recruitment and selection processes.
- S** Engage staff at all levels in the comprehensive review and updating of the City's performance evaluation process by the end of October.
- 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.
- S** Develop and implement a comprehensive Respectful Workplace Policy, addressing harassment, discrimination and retaliation, plus training for staff at all levels by mid-year.

2017 Results

- Working with the Executive Leadership Team, a Flexible Work Schedule Policy/Program was developed and implemented that provides employees and their supervisors with increased flexibility in developing work schedules and telecommuting arrangements.
- A new Paid-Time-Off (PTO) Program was developed and rolled out to part-time employees, that will increase the City's ability to attract and retain qualified individuals in numerous critical, and customer-facing, positions. For employees in their first five years of service, the program provides 1 hour of PTO for every 14 hours worked and the accrual rate increases with additional years of service.
- Due to the combined efforts of the Human Resources and Police Departments, the City was a lead agency in the multi-city Pathways to Policing program, which removes barriers to a career in law enforcement for candidates from non-traditional backgrounds. A total of 14 non-traditional candidates were hired into the program, with 3 being new Bloomington Police Officers.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$873,144	\$ 954,396	9.3%
Materials/Supplies/Services	251,395	244,574	(2.7)%
Expenses Charged to Others	((322,822))	(332,507)	3.0%
	\$801,717	\$866,463	8.1%

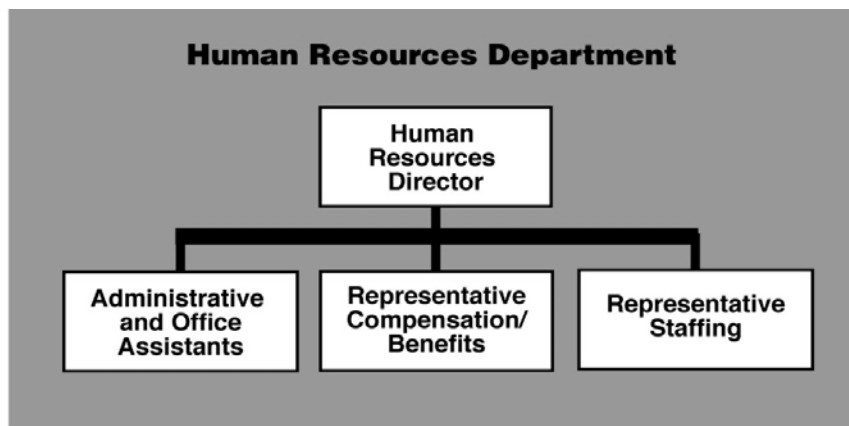
Authorized Full-Time

	FY2016	FY2017	FY2018
	6	6	6
Director Human Resources	1	1	1
Human Resources Representative	3	3	3
Office Assistant	1	1	1
Administrative Assistant	1	1	1

In 2017, the City hired 37 new full-time and 29 new ongoing part-time employees. A total of 19% of the new full-time employees and 38% of the new part-time employees are people of color. This reflects continued progress toward the City's goal of having a workforce that reflects the diversity of the community we serve.

**HUMAN RESOURCES
BUDGET SUMMARY**
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	-	-	-	-	-
Expenditures					
Staffing					
Salaries and Wages	478,730	525,374	496,774	459,519	547,230
Benefits	171,201	347,770	422,385	317,695	407,166
Operating Expenditures					
Professional and Technical Services	100,845	98,000	58,200	50,553	99,500
Utilities and Maintenance	1,622	1,500	1,500	-	1,500
Operations	31,962	43,000	43,000	35,520	35,000
City Support Services	101,947	93,395	93,395	91,706	98,074
Materials and Supplies	15,492	15,500	18,761	13,972	10,500
TOTAL EXPENDITURES	901,799	1,124,539	1,134,015	968,965	1,198,970
Less Expenses Charged to Other Funds	(313,416)	(322,822)	(322,822)	(322,824)	(332,507)
NET TOTAL EXPENDITURES	\$588,383	\$801,717	\$811,193	\$646,141	\$866,463



203b (01/10)

Finance

Divisions

Administration

Accounting

Risk Management

The Finance Department provides financial management for the City, Port Authority, Housing and Redevelopment Authority. Financial services include financial management and advice, accounting, audit, budget and risk management. The department also oversees the billings and collection activities for the appropriate Utility Funds.

2018 Objectives

- S** Publish a Comprehensive Annual Financial Report (CAFR), a Budget document, and a Popular Report each year by June 30.
- A I R** Publish the Ten Year (2018-2027) Capital Improvement Plan (CIP) report by April 30.
- S** Send monthly financial reports to City Council, staff and management by the 30th of the next month.
- S** Revenue and expense projections will be within 0.5 percent of actual by year end.
- S** Supply quality and timely support services to City departments and agencies as measured by internal surveys. Also provide financial analysis and recommendations on special projects.
- S** Take all appropriated budgets to City Council for approval by year end.
- S** Provide training in High Performance Organizations (HPO) to improve trust, communication and collaboration within Finance Department.

2017 Results

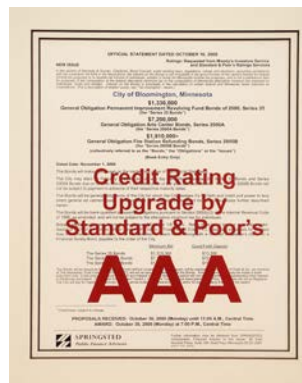
- Reviewed all departmental submissions to City Council agendas for financial matters.
- Coordinated, analyzed, and reviewed 2018 Conceptual budgets for all appropriated funds. 100% of required budgets were approved by year end.
- Coordinated, analyzed, reviewed and updated the 5-Year Capital Improvement Plan (2017-2021) for submittal to the City Council.
- Received the Government Finance Officers Association highest awards in Budget (22 years), CAFR (46 years) and Popular Report (17 years).
- Continually updated financial information on the City's website including Budget, Property Tax, Risk Management and the CAFR.
- A total of 17 finance staff have been trained in High Performance Organizations (HPO). Four managers attended LEAD, the concentrated HPO training in Virginia.

Expenditures

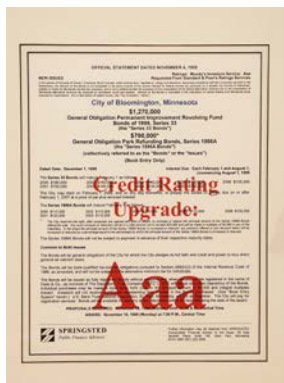
	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 2,217,413	\$ 2,400,785	8.3%
Materials/Supplies/Services	691,005	709,844	2.7
Expenses Charged to Others	(1,782,766)	(1,972,064)	10.6
	\$ 1,125,652	\$ 1,138,565	1.1%

Personnel

FY2016	FY2017	FY2018
23	24	24



Standard & Poor's



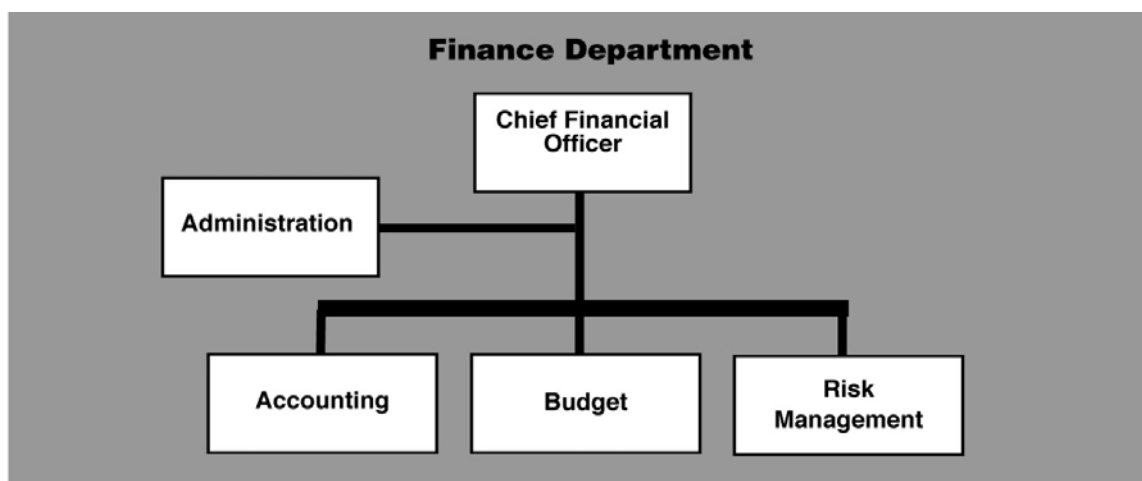
Moody's



Fitch

FINANCE
BUDGET SUMMARY
 Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$195,425	\$163,000	\$163,500	\$249,298	\$225,200
TOTAL REVENUES	207,636	175,000	175,500	261,660	225,200
Expenditures					
Staffing					
Salaries and Wages	1,525,912	1,591,275	1,591,275	1,616,101	1,726,915
Benefits	596,660	626,138	626,138	641,858	673,870
Operating Expenditures					
Professional and Technical Services	9,309	26,589	48,889	20,800	29,281
Utilities and Maintenance	1,317	1,320	1,320	-	-
Operations	157,377	205,865	219,328	175,975	203,932
City Support Services	368,336	376,459	376,459	370,195	395,974
Materials and Supplies	67,155	80,772	75,772	50,085	80,657
TOTAL EXPENDITURES	2,726,066	2,908,418	2,939,181	2,875,014	3,110,629
Less Expenses Charged to Other Funds	(1,738,198)	(1,782,766)	(1,782,766)	(1,855,284)	(1,972,064)
NET TOTAL EXPENDITURES	\$987,868	\$1,125,652	\$1,156,415	\$1,019,730	\$1,138,565



205b (01/10)

Finance – Administration and Budget

Finance provides financial management services to the City Council, City Manager and support departments, including work in capital financing, budget coordination and debt management. Finance coordinates the City's Ten-Year Capital Improvement Plan, tax increment financing program implementation and ongoing oversight, budget and financial services to other City agencies such as the Port Authority and the Housing and Redevelopment Authority.

2018 Objectives

- A I R S** Maintain the highest bond rating possible through conservative financial management, financial planning with accurate and transparent reporting of the City's financial positions.
- S** Prepare quality financial reports based on feedback from the Government Finance Officers' Association (GFOA), City Council and other organization best practices.
- A I R S I E S** Earn the Distinguished Budget Award from the Government Finance Officers Association.
- S** Provide excellent financial services to internal and external customers as measured by internal surveys.
- S** Extract information from the CAFR to prepare the Popular Annual Financial Report.
- A I R S** Compile and present Ten Year Capital Improvement Plan (CIP) for approvals.

2017 Results

- 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 22nd consecutive year.
- Received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the 17th year.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$434,413	\$432,098	(0.5)%
Materials/Supplies/Services	171,206	169,307	(1.1)
Expenses Charged to Others	(255,682)	(263,352)	3.0
	\$349,937	\$ 338,053	(3.4)%

Personnel

	FY2016	FY2017	FY2018
	3	3	3
Administrative Assistant	1	1	1
Budget Manager	1	1	1
Chief Financial Officer	1	1	1

FINANCE - ADMINISTRATION AND BUDGET
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$3,800	\$ -	\$ 500	\$36,813	\$12,200
Intergovernmental	12,211	12,000	12,000	\$12,362	\$0
TOTAL REVENUES	16,011	12,000	12,500	\$49,175	\$12,200
Expenditures					
Staffing					
Salaries and Wages	293,490	325,256	325,256	\$317,339	\$327,716
Benefits	96,990	109,157	109,157	\$105,183	\$104,382
Operating Expenditures					
Professional and Technical Services	6,491	17,589	17,589	\$4,690	\$18,081
Operations	23,734	33,400	33,400	\$26,038	\$27,675
City Support Services	54,868	60,915	60,915	\$57,249	\$63,594
Materials and Supplies	52,646	59,302	56,802	\$38,231	\$59,957
TOTAL EXPENDITURES	528,219	605,619	603,119	\$548,730	\$601,405
Less Expenses Charged to Other Funds	(248,232)	(255,682)	(255,682)	(\$255,684)	(\$263,352)
NET TOTAL EXPENDITURES	\$279,987	\$349,937	\$347,437	\$293,046	\$338,053

Activities

Accounts Payable

**Accounts
Receivable**

Audit

Cash Management

Customer Billing

General Accounting

Payroll

Purchasing

Finance - Accounting

The Accounting Division manages the day-to-day accounting of the City's transactions, including payroll, accounts receivable, purchasing, investments, accounts payable, customer billing, cash receipts and general accounting. The division prepares monthly and quarterly financial statements and compiles the Comprehensive Annual Financial Report. Accounting staff provide support for the finance functions including budgeting and debt management. The Audit function monitors the City imposed sales tax on lodging, admissions, and liquor.

2018 Objectives

- S** Provide quality accounting and related financial services to all City departments.
- 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 twice a 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 twice a month and provide financial system assistance to users.
- S** Effectively and efficiently upgrade the City's ERP software to a new version in September 2018.
- 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.

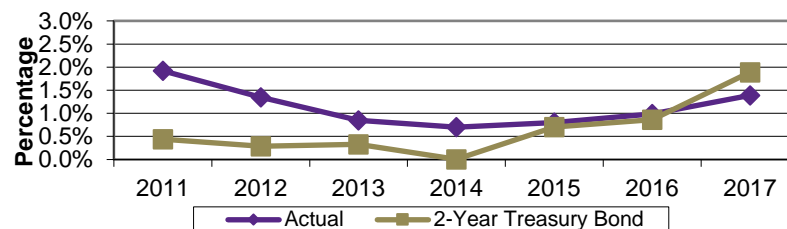
2017 Results

- Received Certificate of Achievement for Excellence in Financial Reporting for last 46 years.
- Received Popular Annual Financial Reporting Award for last 17 years.
- Collected an additional \$122,000 of local liquor, lodging, and admission sales tax revenue identified as underpaid local taxes through audits.
- Began paying several vendors via EFT (Electronic Funds Transfer) as opposed to paper checks.

Expenditures	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1713,915	\$1,889,343	10.2%
Materials/Supplies/Services	484,249	504,687	4.2
Expenses Charged to Others	(1,422,449)	(1,593,518)	12.0
	\$ 775,715	\$ 800,512	3.2%

Authorized Full-Time	FY2016 19	FY2017 20	FY2018 20
Accountant	3	3	3
Accounting Assistant	6	6	5
Assistant Finance Manager	1	1	1
Auditor	1	1	1
Customer Billing Supervisor	1	1	1
Finance Manager	1	1	1
Office Assistant	2	3	3
Office Support Specialist	2	2	2
Payroll Specialist	1	1	1
Purchasing Agent	1	1	1
Purchasing Specialist	0	0	1

Portfolio Return Versus Benchmark



FINANCE - ACCOUNTING
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$191,625	\$163,000	\$163,000	\$212,485	\$213,000
TOTAL REVENUES	191,625	163,000	163,000	212,485	213,000
Expenditures					
Staffing					
Salaries and Wages	1,191,646	1,212,828	1,212,828	1,254,098	1,338,978
Benefits	486,171	501,087	501,087	521,048	550,365
Operating Expenditures					
Professional and Technical Services	2,818	6,500	28,800	15,858	10,200
Utilities and Maintenance	1,317	1,320	1,320	-	-
Operations	128,859	166,895	174,758	142,377	169,702
City Support Services	282,516	288,514	288,514	283,366	304,485
Materials and Supplies	13,846	21,020	18,520	11,319	20,300
TOTAL EXPENDITURES	2,107,173	2,198,164	2,225,827	2,228,066	2,394,030
Less Expenses Charged to Other Funds	(1,382,842)	(1,422,449)	(1,422,449)	(1,494,960)	(1,593,518)
NET TOTAL EXPENDITURES	\$724,331	\$775,715	\$803,378	\$733,106	\$800,512

Finance – Risk and Litigation Management

Activities

Risk Management

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

2018 Objectives

- A S** Complete required insurance renewals and provide necessary reports to City Council.
- I S** Re-establish a working City-wide Safety Committee to augment work of department committees.
- I S** Work with Human Resources to draft and advertise a Request for Proposals (RFP) for the Third Party Administration of City's self-insured Workers' Compensation program; send out RFP for insurance broker by end of 2018.

2017 Results

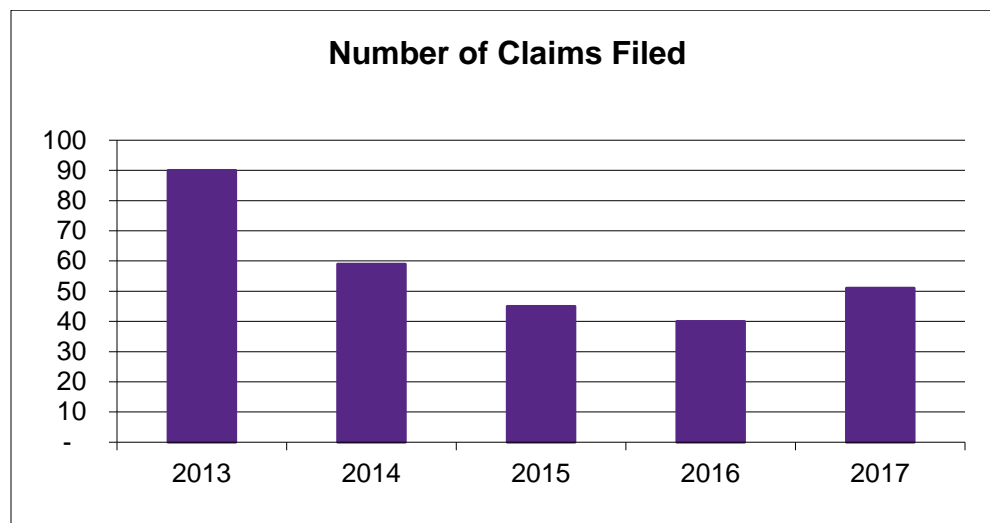
- Renewed insurance policies for 2017.
- Reviewed 192 of 650 contracts and requests for proposals.
- Received a \$58,961 dividend from the City's insurance trust.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 69,085	\$ 79,344	10.1%
Materials/Supplies/Services	35,550	35,850	0.0
Expenses Charged to Others	(104,635)	(115,194)	10.1
	\$ 0	\$ 0	--

Authorized Full-Time

	FY2016	FY2017	FY2018
	1	1	1
Risk & Litigation Manager	1	1	1



FINANCE - RISK MANAGEMENT
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Expenditures					
Staffing					
Salaries and Wages	\$40,776	\$53,191	\$53,191	\$44,664	\$60,221
Benefits	13,499	15,894	15,894	15,627	19,123
Operating Expenditures					
Professional and Technical Services	-	2,500	2,500	252	1,000
Operations	4,784	5,570	11,170	7,560	6,555
City Support Services	30,952	27,030	27,030	29,580	27,895
Materials and Supplies	663	450	450	535	400
TOTAL EXPENDITURES	90,674	104,635	110,235	98,218	115,194
Less Expenses Charged to Other Funds	(107,124)	(104,635)	(104,635)	(104,640)	(115,194)
NET TOTAL EXPENDITURES	(\$16,450)	\$0	\$5,600	(\$6,422)	\$0

Contingency

As set forth in the City's Charter, total appropriations in the General Fund shall be less than total estimated revenues by a "safe margin". The City's Financial Management Policy requires this safe margin to be at least 2.5 percent of the current year's budgeted expenditures. For the General Fund, this safe margin is presented as Contingency.

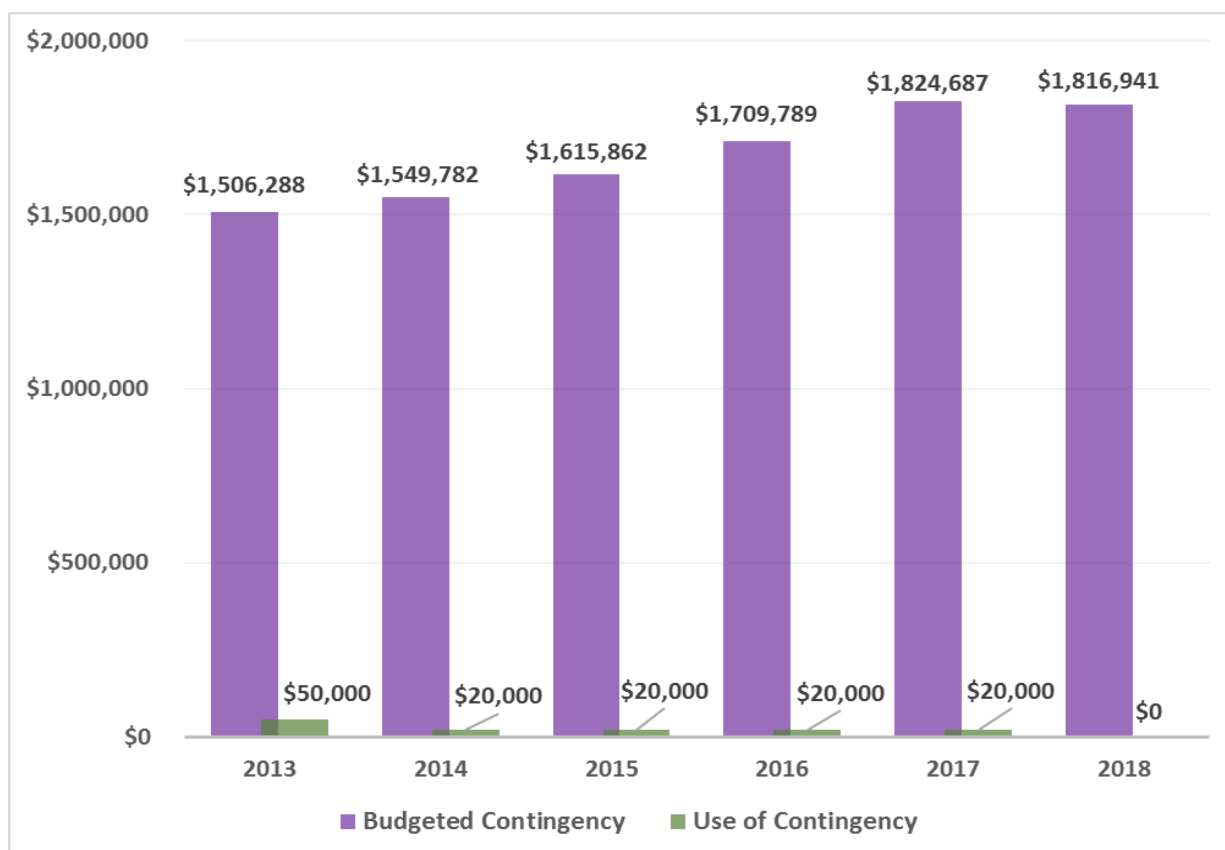
2018 Objectives

- To provide a "safe margin" of no less than 2.5 percent of the proposed general fund expenditure budget for items not anticipated at the time of budget adoption.

2017 Results

- The City continues to meet the Charter requirement while maintaining average property tax levy increases at or below the rate of inflation plus property tax base growth.

Expenditures	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Transfers to Other Funds	\$1,824,687	\$1,816,941	(0.4%)
	\$1,824,687	\$1,816,941	(0.4%)



CONTINGENCY
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Expenditures	20,000	-	-	20,000	-
TOTAL EXPENDITURES	\$ 20,000	\$ -	\$ -	\$ 20,000	-
Transfers Out	\$ -	\$ 1,824,387	\$ 1,824,387	\$ -	\$ 1,816,941
NET TOTAL EXPENDITURES	\$ 20,000	\$ 1,824,387	\$ 1,824,387	\$ 20,000	\$ 1,816,941

SPECIAL REVENUE FUNDS

Table of Contents

Budget Summary - Special Revenue Funds	135
Public Safety - Police Special Revenue - Fund 2700-2800	136 - 147
City Clerk - Cemetery Trust Fund - Fund 2600	148 - 149
Community Services - Communications - Fund 2100	150 - 151
Parks Grants Special Revenue - Fund 2150	152 - 153
Public Health Special Revenue - Fund 2200	154 - 155
South Loop Revolving Development Services - Fund 2300	156 - 157
Creative Placemaking - Fund 2350	158 - 159

2018 Budget Summary – Special Revenue Funds

REVENUES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Communications	\$ 1,684,677	\$1,826,844	\$ 1,775,928	\$ 1,823,306
Park Grants	66,319	63,000	49,996	72,402
Health Grants	921,914	1,065,390	1,148,709	1,146,824
South Loop	42,661	250,200	181,948	175,300
Placemaking	399,160	400,000	406,562	401,857
Cemetery	132,912	176,382	184,647	200,573
DWI Forfeitures	45,393	51,000	104,492	51,000
9-1-1 Grant	111,729	291,824	291,841	111,824
Drug Forfeitures	183,523	100,100	251,731	100,100
Police Grants	129,838	214	218,759	0
Public Safety Pensions	1,969,707	2,372,414	2,398,466	2,599,096
Fire Grants	1,470,462	0	0	0
	<u>\$ 7,158,896</u>	<u>\$6,597,368</u>	<u>\$7,013,078</u>	<u>\$ 6,682,282</u>
EXPENDITURES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Communications	\$ 1,634,988	\$1,848,299	\$ 1,827,838	\$ 1,961,636
Park Grants	61,192	165,000	90,231	72,000
Health Grants	886,593	1,090,500	1,167,066	1,152,413
South Loop	260,703	197,000	141,343	120,000
Placemaking	154,723	400,000	612,940	400,000
Cemetery	422,270	310,221	146,608	323,801
DWI Forfeitures	31,985	60,156	49,846	105,811
9-1-1 Grant	118,392	281,414	251,346	77,677
Drug Forfeitures	10,320	59,300	103,884	74,000
Police Grants	219,298	214	211,503	0
Public Safety Pensions	1,572,982	1,758,355	1,758,361	2,160,846
Fire Grants	1,454,159	0	0	0
	<u>\$ 6,827,605</u>	<u>\$ 6,170,459</u>	<u>\$6,360,966</u>	<u>\$ 6,448,184</u>

Public Safety – Special Revenue

Activities

Police Grants

DWI Forfeiture Fund

Enhanced 911

Drug Forfeiture

Pension Residual

The DWI Forfeiture, Drug Forfeiture, Enhanced 911, Police Grant and Pension Residual funds receive proceeds from forfeited assets and grant money from the state to be used for specific City police activities under State Statute.

2018 Objectives

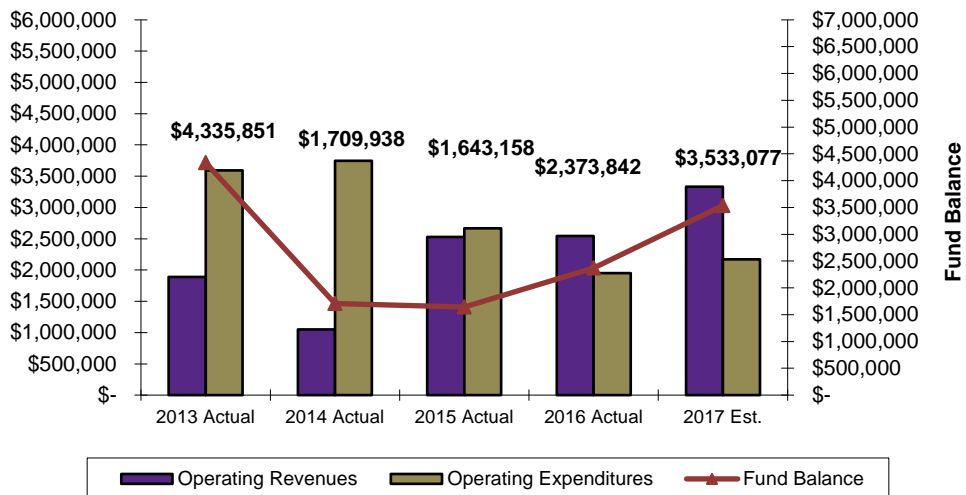
- Enhance the consequences for criminal activities and criminal enterprises by seizing the proceeds and instrumentalities from these criminals and their organizations and using them to reduce the burden upon taxpayers for enhanced law enforcement efforts.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits*	\$1,641,873	\$2,158,346
Materials/Supplies/Services	187,084	179,488
Capital Outlay	206,000	0
Transfers Out	124,482	80,500
	\$2,159,439	\$2,418,334

*Wages paid for part-time workers or portions of full-time employees officially allocated to other activities.

Fund Balance Compared to Revenues and Expenditures



PUBLIC SAFETY SPECIAL REVENUE
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Tax Revenues	\$ 494,156	\$ 750,000	\$ 750,000	\$ 748,634	\$ 1,000,000
Program Income	226,087	150,000	150,000	347,179	150,000
Intergovernmental (Grant Revenue)	775,171	623,821	791,808	876,532	687,803
Donations	29,983	214	4,512	30,030	-
Interest Income	8,938	17,517	17,517	25,155	24,217
Other Income	-	-	-	-	-
Transfers In	905,855	1,274,000	1,274,000	1,237,759	1,000,000
TOTAL REVENUES	2,440,190	2,815,552	2,987,837	3,265,289	2,862,020
Expenditures					
Salaries and Wages	71,899	6,000	106,333	78,733	26,000
Benefits	1,483,570	1,635,873	1,665,069	1,649,159	2,132,346
Operations	18,648	31,000	55,320	27,150	31,000
City Support Services	86,676	128,484	128,484	128,268	131,188
Materials and Supplies	69,154	27,600	24,681	68,005	17,300
Capital Outlay	74,530	206,000	310,900	249,138	-
Transfers Out	148,500	124,482	174,482	174,488	80,500
TOTAL EXPENDITURES	1,952,977	2,159,439	2,465,269	2,374,941	2,418,334
FUND BALANCE SOURCES (USES)	487,213	656,113	522,568	890,348	443,686
Fund Balance at Beginning of Year	1,784,223	2,271,436	2,271,436	2,271,436	3,161,785
Fund Balance At Year-End	\$ 2,271,436	\$ 2,927,549	\$ 2,794,004	\$ 3,161,785	\$ 3,605,471

Public Safety – Police Grants

Activities

- Auto Theft Grant
- Justice Assistance Block Grant (JAG)
 - Neighborhood Initiatives
 - Business Initiatives
 - Youth Initiatives
- Toward Zero Death Grant (TZD)
- Bloomington Crime Prevention Association Grant (BCPA)
 - National Night Out
 - Business Watch
 - Crime Free Multi-Housing
- Heroes and Helpers Grant
- UASI Grant
- HSEM Grants
 - Bomb Squad
 - CBRNE

The Police Department pursues supplemental funding in the form of grants 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.

2018 Objectives

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

2017 Results

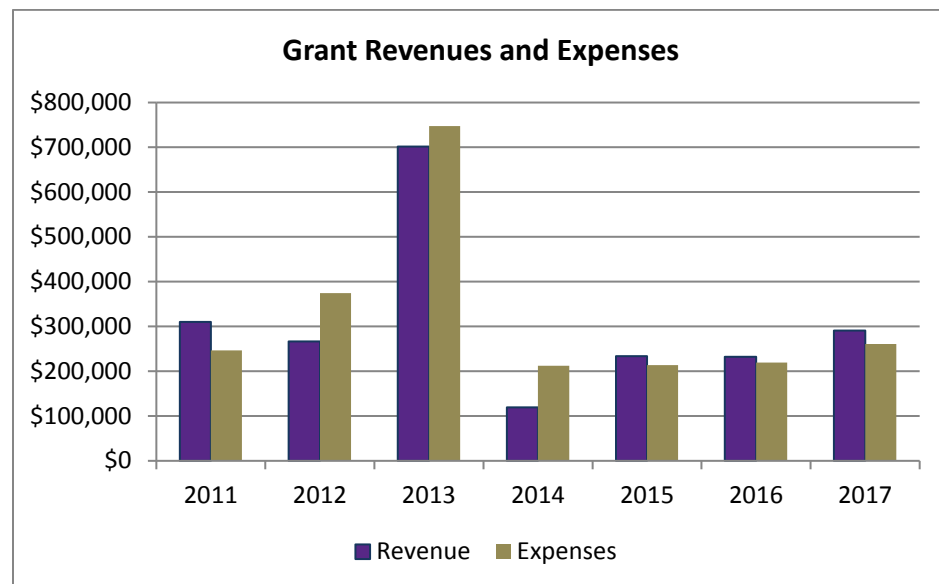
- Conducted a proactive strategy to reduce auto theft through public education and enforcement initiatives.
- 75 Officers worked 19 Auto Theft details to prevent Auto Theft and locate and arrest occupants of stolen vehicles.
- Bloomington Officers worked 100 Toward Zero Death (TZD) details in 2017 to locate and arrest impaired drivers and enforce other traffic laws such as the Trooper Ted Foss “Move-Over” and Seatbelt laws.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits*	\$ -	\$ - **
Materials/Supplies/Services	214	-
Capital	-	-
	\$ 214	\$ -

*Wages paid for part-time workers or portions of full-time employees officially allocated to other activities.

** In 2018, budget requests for grant expenditures will be brought to the City Council as new grant funding becomes available.



POLICE GRANTS BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Program Income	-	-	-	-	-
Intergovernmental (Grant Revenue)	99,855	-	134,387	188,729	-
Donations	29,983	214	4,512	30,030	
Interest Income					
Other Income					
Transfers In					
TOTAL REVENUES	129,838	214	138,899	218,759	-
Expenditures					
Salaries and Wages	71,899	-	74,641	77,656	-
Benefits	14,088	-	21,288	15,161	-
Operations	5,096	-	24,320	12,050	-
City Support Services		214	214	-	
Materials and Supplies	53,685		(2,919)	33,437	
Capital Outlay	74,530	-	104,900	73,200	-
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	219,298	214	222,444	211,504	-
FUND BALANCE SOURCES (USES)	(89,460)	-	(83,545)	7,255	-
Fund Balance at Beginning of Year	(31,315)	(120,775)	(120,775)	(120,775)	(113,519)
Fund Balance At Year-End	(\$120,775)	(\$120,775)	(\$204,320)	(\$113,519)	(\$113,519)

DWI Forfeiture Fund

This fund accumulates proceeds from the sale of vehicles seized in DWI arrests of drivers with multiple DWI or DWI related convictions. The funds are statutorily designated to offset the expense of administering the forfeiture process with any residual committed to enforcement of DWI offenses.

2018 Objectives

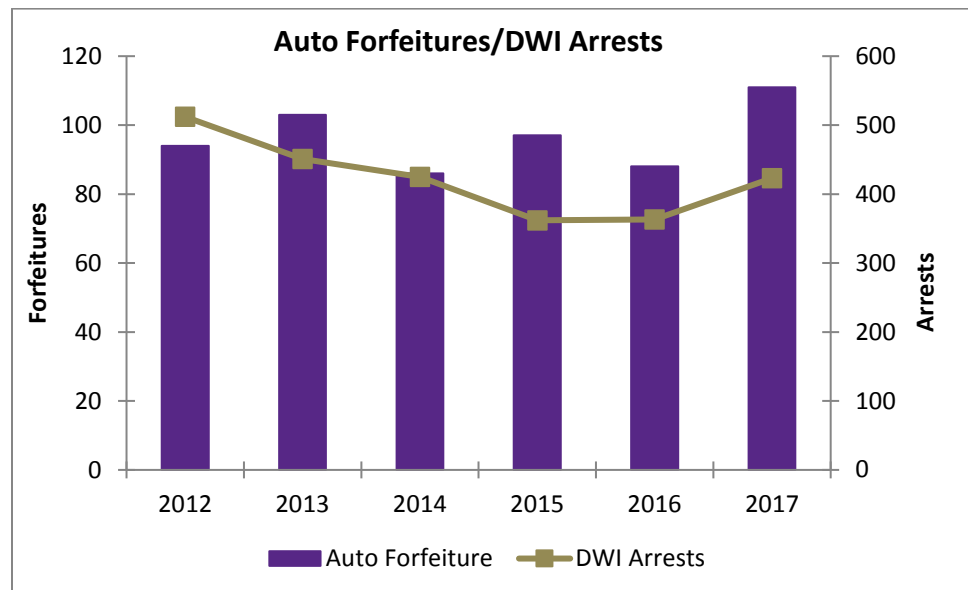
- S** Reduce internal costs associated with DWI enforcement in order to provide additional resources for DWI enforcement.
- S** Continue efforts to uniformly and fairly seize vehicles under the DWI forfeiture law.
- S** Internally account for expenses associated with DWI forfeitures to assure proper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

2017 Results

- Processed 111 DWI forfeited vehicles with 423 DWI arrests, a 17% increase in DWI related arrests from 2016.

Expenditures	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits*	\$ 8,000	\$ 28,000
Materials/Supplies/Services	52,156	52,811
Capital	-	-
Transfers Out	-	25,000
	\$ 60,156	\$ 105,811

*Wages paid for part-time workers or portions of full-time employees officially allocated to other activities.



Note: Decreasing DWI arrests is a state-wide trend.

POLICE - DWI FORFEITURES
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Program Income	43,634	50,000	50,000	100,837	50,000
Intergovernmental (Grant Revenue)	-	-	33,600	-	-
Donations					
Interest Income	1,758	1,000	1,000	3,655	1,000
Other Income					
Transfers In	-	-	-	-	-
TOTAL REVENUES	45,392	51,000	84,600	104,492	51,000
Expenditures					
Salaries and Wages	-	6,000	31,692	1,077	26,000
Benefits	-	2,000	9,908	125	2,000
Operations	13,552	31,000	31,000	15,100	31,000
City Support Services	13,284	5,856	5,856	5,856	6,511
Materials and Supplies	5,149	15,300	15,300	27,688	15,300
Capital Outlay	-	-	-	-	-
Transfers Out					25,000
TOTAL EXPENDITURES	31,985	60,156	93,756	49,846	105,811
FUND BALANCE SOURCES (USES)	13,407	(9,156)	(9,156)	54,646	(54,811)
Fund Balance at Beginning of Year	314,661	328,068	328,068	328,068	382,714
Fund Balance At Year-End	\$ 328,068	\$ 318,912	\$ 318,912	\$ 382,714	\$ 327,903

Enhanced 911

The Enhanced 911 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.

2018 Objectives

- S** Ensure critical systems are reliable.
- S** Maintain and improve communication center staffing, training, and equipment.
- S** Develop quality assurance program.
- S** Fully implement Text-to-911 technology

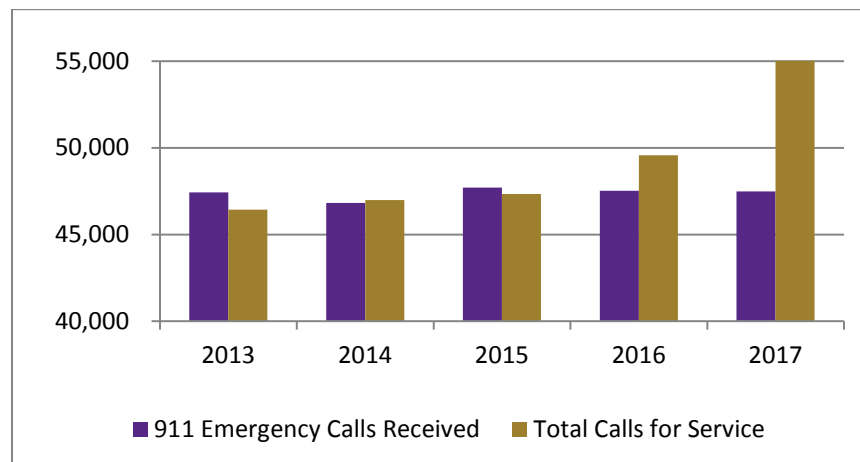
2017 Results

- Met or exceeded national benchmark standards.
- Maintained and upgraded 911 VIPER communications technology and began implementing Text-to-911 technology.
- Hired and trained communications center staff throughout 2017.
- Transitioned communications center supervision from sworn to civilian.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Materials/Supplies/Services	\$ 75,414	\$ 77,677
Transfer Out	-	-
Capital	206,000	-
	\$281,414	\$ 77,677

911 Calls



In 2017, BPD received 47,488 emergency 911 calls and responded to 70,942 calls for service. This number includes calls for service to the Mall of America.

Note: Calls for service include any request for police action which originates outside the Police Department, from 911, non-emergency lines and walk-ins.

911 calls include any call for police action, information or "pocket dials" from cell phones that come through the 911 system.

POLICE - ENHANCED 911 BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Program Income	-	-	-	-	-
Intergovernmental (Grant Revenue)	111,689	111,689	111,689	111,689	111,689
Donations					
Interest Income	40	135	135	152	135
Other Income					
Transfers In	-	180,000	180,000	180,000	
TOTAL REVENUES	111,729	291,824	291,824	291,841	111,824
Expenditures					
Salaries and Wages	-	-	-	-	-
Benefits	-	-	-	-	-
Operations					
City Support Services	73,392	75,414	75,414	75,408	77,677
Materials and Supplies	-	-	-	-	-
Capital Outlay	-	206,000	206,000	175,938	
Transfers Out	45,000				
TOTAL EXPENDITURES	118,392	281,414	281,414	251,346	77,677
FUND BALANCE SOURCES (USES)	(6,663)	10,410	10,410	40,495	34,147
Fund Balance at Beginning of Year	15,154	8,491	8,491	8,491	48,986
Fund Balance At Year-End	\$ 8,491	\$ 18,901	\$ 18,901	\$ 48,986	\$ 83,133

Drug Forfeiture

This fund accumulates proceeds from the sale of assets (proceeds or instrumentality of criminal enterprises) seized in drug related arrests under state and federal laws. The funds must be used for law enforcement purposes.

2018 Objectives

Use drug-forfeited assets to cover law enforcement expenses that are not funded by the taxpayers, including:

- S** Secure additional Federal H.I.D.T.A. (High Intensity Drug Trafficking Area) grant funding to assist in partnering with other Federal, State and Local agencies to combat drug trafficking.
- S** Continue to conduct specialized training for narcotics related law enforcement activities such as hotel/motel and motor vehicle interdiction.

2017 Results

- Removed illicit drugs worth approximately \$2,065,000 from the community.
- Secured \$35,000 in Federal H.I.D.T.A. grant funding used specifically to combat drug trafficking in Bloomington.
- Conducted in-house training two times that specialized in narcotics related law enforcement activities such as hotel/motel and motor vehicle interdiction. During one such class, trainees seized approximately nineteen pounds of methamphetamine at a local hotel.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Materials/Supplies/Services	\$ 59,300	\$ 49,000
Transfers Out	-	25,000
	\$ 59,300	\$ 74,000

DRUG FORFEITURE ACTIVITY

	<u>2015</u>		<u>2016</u>		<u>2017</u>	
	# grams	Est. Street Value	# grams	Est. Street Value	# grams	Est. Street Value
Marijuana	30,333	\$303,330	10,022	\$100,220	8,953	\$89,530
Methamphetamine	26,511	\$2,651,100	8,309	\$830,900	18,069	\$1,806,900
Crack (Rock) Cocaine	16	\$1,600	16	\$1,600	79	\$7,900
Cocaine	302	\$30,200	112	\$11,200	1,179	\$117,900
Heroin	39	\$15,600	389	\$155,600	108	\$43,200
TOTAL	57,201	\$3,001,830	18,848	\$1,099,520	28,388	\$2,065,430

POLICE - DRUG FORFEITURE BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Program Income	182,453	100,000	100,000	246,342	100,000
Intergovernmental (Grant Revenue)					
Donations					
Interest Income	1,070	100	100	5,389	100
Other Income					
Transfers In					
TOTAL REVENUES	183,523	100,100	100,100	251,731	100,100
Expenditures					
Salaries and Wages					
Benefits					
Operations					
City Support Services	-	47,000	47,000	47,004	47,000
Materials and Supplies	10,320	12,300	12,300	6,880	2,000
Capital Outlay					
Transfers Out	-	-	50,000	50,000	25,000
TOTAL EXPENDITURES	10,320	59,300	109,300	103,884	74,000
FUND BALANCE SOURCES (USES)	173,203	40,800	(9,200)	147,847	26,100
Fund Balance at Beginning of Year	284,578	457,781	457,781	457,781	605,628
Fund Balance At Year-End	\$ 457,781	\$ 498,581	\$ 448,581	\$ 605,628	\$ 631,728

Pension Residual Asset Fund

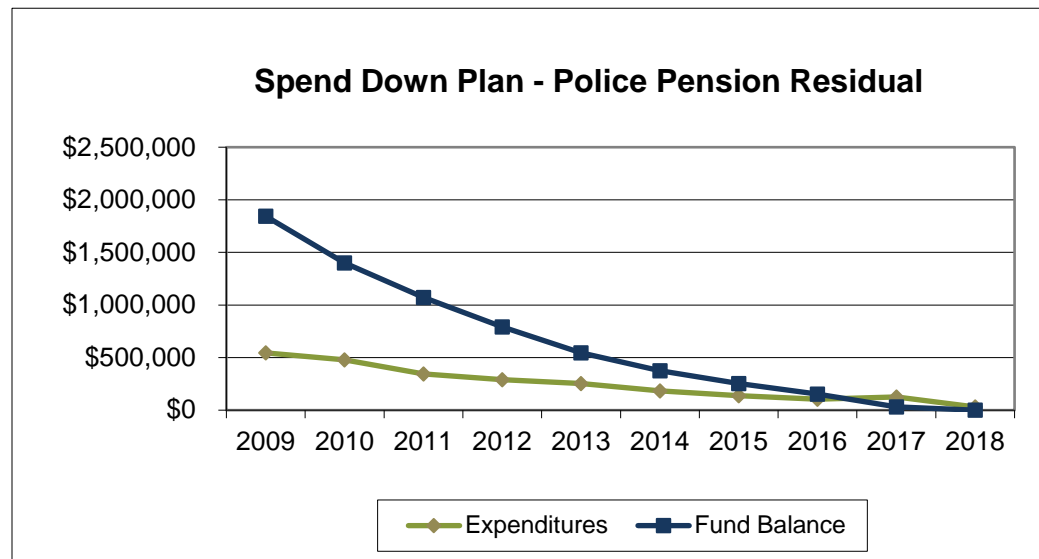
This fund accounts for proceeds reimbursed from the state administered Police Consolidated Pension Fund. Most of the initial reimbursement plus interest earnings generated by the fund are transferred to other funds where they are expended. Beginning in 2004, a Fire Pension levy, if needed, and the corresponding contribution to the Fire Pension Fund were included in this fund.

2018 Objectives

- S** Implement the approved spend-down plan to fund Police services and cause minimum disruption to taxpayers when this fund has depleted the Police portion in 2018.
- S** Build a reserve to make Fire Pension contributions without relying on other funding sources, such as bonding or Strategic Priorities.

Expenditures	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits*	\$ 1,633,873	\$2,130,346
Transfers Out	124,482	30,500
	\$1,758,355	\$2,160,846

*Annual contribution to Fire Pension.



PENSION RESIDUAL ASSET FUND					
BUDGET SUMMARY					
Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Tax Revenues	\$ 494,156	\$ 750,000	\$ 750,000	\$ 748,634	\$ 1,000,000
Program Income					
Intergovernmental (Grant Revenue)	563,627	512,132	512,132	576,114	576,114
Donations					
Interest Income	6,070	16,282	16,282	15,959	22,982
Other Income					
Transfers In	905,855	1,094,000	1,094,000	1,057,759	1,000,000
TOTAL REVENUES	1,969,708	2,372,414	2,372,414	2,398,466	2,599,096
Expenditures					
Salaries and Wages					
Benefits	1,469,482	1,633,873	1,633,873	1,633,873	2,130,346
Operations					
City Support Services					
Materials and Supplies					
Capital Outlay					
Transfers Out	103,500	124,482	124,482	124,488	30,500
TOTAL EXPENDITURES	1,572,982	1,758,355	1,758,355	1,758,361	2,160,846
FUND BALANCE SOURCES (USES)	396,726	614,059	614,059	640,105	438,250
Fund Balance at Beginning of Year	1,201,145	1,597,871	1,597,871	1,597,871	2,237,976
Fund Balance At Year-End	\$ 1,597,871	\$ 2,211,930	\$ 2,211,930	\$ 2,237,976	\$ 2,676,226

City Clerk – Cemetery

The cemetery offers all individuals burial options within the City with preferred pricing for those that meet eligibility requirements.

2018 Objectives

- A I S R** Expand service road within the cemetery by fall of 2018
- A I S R** Update maps and records to include ground cremation burial plots and regular plots
- A I S R** Continue developing the master plan for cemetery development and expansion
- A I S R** Research software for cemetery records
- A I S R** Research GIS cemetery mapping tools for the website
- A I S R** Market burial options to general public and businesses

2017 Results

- Provided compassionate and timely service for sales and burials
- Promoted sales of columbaria niches to general public
- Reviewed fee structures to ensure competitive rates and preferred pricing
- Maintained the cemetery as a self-sustaining operation, using no taxpayer funding

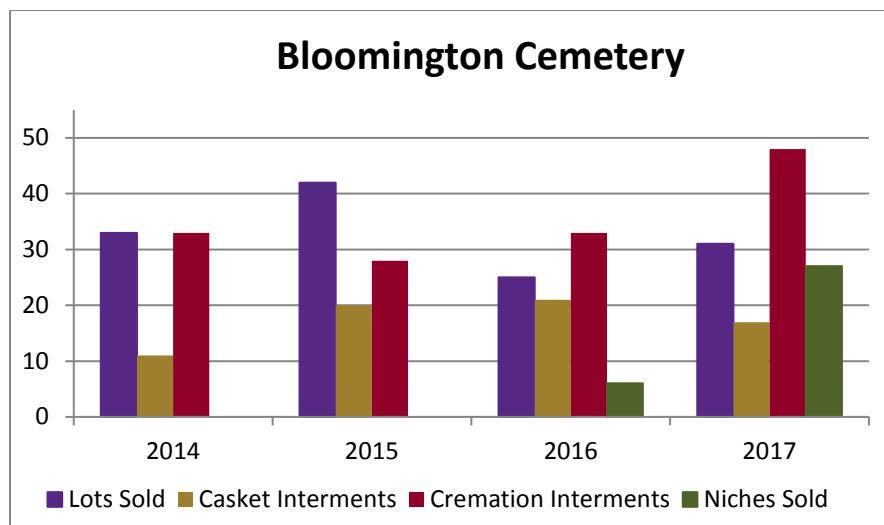
Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 0	\$ 0	0.0%
Materials/Supplies/Services	150,221	163,801	9.0
Capital	160,000	160,000	-
	\$ 310,221	\$323,801	4.4%

Sales for in-ground burial plots verses columbaria niches was 53% and 47% respectively demonstrating the shift in burial trends in Minnesota.

In 1864, the Township of Bloomington became the owners and custodians of the cemetery built in 1856 by Oak Grove Presbyterian Church.

The oldest part of the cemetery is listed on the National Register of Historic Places.



CEMETERY TRUST FUND BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 44,470	\$ 29,395	\$ 29,395	\$ 45,525	\$ 33,835
Other Income	82,200	142,000	142,000	132,150	159,000
Interest Income	6,242	4,987	4,987	6,972	7,738
TOTAL REVENUES	132,912	176,382	176,382	184,647	200,573
Expenditures					
Operating Expenditures					
Professional and Technical Services	-	-	-	-	-
Utilities and Maintenance	-	-	-	-	-
Operations	-	6,400	6,400	-	6,400
City Support Services	143,820	143,821	143,821	143,808	157,401
Materials and Supplies	-	-	-	2,800	-
Capital Outlay					
Building and Improvements	278,450	160,000	-	-	160,000
TOTAL EXPENDITURES	422,270	310,221	150,221	146,608	323,801
FUND BALANCE SOURCES (USES)	(289,358)	(133,839)	26,161	38,039	(123,228)
Fund Balance at Beginning of Year	909,821	620,463	620,463	620,463	658,502
Fund Balance At Year-End	<u>\$ 620,463</u>	<u>\$ 486,624</u>	<u>\$ 646,624</u>	<u>\$ 658,502</u>	<u>\$ 535,274</u>

Community Services - Communications

Activities

Cable Administration
Municipal Services
Cable
Media Support
Services
Public Access Cable
Contractual Services
Graphics
City Capital
Equipment
School District 271
Capital
Public Access Capital
The Bloomington
Channel Capital

The Communications Division 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 bimonthly *Briefing*. The Communications Division also oversees the City's cable television franchise with Comcast. The Communications Division fund is supported by cable franchise fees.

2018 Objectives

- I S IE** Implement the monthly delivery of an eight page Briefing: hire staff, revamp content and update the production schedule to accommodate a more frequently delivered newsletter by July.
- I S IE** Find a digital asset management solution to the photo archive so that thousands of photos can be managed and easily accessed by all staff by August.
- I S ES** Work with Public Works and the Sustainability Commission to reach their marketing plan goals.
- S I IE** Carry out "phase II" of One Bloomington strategic plan messaging and initiatives to further communicate the Council's priorities.
- S I** Work with the SB52 Communications team to help meet our goals for a successful Super Bowl event and take advantage of the opportunity to enhance Bloomington's image locally, nationally and internationally.
- S I IE** Revamp Roll Call to better fit social media viewing and update Commission slides for improved readability by April.

2017 Results

- Completed an audit of the City website's usability, working with a consultant who conducted an analysis of our site that included interviews and case testing with residents and staff. Many recommendations have been adopted or will be in early 2018.
- Increased users to the City's social media sites that resulted in 8,584 Facebook followers (a 14.8% increase from 2016) and 4,435 Twitter followers (a 26% increase from 2017).
- Achieved 770,621 views of staff-produced videos on YouTube (an 8.5% increase over 2016) and added 1,249 subscribers (an 81% increase over 2016).
- Created a Farmers Market Facebook account and social media accounts for Dwan and Hyland on Facebook, Twitter, LinkedIn and Instagram.
- Website traffic increased 10% over 2016 (867,973 in 2017 vs 785,166 visits).
- Improved member engagement (created a monthly newsletter, held quarterly producer workshops, launched a video contest and awards program, and received two ACM national programming awards for BCAT productions) and increased membership at BCAT.
- Completed the transition to high definition (HD) for all programming and outfitted the City Council Chambers, Schneider Theater and Communications cable studio with HD video equipment.
- Honored with 15 local and national communications awards, including a first-place Savvy award from 3CMA for the Briefing and a first-place award from NATOA for Bloomington Today.

Expenditures

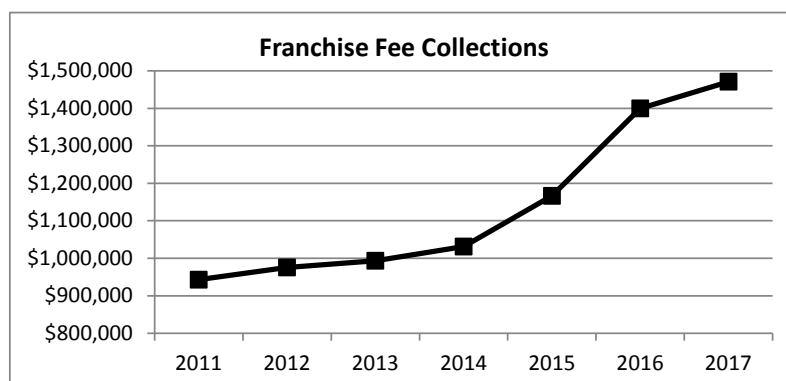
	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits	\$896,275	\$ 991,529
Materials/Supplies/Services	580,805	666,907
Capital Outlay	371,219	303,200
Transfer Out		
	\$1,848,299	\$1,961,636

Authorized Full-Time

	FY2016	FY2017	FY2018
	9	9	9
Communications Administrator	1	1	1
Communications Specialist	2	2	3
Graphics Production Specialist	1	1	1
Municipal Cable Coordinator	1	1	1
Senior Production Specialist	2	2	1
Web Coordinator	2	2	2

COMMUNICATIONS
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 1,554,602	\$ 1,636,724	\$ 1,636,724	\$ 1,584,037	\$ 1,624,300
Interest Income	2,048	5,000	5,000	6,767	5,000
Transfers In	128,028	185,120	185,120	185,124	194,006
TOTAL REVENUES	1,684,678	1,826,844	1,826,844	1,775,928	1,823,306
Expenditures					
Staffing					
Salaries and Wages	621,627	633,341	633,341	660,690	725,960
Benefits	237,751	262,934	262,934	266,159	265,569
Operating Expenditures					
Professional and Technical Services	70,544	107,300	119,670	108,541	177,500
Utilities and Maintenance	185,137	184,690	184,690	187,643	184,690
Operations	17,602	18,038	23,638	16,004	21,958
City Support Services	236,076	234,172	234,172	233,964	246,154
Materials and Supplies	32,084	36,605	38,205	34,691	36,605
Capital Outlay					
Equipment	234,167	371,219	361,658	320,091	303,200
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	1,634,988	1,848,299	1,858,308	1,827,783	1,961,636
FUND BALANCE SOURCES (USES)	49,690	(21,455)	(31,464)	(51,855)	(138,330)
Fund Balance at Beginning of Year	711,554	761,244	761,244	761,244	709,389
Fund Balance At Year-End	\$ 761,244	\$ 739,789	\$ 729,780	\$ 709,389	\$ 571,059



Park Grants Special Revenue

Activities

Operations &

Maintenance Grants

Lottery-in-Lieu Operation & Maintenance Grant

Athletic Association Donations

The Park Grants Special Revenue Fund is used to track and expend annual grants received from the State of Minnesota via the Metropolitan Council for regional park operations and maintenance. These grants are made from the State's Natural Resources Fund (Lottery in Lieu of Sales Tax Revenue). These grants must be used for the City's operational and maintenance expenditures associated with the Hyland-Bush-Anderson Lakes Regional Park Reserve and they may not be used to supplant local funding for the park reserve.

2018 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 implementing agencies to lobby the Legislature before May for continued Lottery-in-Lieu-Of operations and maintenance funding.
- ES** Natural resources 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 including but not limited to:
 - **A** Replace picnic tables, grills, benches, etc.
 - **R** Fog coat East Bush lake Park parking lot.
 - **R** Supplement budget for Summer Fete fireworks.
 - **IE** Park Ambassador Program – undertake a minimum of four community engagement activities.
 - **S** Purchase various supplies for Camp Kota.
 - **R** Conduct repairs and purchase equipment as needed.

2017 Results

- R** Purchased sound and lighting equipment for Normandale Lake Bandshell.
- R** Supplemented the budget for Summer Fete fireworks.
- R** Replaced miscellaneous equipment (picnic tables, lifeguard chair, rescue board, etc).
- R** Fog-sealed Bush Lake Trails.
- S** Purchase equipment for Camp Kota (tents and log rollers).
- R** Concrete floor repairs at West Bush Lake park Shelters #1 and #2.
- A** Installed loading dock ramp to Normandale Lake Bandshell.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Materials/Supplies/Services	\$165,000	\$72,000
	\$165,000	\$72,000

PARK GRANTS FUND BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Intergovernmental	\$ 64,733	\$ 63,000	\$ 43,190	\$ 46,911	\$ 72,402
Interest Income	1,586	-	-	3,085	-
TOTAL REVENUES	66,319	63,000	43,190	49,996	72,402
Expenditures					
Operating Expenditures					
Utilities and Maintenance	5,000	6,000	6,000	1,500	
Materials and Supplies	42,408	159,000	159,000	88,731	72,000
Transfers Out	13,784				
TOTAL EXPENDITURES	61,192	165,000	165,000	90,231	72,000
FUND BALANCE SOURCES (USES)	5,127	(102,000)	(121,810)	(40,235)	402
Fund Balance at Beginning of Year	14,450	19,577	19,577	19,577	(20,658)
Fund Balance At Year-End	\$ 19,577	\$ (82,423)	\$ (102,233)	\$ (20,658)	\$ (20,256)

Note: For most of these grants, the City has to expend funds and then request reimbursement.

Grants

Temporary

Assistance to Needy Families (TANF)

Maternal, Infant and Early Childhood Home Visiting Grant (MIECHV)

State Health Improvement Partnership (SHIP)

Public Health Emergency Preparedness and Response



Incorporated food
insecurity
screening
questions into
Family Health
visits to more
systematically
address food
insecurity in the
families that we
serve, as well as to
contribute to a
body of data that
can support the
agency in program
planning.

Public Health Special Revenue

2018 Objectives

- IE** Provide support, resources and education to support high-risk families to assure infants are born healthy and grow up safe and nurtured.
- S** Implement obesity and tobacco strategies for the Statewide Health Improvement Partnership (SHIP).
- IE** Improve the ability to plan for and provide culturally appropriate responses during public health emergencies.

2017 Results

TANF and MIECHV Grants

- Made 986 home visits to 165 clients who were pregnant and parenting teens and residents with young children to improve birth and early childhood development outcomes.
- Assessed and supported individuals to manage depression, chemical use and domestic violence as well as physical and emotional development concerns in infants and toddlers.
- Helped first-time parents at risk for raising children with poor childhood outcomes learn how to positively respond to their babies' needs and foster healthy development.
- Taught over 3,000 students in local middle and high schools about preventing teen pregnancy and sexually-transmitted infections.

Statewide Health Improvement Partnership (SHIP) Grant

- Contracted with the Public Health Law Center to perform a review of all city ordinances impacting access to healthy food as well as active transportation (walking and biking) within the city. A policy memo and summary document were generated and shared with the Advisory Board of Health, Planning Commission and city staff from impacted departments. SHIP staff will be working with other city staff to implement recommendations.
- Conducted a first-of-its-kind multi-unit housing tenant and property manager survey to assess opportunities and barriers related to smoke-free multi-unit housing in the City of Bloomington. Among the many findings of the survey: 80% of residents in smoking-allowed properties support a smoke-free policy.
- Provided technical assistance as the cities of Bloomington and Edina considered and ultimately raised the tobacco purchasing age from 18 to 21.

Public Health Emergency Preparedness and Response Grants

- Revamped outreach to community partners in support of public health emergency response.
- In partnership with Anoka County, developed a toolkit for use with community partners to assist with planning for medical countermeasures. Successfully enrolled new partners in preparation for the Super Bowl using this toolkit.
- Restructured public health volunteer program to improve efficiencies.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits	\$934,487	\$1,000,609
Materials/Supplies/Services	156,013	151,804
	\$1,090,500	\$1,152,413

Authorized Full-Time

	FY2016	FY2017	FY2018
	6	6	7
Health Specialist	4	4	4
Public Health Nurse	2	2	3

PUBLIC HEALTH SPECIAL REVENUE FUND
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Intergovernmental	\$ 834,347	\$ 1,027,005	\$ 1,150,676	\$ 1,069,961	\$ 1,064,887
Program Income	88,316	38,385	61,154	78,982	81,937
Interest Income	(749)	-	-	(234)	-
TOTAL REVENUES	921,914	1,065,390	1,211,830	1,148,709	1,146,824
Expenditures					
Staffing					
Salaries and Wages	542,352	686,586	715,356	672,226	726,161
Benefits	198,606	246,901	246,901	252,598	274,448
Operating Expenditures					
Professional and Technical Services	36,797	41,204	114,456	118,411	39,806
Utilities and Maintenance	2,613	-	-	-	-
Operations	17,939	15,101	22,101	22,797	15,163
City Support Services	68,793	74,585	74,585	70,383	79,945
Materials and Supplies	19,493	26,123	63,441	30,202	16,890
TOTAL EXPENDITURES	886,593	1,090,500	1,236,840	1,166,617	1,152,413
FUND BALANCE SOURCES (USES)	35,321	(25,110)	(25,010)	(17,908)	(5,589)
Fund Balance at Beginning of Year	116,163	151,484	151,484	151,484	133,576
Fund Balance At Year-End	\$ 151,484	\$ 126,374	\$ 126,474	\$ 133,576	\$ 127,987

Note: For most of these grants, the City has to expend funds and then request reimbursement.

South Loop Revolving Development Services Fund

The South Loop Revolving Development Services Fund is supported by a 65 percent building permit surcharge in the South Loop District. This Fund was created in 1999 to expedite development and account for studies funded from this special revenue stream outside of the General Fund.

2018 Objectives

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

2017 Results

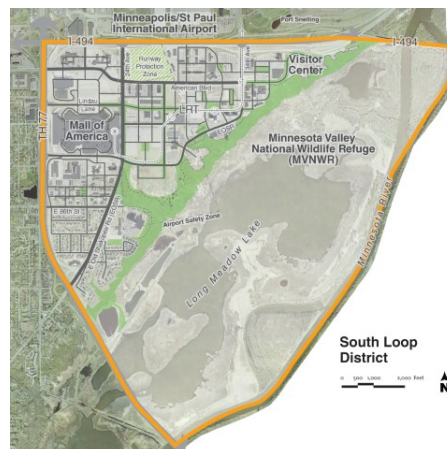
- Completed a comprehensive traffic analysis study for South Loop using a consultant as part of the Alternative Urban Areawide Review (AUAR) update for the district.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget
Salaries/Wages/Benefits	\$ 0	\$ 20,000
Materials/Supplies/Services	197,000	100,000
Debt Service	0	0
Operating Transfer Out	0	0
	\$ 197,000	\$120,000

	FY2016	FY2017	FY2018
	5*	5*	5*
Engineer	1	1	1
Office Assistant	1	1	1
Plan Check Engineer	1	1	1
Planner	1	1	1
Senior Planner	1	1	1

*Although five positions are authorized, none are currently funded or utilized on a full-time basis.



Aerial view of South Loop

SOUTH LOOP REVOLVING DEVELOPMENT SERVICES FUND
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 39,881	\$ 250,000	\$ 250,000	\$ 181,181	\$ 175,000
Interest Income	2,780	200	200	767	300
TOTAL REVENUES	42,661	250,200	250,200	181,948	175,300
Expenditures					
Staffing					
Salaries and Wages	9,560			9,115	16,500
Benefits	2,136			2,121	3,500
Operating Expenditures					
Professional and Technical Services	249,007	197,000	197,000	130,107	100,000
Debt Service					
Operating Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	260,703	197,000	197,000	141,343	120,000
FUND BALANCE SOURCES (USES)	(218,042)	53,200	53,200	40,605	55,300
Fund Balance at Beginning of Year	259,429	41,387	41,387	41,387	81,992
Fund Balance At Year-End	\$ 41,387	\$ 94,587	\$ 94,587	\$ 81,992	\$ 137,292

Creative Placemaking

Creative Placemaking is an evolving field that works to build vibrant, distinctive, and sustainable communities through the arts. It engages artists and others 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.

2018 Objectives

- I A** Engage artists, designers, and performers in building social fabric and making place-based improvements.
- I R I E** 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 newly formed Creative Placemaking Commission to maintain the momentum to sustain Creative Placemaking well into the future in the South Loop and all of Bloomington.
- I A R I E** Present plan designs for Wright's Lake mural in February and have 8 painting sessions in summer 2018, with installation in August 2018.
- I A** Plan Illuminate South Loop, a winter evening arts event with installations and performances designed and produced by 9 artist groups February 1 – 3, 2018 at Bloomington Central Station Park.



Creative Happy Hour event - Mobile Sign Making activity from Springboard for the Arts ReadyGo program.



Landform by Tom Henry, artistic landscaping and public art.

2017 Results

- Facilitated Creative Placemaking Commission work plan and prioritization of projects.
- Raised awareness of Creative Placemaking activity and South Loop, resulting in attendance at events and media articles such as in Bloomington Sun Current, Star Tribune, League of Minnesota Cities, and Governing.
- Installation of *Art Gate* from Artist Alexander Tylevich at TownePlace Suites.
- Installation of *Landform* by Tom Henry, off of Killebrew between Country Inn Suites & Radisson Blu.
- Repair Erik Sletten Art Box project with unique mini-construction-site installation.
- Had conversations about creative placemaking and gathered stakeholder feedback for 2017. Coordinated 3 activities, gallery of images, and surveys at 6 Bloomington events.
- Organized bus tour of recent creative placemaking projects and a happy hour to connect with stakeholders.
- Wright's Lake Park Mural – hired GoodSpace Murals, coordinated 3 community design visioning sessions in fall/winter of 2017 and 2018.

Expenditures

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 56,136	\$ 58,163	3.6%
Materials/Supplies/Services	193,864	191,837	(1.0)
Capital Outlay	150,000	150,000	0.0
	\$ 400,000	\$400,000	0.0

Authorized Full-Time

	FY2016	FY2017	FY2018
	1	1	1
Creative Placemaking Director	1	1	1

CREATIVE PLACEMAKING BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Investment Income	(840)	-	-	4,583	1,857
Transfers In	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Other Income	-	-	1,000	1,979	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
TOTAL REVENUES	399,160	400,000	401,000	406,562	401,857
Expenditures					
Salaries and Benefits	29,234	56,136	56,136	50,216	58,163
Materials and Supplies	85,989	193,864	483,510	482,537	191,837
Capital Outlay	39,500	150,000	-	-	150,000
TOTAL EXPENDITURES	154,723	400,000	539,646	532,753	400,000
FUND BALANCE SOURCES (USES)	244,437	-	(138,646)	(126,191)	1,857
Fund Balance at Beginning of Year	-	244,437	244,437	244,437	118,246
Fund Balance At Year-End	\$ 244,437	\$ 244,437	\$ 105,792	\$ 118,246	\$ 120,103

ENTERPRISE FUNDS

Table of Contents

Budget Summary - Enterprise Funds	164 - 165
--------------------------------------	-----------

Public Works - Water Utility - Fund 6100	166 - 167
---	-----------

Public Works - Wastewater Utility - Fund 6150	168 - 169
--	-----------

Public Works - Storm Water Utility - Fund 6200	170 - 171
---	-----------

Public Works - Solid Waste Management - Fund 6250	172 - 173
--	-----------

Community Services - Recreational Facilities - Fund 6400-6550	174 - 175
--	-----------

Public Safety - Contractual Police - Fund 6700	176 - 177
---	-----------

Technical Services Group - Motor Vehicle Licensing - Fund 6800	178 - 179
--	-----------

2018 Budget Summary – Enterprise Funds

REVENUES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Recreational Facilities				
Golf Courses				
- Operating	\$ 1,689,312	\$1,673,000	\$1,628,373	\$ 1,673,500
- Non-Operating	226,709	302,912	300,895	303,028
Ice Garden				
- Operating	1,506,676	1,503,200	1,489,303	1,533,200
- Non-Operating	5,065	4,590	90,049	204,682
Aquatic Facilities				
- Operating	355,399	336,050	298,811	340,237
- Non-Operating	903,809	1,007,363	1,002,087	1,103,926
Center for the Arts				
- Operating	194,868	169,000	186,136	178,000
- Non-Operating	576,125	722,293	927,582	1,184,818
Water Utility				
- Operating	11,863,857	13,283,123	11,919,958	13,599,349
- Non-Operating	411,011	1,667,000	468,486	347,000
Wastewater Utility				
- Operating	11,153,263	12,174,980	11,833,655	13,140,842
- Non-Operating	375,044	4,115,200	720,399	1,077,727
Storm Water Utility				
- Operating	5,520,245	5,884,977	5,796,969	6,321,265
- Non-Operating	370,956	10,769,088	153,961	9,747,000
Solid Waste Utility				
- Operating	2,257,500	7,423,173	6,555,302	7,778,600
- Non-Operating Revenues	2,351,551	750,450	579,776	880,810
Contractual Police	2,080,909	1,745,000	822,326	950,000
Motor Vehicle				
- Operating	714,840	729,040	662,381	657,790
- Non-Operating Revenues	3,124	3,000	2,930	3,000
	<u>\$42,560,263</u>	<u>\$64,263,439</u>	<u>\$45,439,379</u>	<u>\$61,024,774</u>

EXPENDITURES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Recreational Facilities				
Golf Courses				
- Operating	\$ 1,893,645	\$ 1,954,455	1,912,316	\$ 1,950,647
- Capital & Transfers	9,411	54,000	49,327	36,500
Ice Garden				
- Operating	1,262,002	1,354,997	1,323,929	1,323,199
- Capital & Transfers	314,779	168,000	192,510	311,000
Aquatic Facilities				
- Operating	1,285,881	1,489,495	1,351,730	1,419,159
- Capital & Transfers	39,389	160,000	58,900	136,000
Center for the Arts				
- Operating	772,475	774,224	956,103	995,217
- Capital & Transfers	51,786	168,000	6,393	85,000
Water Utility				
- Operating	11,563,046	12,472,909	12,526,081	12,956,769
- Capital & Transfers	324,421	2,844,000	1,662,742	1,425,000
Wastewater Utility				
- Operating	10,569,606	11,692,794	11,036,872	11,600,910
- Capital & Transfers	1,980,710	5,430,000	1,499,464	2,200,000
Storm Water Utility				
- Operating	2,780,811	3,203,289	2,704,996	3,081,623
- Capital & Transfers	2,358,492	13,702,993	2,061,727	12,000,000
Solid Waste Utility				
- Operating	3,228,531	7,857,475	7,471,516	8,472,402
- Capital & Transfers	0	659,000	309,000	309,000
Contractual Police				
- Operating	1,801,639	1,551,122	737,598	911,625
- Capital & Transfers	279,270	193,878	84,728	38,375
Motor Vehicle				
- Operating	682,934	730,969	702,806	785,009
- Capital & Transfers	110,004	65,000	43,336	0
	\$41,308,832	\$66,526,600	\$46,692,074	\$60,037,435

Activities**Administration****Customer Service****Water Supply and Treatment****Water Distribution and Storage**

In 2017, the Utilities Division began rehabilitation of the three-million gallon Western Reservoir. The above-ground steel reservoir was originally constructed in 1965. Work included removal and replacement of both interior and exterior coatings as well as minor structural modifications.



Public Works – Water Utility

This Fund accounts for the operations of the City owned water system.

2018 Objectives

ES Provide an uninterrupted supply of potable water, which meets or exceeds all state and federal standards at a rate that is competitive with other cities supplying softened water.

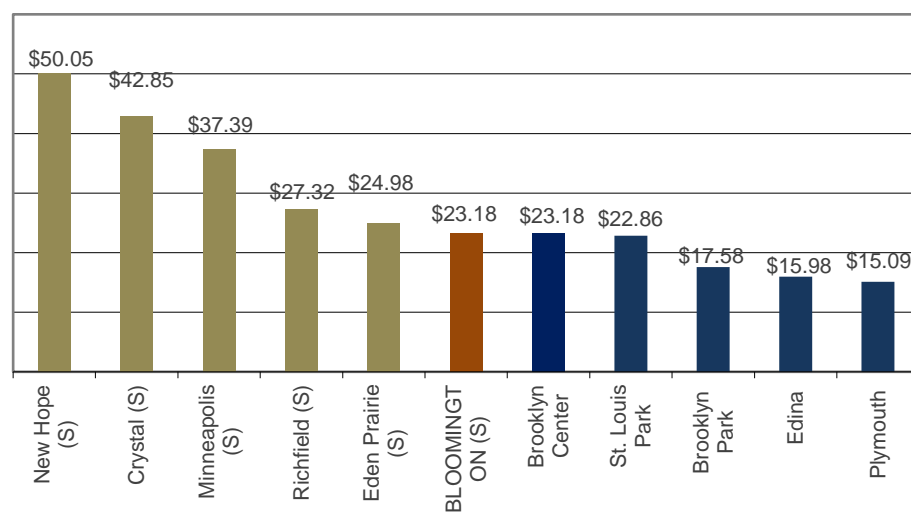
Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 3,330,426	\$ 3,552,411	6.7%
Materials/Supplies/Services	9,142,482	9,404,358	2.9
Capital Outlay	2,844,000	1,205,000	(57.6)
Capitalized Assets	(2,844,000)	(1,205,000)	200.3
Debt Service	-	220,000	-
Depreciation Expense	1,000,000	1,000,000	0.00
	\$13,472,908	\$14,176,769	5.2%

Authorized Full-Time

	FY2016 32	FY2017 32	FY2018 32
Assistant Utilities Superintendent	1	1	1
Civil Engineer	1	1	1
Laboratory Analyst	1	1	1
Office Assistant	1	1	1
Office Support Specialist	1	1	1
Senior Instrumentation	1	1	1
Senior Utility Operator	9	9	9
Senior Utility Service Specialist	1	1	1
Utility Operator	12	10	10
Utility Superintendent	1	1	1
Utility Supervisor	2	2	2
Water Quality Supervisor	1	1	1
Utility Service Specialist	0	2	2

(S) = Softened

**2017 Water Rate Survey Monthly Cost
Per 7,500 Gallons**

Note: See combined monthly cost of utilities comparable table on page 273.

WATER OPERATING BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 12,075,925	\$ 13,393,123	\$ 13,393,123	\$ 12,147,816	\$ 13,779,349
Other Revenue	\$ 198,646	\$ 1,552,000	\$ 1,552,000	\$ 226,205	\$ 162,000
Intergovernmental					
Interest Income	297	5,000	5,000	14,423	5,000
TOTAL REVENUES	12,274,868	14,950,123	14,950,123	12,388,444	13,946,349
Expenses					
Staffing					
Salaries and Wages	2,314,664	2,365,708	2,365,708	2,447,804	2,532,844
Benefits	976,212	964,718	949,718	1,022,897	1,019,567
Operating Expenses					
Professional and Technical Services	84,432	318,175	321,233	282,000	267,269
Utilities and Maintenance	1,311,340	1,672,200	2,024,739	1,665,300	1,595,940
Operations	61,387	70,575	70,575	66,287	85,010
City Support Services	1,996,074	2,052,480	2,052,480	2,055,575	2,239,444
Materials and Supplies	4,818,937	5,029,053	5,216,659	4,986,218	5,216,695
Debt Service Principal and Interest	-	-	-	23,746	220,000
Capital Outlay					
Equipment	104,291	244,000	342,706	118,660	210,000
Building and Improvements	167,130	2,600,000	1,897,630	1,520,337	995,000
Transfers Out	53,000	-	-	-	-
TOTAL EXPENSES	11,887,467	15,316,908	15,241,448	14,188,824	14,381,769
Less Capitalized Assets	(271,421)	(2,844,000)	(2,240,336)	(1,638,997)	(1,205,000)
Add Depreciation Expense	1,054,756	1,000,000	1,000,000	1,000,000	1,000,000
NET TOTAL EXPENSES	12,670,802	13,472,908	14,001,112	13,549,827	14,176,769
NET INCOME (LOSS)	(395,934)	1,477,215	949,011	(1,161,383)	(230,420)
Net Position at Beginning of Year	40,495,425	40,099,491	40,099,491	40,099,491	38,938,108
Net Position At Year-End	\$ 40,099,491	\$ 41,576,706	\$ 41,048,502	\$ 38,938,108	\$ 38,707,688

Activities

Administration
Customer Service
Wastewater
Collection



In 2017, over 249 miles of sanitary sewer mainline were cleaned to help prevent backups and ensure continuous conveyance of the wastewater collection system.



Public Works – Wastewater Utility

This Fund accounts for the operations of the City owned sewer system.

2018 Objectives

ES Provide professional sanitary sewer operations to make available needed capacity while minimizing system blockages and infiltration/inflow, keeping rates competitive with other comparable cities.

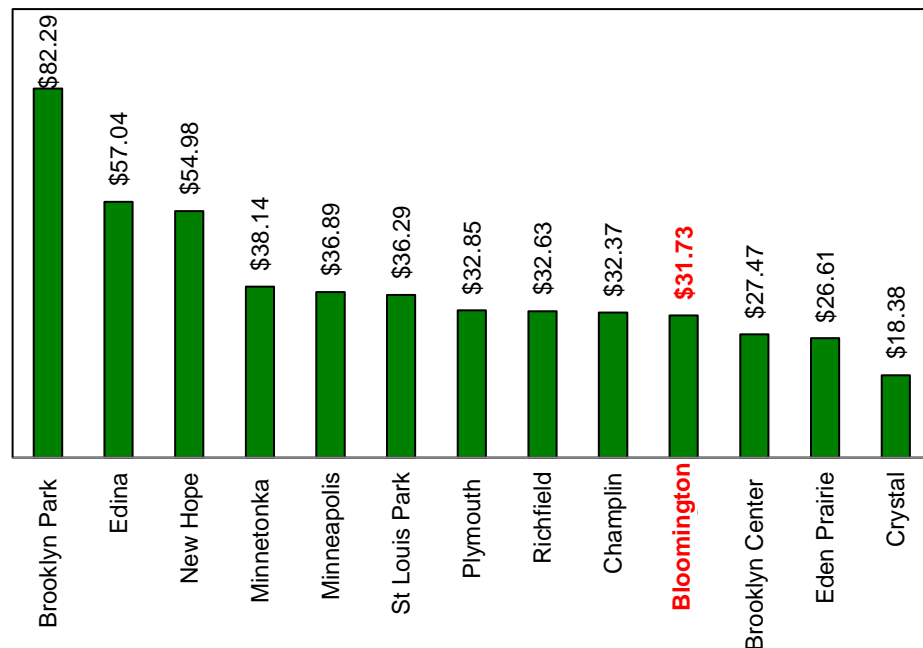
Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 2,500,865	\$ 2,383,225	(4.7)%
Materials/Supplies/Services	9,191,929	9,217,685	0.3
Capital Outlay	5,430,000	2,200,000	(59.5)
Capitalized Assets	(5,430,000)	(2,200,000)	59.5
Depreciation Expense	1,200,000	1,200,000	0.0
	\$12,892,794	\$12,800,910	0.7%

Authorized Full-Time

	FY2016 22	FY2017 22	FY2018 22
Analyst	2	1	1
Assistant Utilities Supt.	1	0	0
Civil Engineer – Utilities	1	1	1
Computer Specialist	1	1	1
Customer Service Supervisor	0	1	1
Office Support Specialist	1	1	1
Senior Utility Operator	8	8	8
Technical Services Supervisor	0	1	1
Utility Operator	7	7	7
Utility Supervisor	1	1	1

2017 Wastewater Rate Survey Monthly Cost per 7,500 gallons



Note: See combined monthly cost of utilities comparable on page 273.

WASTEWATER OPERATING BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 11,465,004	\$ 16,277,180	\$ 16,277,180	\$ 12,533,351	\$ 14,203,569
Intergovernmental	47,110	-	-		-
Interest	16,193	13,000	13,000	15,284	15,000
TOTAL REVENUES	11,528,307	16,290,180	16,290,180	12,548,635	14,218,569
Expenses					
Staffing					
Salaries and Wages	1,423,479	1,761,947	1,761,947	1,357,996	1,681,057
Benefits	628,217	738,918	723,918	589,181	702,168
Operating Expenses					
Professional and Technical Services	66,445	243,074	229,788	249,632	208,569
Utilities and Maintenance	7,024,705	7,487,118	7,520,579	7,431,903	7,421,565
Operations	20,445	35,750	35,750	34,963	48,439
City Support Services	1,313,020	1,325,252	1,325,252	1,303,630	1,438,242
Materials and Supplies	93,295	100,735	100,735	69,567	100,870
Capital Outlay					
Equipment	-	-	-	-	-
Building and Improvements	480,710	5,430,000	5,227,524	1,499,464	2,200,000
Transfers Out	1,500,000	-	-		-
TOTAL EXPENSES	12,550,316	17,122,794	16,925,493	12,536,336	13,800,910
Less Capitalized Assets	(480,710)	(5,430,000)	(5,227,524)	(1,499,464)	(2,200,000)
Add Depreciation Expense	1,088,797	1,200,000	1,200,000	1,200,000	1,200,000
NET TOTAL EXPENSES	13,158,403	12,892,794	12,897,969	12,236,872	12,800,910
NET INCOME (LOSS)	(1,630,096)	3,397,386	3,392,211	311,763	1,417,659
Net Position at Beginning of Year	14,210,399	12,580,303	12,580,303	12,580,303	12,892,066
Net Position At Year-End	\$ 12,580,303	\$ 15,977,689	\$ 15,972,514	\$ 12,892,066	\$ 14,309,725

Activities**Administration****Maintenance & Repair****Water Quality & Aquatic Weed Control****Street Sweeping****Billings & Collections****Improvements**

The city completed two maintenance related projects including pond maintenance, replacement of aging infrastructure along the Minnesota River Bluff and the construction of two bio retention basins. Also, the city worked on updating its Local Surface Water Plan and participated in several other water related planning efforts with the four watershed districts in Bloomington.

Public Works – Storm Water Utility

The Storm Water Utility accounts for the operation and maintenance of, and improvements to, the storm drainage system.

2018 Objectives

- ES** Provide outstanding value storm water services and manage water resource assets in a safe and cost effective manner.
- ES** Consult with city property owners, developers and contractors and provide guidance on drainage and erosion control concerns.
- ES** Begin construction of the 2018-905 Penn-American Linear Storm Water Storage Project.

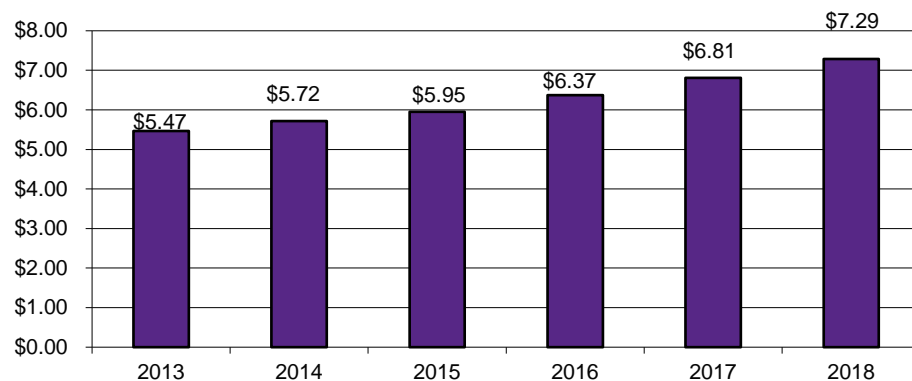
2017 Results

- Inspected: 336 catch basins, 183 manholes and over 8 miles of storm sewer pipe.
- Installed 3 rain gardens.
- Maintained: 96 rain garden inlet structures and 128 trap manhole structures.

Expenses	FY2017 Original Budget	FY2017 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$1,603,246	\$1,406,866	(12.2)%
Materials/Supplies/Services	1,600,043	1,674,757	4.7
Capital Outlay	13,702,993	12,000,000	(12.4)
Capitalized Assets	(13,702,993)	(12,000,000)	12.4
Depreciation Expense	1,069,000	1,069,000	0.00
	\$4,272,289	\$4,150,623	(2.8)%

Personnel	FY2016 12	FY2017 12	FY2018 12
Civil Engineer	1	1	1
Equipment Operator I	3	3	3
Equipment Operator II	3	3	3
Senior Civil Engineer	1	1	1
Senior Engineering Technician	2	2	2
Street Maintenance Supervisor	1	1	1
Water Resources Specialist	1	1	1

Cost per Month for Single-Family Home



STORM WATER OPERATING BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 5,524,196	\$ 5,884,977	\$ 5,884,977	\$ 5,797,602	\$ 6,321,265
Other Income	4,748	10,702,088	10,702,088	1,000	9,670,000
Intergovernmental	328,044	-	-	84,746	-
Interest Income	34,213	67,000	67,000	67,582	77,000
TOTAL REVENUES	5,891,201	16,654,065	16,654,065	5,950,930	16,068,265
Expenses					
Staffing					
Salaries and Wages	886,976	1,086,548	1,086,548	932,684	982,004
Benefits	372,794	516,698	513,698	417,242	424,862
Operating Expenses					
Professional and Technical Services	285,789	223,375	347,777	162,658	251,869
Utilities and Maintenance	85,757	208,000	208,000	74,392	193,000
Operations	14,946	26,685	26,685	16,655	24,105
City Support Services	1,086,366	1,040,538	1,040,538	1,032,907	1,132,837
Materials and Supplies	48,183	101,446	101,446	66,906	72,946
Capital Outlay					
Building and Improvements	2,358,492	13,702,993	13,365,988	2,061,727	12,000,000
Transfers Out	-	-	-	-	-
TOTAL EXPENSES	5,139,303	16,906,282	16,690,680	4,765,171	15,081,623
Less Capitalized Assets	(2,358,492)	(13,702,993)	(13,365,988)	(2,061,727)	(12,000,000)
Add Depreciation Expense	1,381,631	1,069,000	1,069,000	1,069,000	1,069,000
NET TOTAL EXPENSES	4,162,442	4,272,289	4,393,692	3,772,444	4,150,623
NET INCOME (LOSS)	1,728,759	12,381,776	12,260,373	2,178,486	11,917,642
Net Position at Beginning of Year	34,676,474	36,405,233	36,405,233	36,405,233	38,583,719
Net Position At Year-End	\$ 36,405,233	\$ 48,787,009	\$ 48,665,606	\$ 38,583,719	\$ 50,501,361

Activities

Administration

City Property

Pickup & Recycle

Billing & Collections

City-wide Curbside Clean-up

Diseased Trees

Private Property Abatements



Staff are collaborating with the Sustainability Commission to develop strategic methods to reduce materials sent to landfills and incinerators.

Public Works – Solid Waste Utility

Administration and operations of the garbage and recycling program, curbside cleanup and environmental education. These funds will also be utilized to meet the counties goal of reducing reliance on landfills by increasing collection rates of recycling and organic materials.

2018 Objectives

- ES** Continue to offer Curbside Cleanup; begin marketing program in a more sustainable way, encouraging residents to recycle and reuse.
- ES** Collaborate with other agencies to define resources for the collection of organics to meet county goals.
- ES** Work with the Sustainability Commission to continue to work towards “zero waste.”
- ES** Grand opening of organics drop-off locations in April.

2017 Results

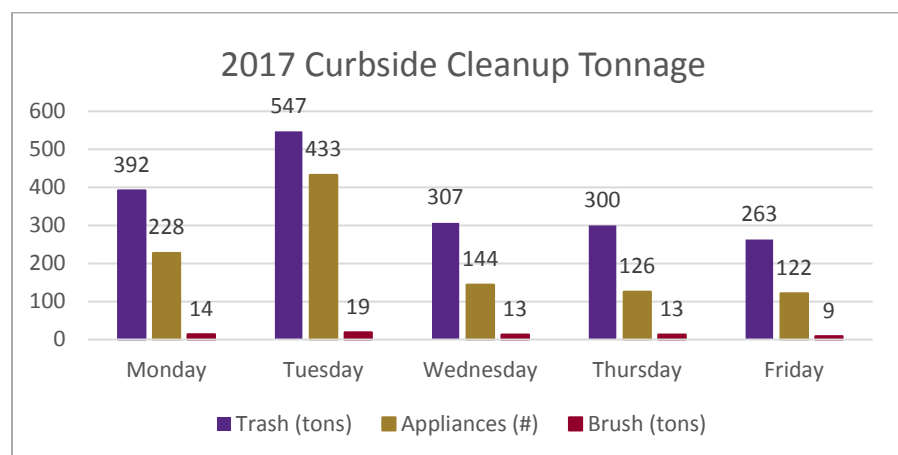
- Coordinated garbage and recycling service to approximately 22,000 households.
- Curbside Cleanup Program generated about 140 fewer tons compared to previous years. This was attributed to the communications efforts to reduce waste.
- Collaborated with Sustainability Commission to develop an Organics Drop-off program that will serve the east, central and west portions of the city.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 170,960	\$ 269,282	57.5%
Materials/Supplies/Services	8,036,515	8,203,120	2.
Capital Outlay	0	0	--
Transfers Out	309,000	309,000	0.0
Capitalized Assets	(0)	(0)	--
Depreciation Expense	1,000	1,000	0.0
	\$8,517,475	\$8,782,402	3.1%

Authorized Full-Time

	FY2016	FY2017	FY2018
PW Project Coordinator	1	1	1



Curbside Cleanup Participation Rates by Collection Day

	Monday	Tuesday	Wednesday	Thursday	Friday
% participating	66%	61%	57%	63%	56%

SOLID WASTE MANAGEMENT BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 2,528,421	\$ 7,819,723	\$ 7,819,723	\$ 6,828,225	\$ 8,210,510
Intergovernmental	236,504	\$ 250,000	\$ 250,000	\$ 181,119	\$ 150,000
Interest Income	(5,877)	3,900	3,900	25,738	900
Transfer In	1,850,004	100,000	100,000	99,996	298,000
TOTAL REVENUES	4,609,052	8,173,623	8,173,623	7,135,078	8,659,410
Expenses					
Staffing					
Salaries and Wages	160,596	123,701	183,701	108,281	190,069
Benefits	60,549	47,259	47,259	56,866	79,213
Operating Expenses					
Professional and Technical Services	13,276	2,575	8,597	6,024	3,569
Utilities and Maintenance	2,754,207	7,432,752	7,941,479	7,076,918	7,918,308
Operations	3,448	2,750	2,750	194	2,970
City Support Services	194,106	223,439	223,439	204,013	253,273
Materials and Supplies	42,348	25,000	26,500	19,221	25,000
Capital Outlay					
Building and Improvements	-	350,000	350,000		-
Transfers Out	-	309,000	309,000	309,000	309,000
TOTAL EXPENSES	3,228,530	8,516,475	9,092,725	7,780,517	8,781,402
Add Depreciation Expense	1,211	1,000	1,000	1,000	1,000
NET TOTAL EXPENSES	3,229,741	8,517,475	9,093,725	7,781,517	8,782,402
NET INCOME (LOSS)	1,379,311	(343,852)	(920,102)	(646,439)	(122,992)
Net Position at Beginning of Year	834,465	2,213,776	2,213,776	2,213,776	1,567,337
Net Position At Year-End	\$ 2,213,776	\$ 1,869,924	\$ 1,293,674	\$ 1,567,337	\$ 1,444,345

Community Services – Recreational Facilities

Activities

Dwan Golf

Hyland Greens
Golf and
Learning Center

Bloomington Ice
Garden

Bloomington
Family Aquatic
Center

Bush Lake Beach

Bloomington
Center for the
Arts



Bloomington Ice Garden was chosen as one of 10 semifinalists out of 1,300 arenas across the country to compete in the 2017 Kraft Hockeyville contest. As community members voted to advance their favorite facilities, the Ice Garden moved on to the final four and then as one of two ice arenas to compete in the finals.

This group of funds includes Dwan and Hyland Greens golf courses, Ice Garden, Bloomington Center for the Arts (BCA), the aquatics facilities of Bush Lake Beach and the Bloomington Family Aquatic Center.

2018 Objectives

- SA** Complete the installation of MaxGalaxy software ice rental program by June 1.
- SA** Work with stakeholders to plan \$1.6 million in projects at the Bloomington Ice Garden.
- ES** Replace exterior lights with LED fixtures at the Ice Garden by September 1, over-ice lights by Nov. 1.
- I** Increase rentals to adult hockey leagues; increase summer tournaments by four from 2017.
- S** Hire a new Golf Course Manager by February 2018 to replace the manager who retired in August 2017.
- S** Maintain 75% retention of seasonal staff in aquatics.
- A** Add 42 canoe racks to West Bush Lake Park by June 2018.
- R** Complete pool sandblasting/painting project at the Bloomington Family Aquatic Center by May 2018.
- S** Increase customer revenue by \$103,628 for the combined Aquatics programs
- IS** Increase Arts programming in the Black Box Theater to include 12 performances of *Caucasian Aggressive Pandas...* by the Chameleon Theater Circle in the spring and one additional show in the fall.
- IE** Present a two-week/eight performance run premiering Alive & Kickin's new production of "Unsung Heroes" in the BCA with attendance of at least 2,000 people and facility revenue of \$20,000.
- IS** Develop the BCA 2018-2019 performance series to market resident groups and promote City sponsored events and to continue productive collaborations with Alive & Kickin and the Chameleon Theatre Circle.
- ISA** Replace and upgrade BCA's exterior message board and Schneider theater sound and lighting system.
- ISA** Plan for BCA storage, usage and rehearsal space including best practices in light of current usage.

2017 Results

- Won 2nd place in the national Kraft Hockeyville USA contest, a \$75,000 award for the Ice Garden.
- Hosted the 2018 Midwestern sectionals at the Bloomington Ice Garden in November 2017.
- Worked with stakeholders to develop a list of \$1.6 million in improvements and funding at the Ice Garden.
- Hosted a Minnesota Wild Hockey practice on October 29, 2017 before a sold-out crowd.
- Undertook new marketing initiatives at the golf courses including a contract with Public Country Club to attract new golfers; new marketing promotions such as Groupon; installing directional signage at both courses; establishing a presence on Facebook, Instagram, e-Subscribe and Twitter; undertaking a survey of patrons at Dwan and Hyland Greens; and distributing an e-mail newsletter.
- 95% staff retention in full time lifeguards at Bloomington Family Aquatic Center.
- 86% staff retention in full time lifeguards at Bush Lake Beach.
- Aqua Exercise class had 42 participants in 2017, a 162% increase from 2016.
- Increased Center for the Arts programming in the Black Box Theater to include a 12-performance run of *Independence* by the Chameleon Theatre Circle in November 2017.
- 2017 Performance Arts activity attendance was 42,252, the highest since 2013.
- Presented 179 theater (Schneider and Black Box) performances sponsored by the City and resident organizations.

Expenses	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$2,572,492	\$2,511,944	-2.4%
Materials/Supplies/Services	3,000,679	3,176,278	5.9
Capital Outlay	550,000	568,500	3.4
Less Capitalized Assets	(550,000)	(568,500)	3.4
Add Depreciation Expense	650,000	650,000	0.0
	6,223,171	\$6,338,222	1.8%

Authorized Full-Time	FY2016 18	FY2017 18	FY2018 16
Arts Center Manager	1	1	1
Assistant Golf Course Maintenance Supt	2	2	2
Assistant Golf Course Manager	2	2	1
Food and Beverage Coordinator	1	1	1
Golf Course Maintenance Supt.	1	1	1
Golf Course Manager	1	1	1
Ice Garden Manager	1	1	1
Ice Garden Maintenance Supt.	1	1	1
Maintenance Worker	3	3	3
Fleet Technician	1	1	1
Office Coordinator	1	1	1
Parts Room Attendant	1	1	0
Recreation Supervisor	2	2	2

RECREATIONAL FACILITIES BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 3,756,254	\$ 3,681,250	\$ 3,681,250	\$ 3,611,623	\$ 3,724,937
Tax Revenues	1,427,982	1,929,945	1,929,945	2,130,833	2,489,325
Other Revenue	12,350	10,450	10,450	91,597	110,550
Intergovernmental	30,899	30,836	30,836	30,337	130,337
Interest Income	5,476	15,927	15,927	8,842	16,242
Transfers In	225,000	50,000	50,000	50,004	50,000
TOTAL REVENUES	5,457,961	5,718,408	5,718,408	5,923,236	6,521,391
Expenses					
Staffing					
Salaries and Wages	1,865,711	1,974,387	1,974,387	1,894,180	1,917,143
Benefits	565,136	598,105	597,105	553,494	594,801
Operating Expenses					
Professional and Technical Services	95,771	98,144	98,144	90,901	96,334
Utilities and Maintenance	572,799	648,482	648,482	626,524	650,935
Operations	40,029	45,268	45,268	243,741	251,235
City Support Services	1,826,136	1,918,172	1,918,172	1,881,634	1,880,006
Materials and Supplies	248,421	290,613	290,613	253,606	297,768
Debt Service Principal and Interest	-	-	-	-	-
Capital Outlay					
Equipment	9,411	54,000	58,000	40,525	36,500
Building and Improvements	405,953	496,000	445,543	266,605	532,000
Transfers Out	-	-	-	-	-
TOTAL EXPENSES	5,629,367	6,123,171	6,075,714	5,851,210	6,256,722
Less Capitalized Assets	(415,364)	(550,000)	(503,543)	(307,130)	(568,500)
Less Debt Service Principal	-	-	-	-	-
Add Depreciation Expense	455,420	650,000	650,000	650,000	650,000
NET TOTAL EXPENSES	5,669,423	6,223,171	6,222,171	6,194,080	6,338,222
NET INCOME (LOSS)	(211,462)	(504,763)	(503,763)	(270,844)	183,169
Net Position at Beginning of Year	10,632,857	10,421,395	10,421,395	10,421,395	10,150,551
Net Position At Year-End	\$ 10,421,395	\$ 9,916,632	\$ 9,917,632	\$ 10,150,551	\$ 10,333,720

	2016	2017	2018
Property tax cost of service for median value home per month:			
Aquatics Facilities	\$1.50	\$1.45	\$1.69
Center for the Arts	\$0.96	\$0.99	\$1.77
Golf	\$0.00	\$0.00	\$0.48

Public Safety – Contractual Police

Activities

Contractual Police Service

The Bloomington Police Department provides police 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 for the cost of the police overtime plus related fringe benefits and overhead. This fund allows better comparability with other communities on basic police service. The use of Bloomington police officers to provide security for special events is administered as contractual police services.

2018 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 such as Super Bowl 52 in February.

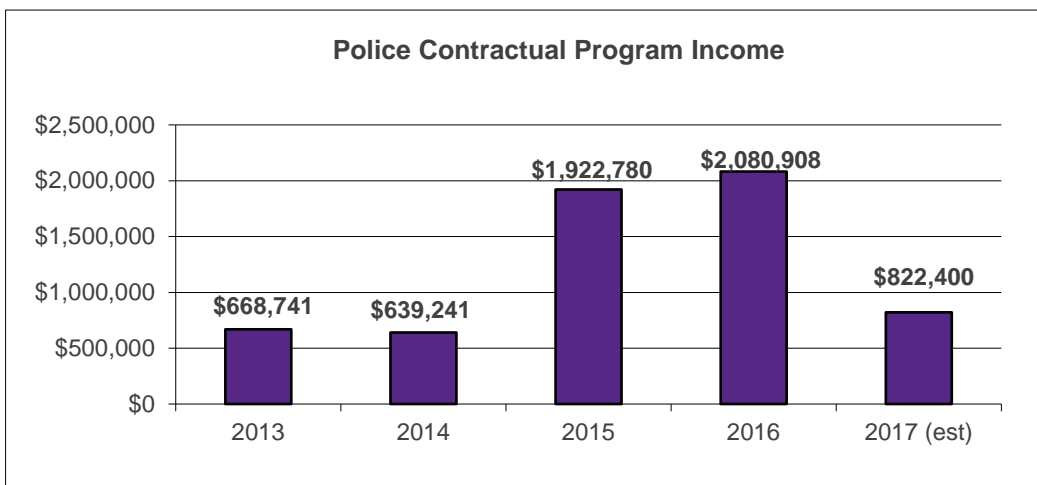
2017 Results

- 744 events were scheduled for Contractual Police Services.
- The total number of scheduled events included 1810 officer positions and 122 supervisor positions.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits*	\$1,510,000	\$845,000	(44.0)%
Materials/Supplies/Services	41,122	66,625	62.0%
Transfers Out	193,878	38,375	-80.2%
	\$1,745,000	\$950,000	(45.6)%

*Wages paid for part-time workers or portions of full-time employees officially allocated to other activities.



CONTRACTUAL POLICE SERVICES BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Federal Grants	49,730		50,000	50,000	
Program Income	\$ 2,031,178	\$ 1,745,000	\$ 1,745,000	\$ 772,326	\$ 950,000
TOTAL REVENUES	2,080,908	1,745,000	1,795,000	822,326	950,000
Expenses					
Staffing					
Salaries and Wages	1,449,777	1,260,000	1,310,000	601,547	754,700
Benefits	287,274	250,000	250,000	118,287	90,300
Operating Expenses					
Contractual Services	48,921	25,000	25,000	1,912	50,000
City Support Services	15,666	16,122	16,122	15,852	16,625
Transfers Out	279,270	193,878	193,878	84,728	38,375
TOTAL EXPENSES	2,080,908	1,745,000	1,795,000	822,326	950,000
NET INCOME (LOSS)	-	-	-	-	-
Net Position at Beginning of Year	-	-	-	-	-
Net Position At Year-End	\$ -	\$ -	\$ -	\$ -	\$ -

Activities

Boat Licenses

Driver Licenses

Motor Vehicle
LicensesSnowmobile
Licenses

Title transfers

Technical Services Group – Motor Vehicle Licensing

Provide services to citizens and workers within the community related to driver licensing, licensing motor vehicles, boats, snowmobiles and all-terrain vehicles.

2018 Objectives

- S** Pursue authorization from state to offer on-line transactions
- IE** Provide staff training on diversity and customer service
- AS** Market services to the community and local businesses
- AS** Work with legislators to regularly review user fees
- AS** Work with legislators, starting in February, to support legislation that equitably reallocates user fees currently collected by the State for disbursement to deputy registrars for duties now performed by deputy registrars
- AS** Research viable options to relocate services in a new building

2017 Results

- Processed 87,860 total transactions
- Provided services solely by user fees without tax dollar support
- Arranged for secured transport of daily deposits and wire transfers to State
- Maintained a high transaction accuracy rating
- Received external and internal building upgrades for aging infrastructure

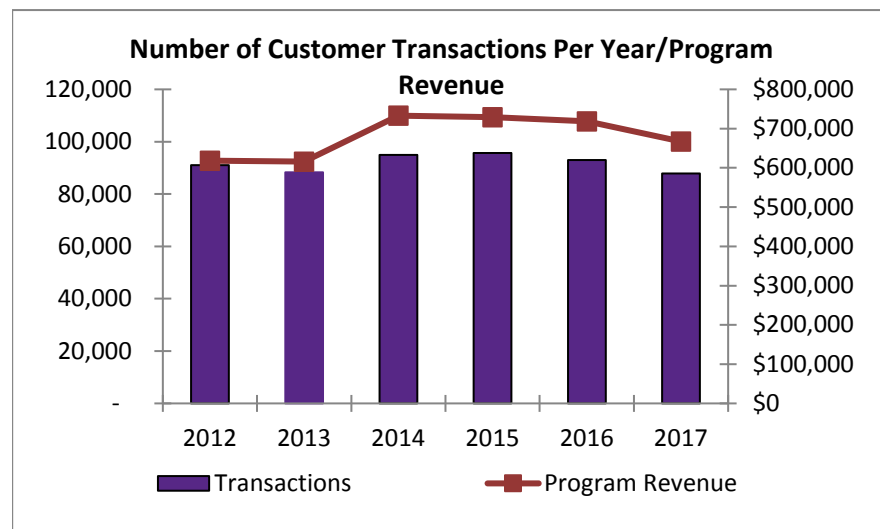
Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$596,038	\$641,969	7.7%
Materials/Supplies/Services	134,931	143,040	6.0
Transfer Out	123,067	0	-
	\$795,969	\$785,009	(1.4)%

Personnel

	FY2016	FY2017	FY2018
	6	6	6
Customer Service Assistant	1	1	0
Motor Vehicle Supervisor	1	1	1
Office Assistant	3	3	4
Office Support Specialist	1	1	0
Office Coordinator	0	0	1

Provided
convenient,
efficient, friendly
services measured
by customer
satisfaction
surveys and an
accuracy rating of
excellent by the
MN Department
of Public Safety.



MOTOR VEHICLE BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 714,525	\$ 729,040	\$ 729,040	\$ 662,009	\$ 657,790
Interest Income	3,439	3,000	3,000	3,302	3,000
TOTAL REVENUES	717,964	732,040	732,040	665,311	660,790
Expenses					
Staffing					
Salaries and Wages	395,836	442,422	442,422	400,186	458,750
Benefits	156,764	153,616	153,616	170,957	183,219
Operating Expenses					
Professional and Technical Services	-	-	-	-	-
Utilities and Maintenance	475	1,050	1,050	150	1,050
Operations	4,233	6,858	6,858	5,336	10,540
City Support Services	123,861	123,067	123,067	122,916	128,022
Materials and Supplies	1,765	3,956	3,956	3,261	3,428
Transfers Out	110,004	65,000	65,000	43,336	-
TOTAL EXPENSES	792,938	795,969	795,969	746,142	785,009
NET INCOME (LOSS)	(74,974)	(63,929)	(63,929)	(80,831)	(124,219)
Net Position at Beginning of Year	395,718	320,744	320,744	320,744	239,913
Net Position At Year-End	\$ 320,744	\$ 256,815	\$ 256,815	\$ 239,913	\$ 115,694



INTERNAL SERVICE FUNDS

Table of Contents

Budget Summary - Internal Services Funds	184 - 185
--	-----------

Direct Service Departments

Fleet Maintenance Fund - Fund 7100	186 - 187
------------------------------------	-----------

Radio Operations - Fund 7200	188 - 189
------------------------------	-----------

Facilities and Parks Maintenance - Fund 7700	190 - 191
--	-----------

Administrative Service Departments

Support Services - Fund 7500	192 - 193
------------------------------	-----------

Information Systems - Fund 7600	194 - 195
---------------------------------	-----------

Self-Insurance - Fund 7300	196 - 197
----------------------------	-----------

Insured Benefits - Fund 7400	198 - 199
------------------------------	-----------

Accrued Compensated Absences - Fund 7450	200 - 201
--	-----------

2018 Budget Summary – Internal Service Funds

REVENUES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Support Services	\$ 456,573	\$ 498,047	\$ 445,803	\$ 506,495
Equipment Fund				
- Operations & Maintenance	5,249,857	3,979,983	4,055,224	5,013,889
- Replacement Reserve	1,760,231	2,372,659	2,317,308	1,913,038
- Fire Equipment	461,112	550,000	549,996	550,000
- Fire – Small Equipment	399,996	350,000	358,166	500,000
- Police – Small Equipment	30,000	50,000	42,500	115,000
Information Systems	4,796,879	4,960,370	5,220,039	5,194,646
Radio	664,059	683,607	688,726	703,965
Insured Benefits	9,717,057	8,975,364	9,320,733	10,447,021
Self-Insurance	2,365,700	2,293,833	2,275,316	2,368,316
Accrued Benefits	1,369,749	2,304,303	2,351,038	1,756,294
Facilities Replacement				
- Admin. & Maintenance	3,574,361	3,597,398	3,655,822	3,715,521
- Police/City Hall Replacement	2,134,608	6,262,661	2,245,056	2,422,678
- Fire Station Maintenance	309,534	319,675	318,798	309,247
- Parks Building Maintenance	5,854,202	5,854,791	5,875,967	6,030,435
- Cemetery Maintenance	134,904	164,908	134,904	148,385
	<u>\$39,278,822</u>	<u>\$43,217,599</u>	<u>\$39,855,396</u>	<u>\$41,694,930</u>

2018 Budget Summary – Internal Service Funds (continued)

EXPENDITURES				
	2016 Actual	2017 Budget	2017 Estimate	2018 Budget
Support Services	\$ 483,278	\$ 510,281	470,233	\$ 547,533
- Capital	15,594	0	0	0
Fleet Maintenance				
- Operations & Maintenance	4,130,799	5,035,742	4,589,595	4,780,147
- Capital	17,780	220,000	302,282	220,000
- Replacement Capital	1,369,313	2,125,000	2,699,548	2,284,000
- Fire Equipment - Capital	1,259,313	225,000	905,595	35,000
- Fire – Small Equipment	190,797	143,400	165,250	857,000
- Police Small Equipment	11,899	75,555	(5,220)	214,333
Information Systems				
- Operating	5,086,936	4,781,153	4,889,737	5,406,244
- Capital & Transfers	518,221	696,120	1,119,517	910,533
Radio				
- Operating	928,946	903,599	773,312	656,602
- Capital & Transfers	43,080	220,000	196,070	100,000
Insured Benefits	9,975,665	9,217,351	9,498,498	10,527,068
Self-Insurance	1,878,451	2,226,036	1,660,944	2,321,658
Accrued Benefits	1,878,366	1,873,738	1,948,854	1,877,073
Facilities Replacement				
- Admin. & Maintenance	3,311,553	3,581,154	3,342,385	3,650,293
- Police/City Hall Replacement	687,746	6,713,723	1,382,228	2,901,640
- Fire Station Maintenance	150,594	211,151	180,639	206,878
- Parks Buildings Maintenance	5,337,150	5,673,815	5,355,146	5,782,957
- Cemetery Maintenance	149,900	118,859	151,472	148,385
- Parks/Median Maintenance	1,115	0	7,472	0
	<u>\$ 37,426,496</u>	<u>\$ 44,551,676</u>	<u>\$ 39,633,557</u>	<u>\$43,427,344</u>

Public Works – Fleet Maintenance Fund

Activities

Operations & Maintenance

Equipment Replacement

Fire Equipment Replacement

Fire Small Equipment Replacement

Police Small Equipment Replacement

This fund pays for the costs related to the operations, maintenance, repair and replacement of City vehicles and equipment. User departments are charged for vehicles used by their department. Part of this 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 will be funded by the general fund through a general property tax levy, or from a transfer of funds, if the purchase is for an enterprise operation.

2018 Objectives

- S** Optimize Fleet performance to provide a well maintained and efficient quantity of vehicles to support City services and programs.
- S** Use new tools to measure Fleet utilization and return on investment.
- IE** Convene Fleet Committee for developing policies and procedures.
- ES** Reduce emissions, fuel consumption, maintenance costs by adjusting the replacement schedule.
- IE** Work collaboratively with employee committees in the selection of new equipment.
- S** Look for new technologies, processes, and procedures to meet budget demands.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1,409,814	\$ 1,488,983	5.6%
Materials/Supplies/Services	3,844,883	4,362,497	13.5
Capital Outlay	2,570,000	2,539,000	(1.2)
Less Capitalized Assets	(2,570,000)	(2,539,000)	(1.2)
Add Depreciation Expense	1,750,000	2,000,000	14.3
	\$ 7,004,697	\$ 7,851,480	12.1%

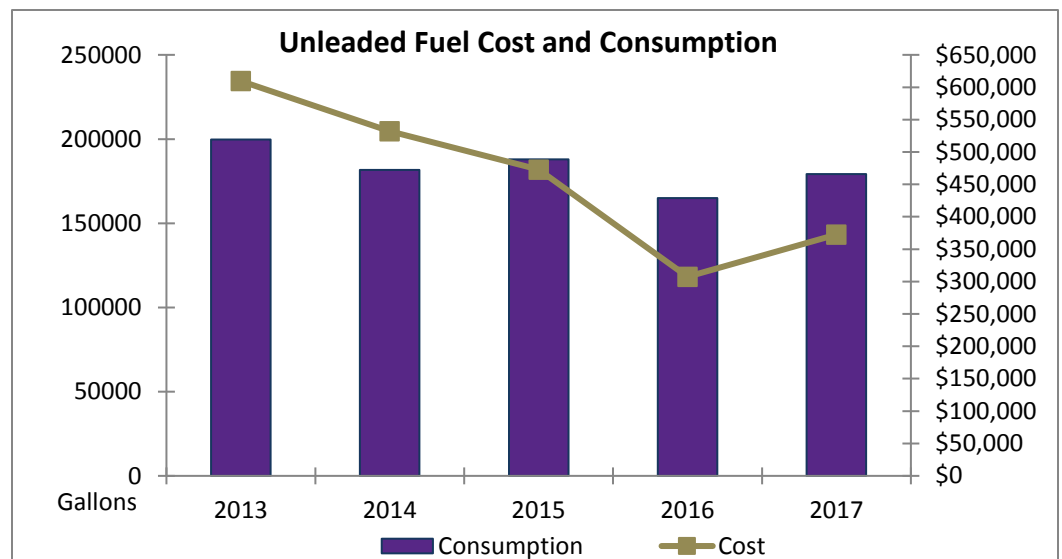
Authorized Full-Time

	FY2016	FY2017	FY2018
	15	15	15
Fleet Manager	0	0	1
Fleet Supervisor	2	2	1
Fleet Technician	5	5	5
Office Support Specialist	1	1	1
Parts Room Attendant	2	2	2
Senior Technician	5	5	5

The Fleet

Maintenance Fund maintains 880 active units.

25% of the \$27,000,000 fleet replacement value is plow trucks.



FLEET MAINTENANCE FUND BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 7,685,952	\$ 7,151,342	\$ 7,151,342	\$ 7,156,658	\$ 7,963,527
Intergovernmental	-	-	199,500	8,000	
Interest Income	33,365	61,300	61,300	72,532	78,400
Transfers In	181,879	90,000	90,000	86,004	50,000
TOTAL REVENUES	7,901,196	7,302,642	7,502,142	7,323,194	8,091,927
Expenses					
Staffing					
Salaries and Wages	916,315	977,401	977,400	936,310	1,049,487
Benefits	423,362	432,413	429,413	429,166	439,496
Operating Expenses					
Professional and Technical Services	12,449	53,062	98,012	35,952	53,056
Utilities and Maintenance	346,179	409,400	420,433	375,605	301,400
Operations	16,511	20,025	20,025	24,173	20,325
City Support Services	1,283,091	1,297,121	1,297,121	1,295,870	1,349,463
Materials and Supplies	1,335,588	2,075,275	2,758,977	1,662,570	2,638,253
Capital Outlay					
Equipment	2,646,406	2,570,000	4,607,411	3,907,400	2,539,000
TOTAL EXPENSES	6,979,901	7,834,697	10,608,792	8,667,046	8,390,480
Less Expenses Charged to Other Funds	-	(10,000)	(10,000)	(9,996)	-
Less Capitalized Assets	(2,646,406)	(2,570,000)	(4,607,411)	(3,907,400)	(2,539,000)
Add Depreciation Expense	2,137,256	1,750,000	1,750,000	1,750,000	2,000,000
NET TOTAL EXPENSES	6,470,751	7,004,697	7,741,381	6,499,650	7,851,480
NET INCOME (LOSS)	1,430,445	297,945	(239,239)	823,544	240,447
Net Position at Beginning of Year	13,850,633	15,281,078	15,281,078	15,281,078	16,104,622
Net Position At Year-End	\$ 15,281,078	\$ 15,579,023	\$ 15,041,839	\$ 16,104,622	\$ 16,345,069

Public Safety – Radio Operations

Activities

Equipment - Replacement & Operations

Mobile Data Computers (MDC's)

Equipment - Fiber Optics

The Radio Fund supports the following operations for the City of Bloomington: Public Safety radio communications, Mobile Data Computers (MDC) in the Police and Fire Department vehicles, and the City's redundant fiber optics data communications system.

The City is operating on the Metropolitan Emergency Service Board (MESB) Allied Radio Matrix for Emergency Response (ARMER) 800 MHz radio system. This includes all portables, mobiles, base stations and dispatch consoles used throughout the City. The City is part of a consortium of local governments that operates on the MESB ARMER network to which the City pays a fee for access and maintenance of infrastructure.

Expansion of the City's metropolitan area network (MAN) could include a redundant fiber loop to connect City Hall to facilities on the east side via American Boulevard and additional connections to fire stations and recreation facilities. Currently, the fund balance for fiber optics is not enough to schedule projects of the scope required to expand the City's MAN.

2018 Objectives

- S** Maintain a reliable and efficient communications system for public safety and other uses within the City.
- S** Continue to develop inter-operability for public safety with the MESB ARMER 800 MHz radio project and other agencies.
- S** Maintain the existing antenna distribution system at the Mall of America. This system improves public safety radio coverage and functionality in and around the Mall of America's existing building.
- S** Utilize Hennepin County's technical support for the MESB radio system.
- S** Continued upgrade on public safety Mobile Data Computer system for Police and Fire and various features with the LOGIS consortium.
- S** Replace 40 Panasonic MDCs for Police Department squads that were budgeted for 2017. These were delayed until 2018 due to the new Tritech Cad system. Replace 32 mobile radios and 18 portable radios for the Police Department. This will complete the upgrade of mobile and portable radios to the same model radios as purchased in 2017.
- S** Complete planned fiber optics improvements per Hennepin County agreement.

2017 Results

Replaced 35 portable radios with accessories and multi-battery bank chargers for Public Works. Replaced 30 mobile radios for Fire. Replaced 46 mobile radios for the Police Department. The old radios will not be supported by Motorola at year end 2018. Executed an agreement with Hennepin County for shared fiber facilities reducing future costs to complete the City's fiber optics plan.

Expenses	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$105,688	\$110,596	4.6%
Materials/Supplies/Services	797,911	546,006	-31.6
Capital Outlay	40,000	100,000	150.0
Less Capitalized Assets	(40,000)	(100,000)	-150.0
Transfers Out	180,000	0	-100.0
Add Depreciation Expense	130,000	110,000	-15.4
	\$1,213,599	\$766,602	-36.8%

Authorized Full-Time	FY2016	FY2017	FY2018
	1	1	1
Communications Technician	1	1	1

PUBLIC SAFETY RADIO BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 613,644	\$ 678,607	\$ 678,607	\$ 678,612	\$ 698,965
Interest Income	4,848	5,000	5,000	10,114	5,000
Other Income	567	-	-		-
Transfers In	45,000	-	-		-
TOTAL REVENUES	664,059	683,607	683,607	688,726	703,965
Expenses					
Staffing					
Salaries and Wages	76,447	75,501	75,501	92,077	79,192
Benefits	31,091	30,187	30,187	33,744	31,404
Operating Expenses					
Professional and Technical Services	4,124	2,000	2,505	-	500
Utilities and Maintenance	168,762	160,000	160,000	178,189	178,340
Operations	228	100	100	299	75,100
City Support Services	13,824	14,219	14,219	14,220	14,652
Materials and Supplies	634,470	621,592	670,634	454,782	277,414
Capital Outlay					
Equipment	43,080	40,000	56,070	16,070	100,000
Transfers Out	-	180,000	180,000	180,000	
TOTAL EXPENSES	972,026	1,123,599	1,189,216	969,381	756,602
Less Capitalized Assets	(43,080)	(40,000)	(56,070)	(16,070)	(100,000)
Gain/Loss on Sale of Assets					
Add Depreciation Expense	107,664	130,000	130,000	110,000	110,000
NET TOTAL EXPENSES	1,036,610	1,213,599	1,263,146	1,063,311	766,602
NET INCOME (LOSS)	(372,551)	(529,992)	(579,539)	(374,585)	(62,637)
Net Position at Beginning of Year	1,609,358	1,236,807	1,236,807	1,236,807	862,222
Net Position At Year-End	\$ 1,236,807	\$ 706,815	\$ 657,268	\$ 862,222	\$ 799,585

Facilities and Parks Maintenance

The Facilities and Parks Maintenance Fund pays for the costs related to capital repair and maintenance of the main City buildings, park structures and cemetery property.

2018 Objectives

- AS** To support strategic priorities through efficient and sustainable operation and planned maintenance of the City's building and Park facilities.
- AS** Participate in long term planning to establish appropriate funding levels required to maintain quality City Facilities.
- ES** Explore improved maintenance options that are environmentally sustainable and financially responsible.

Activities

Maintenance

Building Capital Repairs

Parks and Park Building Maintenance

Fire Station Maintenance

Cemetery Maintenance



The Maintenance Division maintains and repairs 60 main buildings, fire stations and park buildings.

The division also provides services for 97 City Parks totaling 2,413 acres including:

- 200 acres of prairie landscapes
- 30 skating rinks
- 80 athletic fields
- 53 tennis courts
- 55 playgrounds
- 35 basketball courts
- 14 picnic shelters

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 3,929,921	\$4,047,520	3.0%
Materials/Supplies/Services	5,705,057	5,740,993	0.6
Capital Outlay	6,000,000	1,800,000	(70.0)
Transfer	--	438,627	--
Capitalized Assets	(6,000,000)	(1,800,000)	(70.0)
Debt Service	663,723	663,013	(0.1)
Depreciation Expense	1,400,000	1,500,000	7.1
	\$11,698,701	\$12,390,153	5.9%

Authorized Full-Time

	FY2016	FY2017	FY2018
	40	40	40
Assistant Maintenance Superintendent	2	2	2
Custodian	1	1	1
Park Maintenance Supervisor	2	2	2
Parkkeeper I	15	15	15
Parkkeeper II	10	10	10
Service Technician II	3	3	3
Service Technician I	6	6	6
Facilities Maintenance Supervisor	1	1	1

FACILITIES AND PARKS MAINTENANCE BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 11,954,028	\$ 12,153,533	\$ 12,153,533	\$ 12,105,216	\$ 12,567,366
Intergovernmental	7,799	-	-	14,086	-
Interest Income	37,807	45,000	45,000	101,097	58,000
Other	7,975	900	7,980	10,149	900
Bond Proceeds	-	4,000,000	4,000,000	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	12,007,609	16,199,433	16,206,513	12,230,548	12,626,266
Operating Expenses					
Staffing					
Salaries and Wages	2,578,357	2,800,461	2,800,461	2,605,329	2,890,259
Benefits	1,040,870	1,129,460	1,112,360	1,043,441	1,157,261
Operating Expenses					
Professional and Technical Services	73,195	206,010	228,191	127,033	156,010
Utilities and Maintenance	2,162,872	2,486,681	2,523,882	2,322,005	2,416,128
Operations	63,080	60,463	60,463	52,562	61,963
City Support Services	2,488,763	2,357,986	2,357,986	2,355,108	2,530,687
Materials and Supplies	491,905	593,917	615,917	564,374	576,205
Debt Service Principal and Interest	644,441	663,723	663,723	653,905	663,013
Capital Outlay					
Equipment	113,845	150,000	150,000	25,886	150,000
Building and Improvements	605,691	5,850,000	6,292,969	1,103,586	1,650,000
Transfers Out	-	-	-	220,000	438,627
TOTAL EXPENSES	10,263,019	16,298,701	16,805,952	11,073,229	12,690,153
Less Capitalized Assets	(719,536)	(6,000,000)	(6,442,969)	(1,129,472)	(1,800,000)
Less Expenses Charged to Other Funds	(49,961)	-	-	(58,888)	-
Add Depreciation Expense	1,535,056	1,400,000	1,400,000	1,500,000	1,500,000
NET TOTAL EXPENSES	11,028,578	11,698,701	11,762,983	11,384,869	12,390,153
NET INCOME (LOSS)	979,031	4,500,732	4,443,530	845,679	236,113
Net Position at Beginning of Year	43,337,017	44,316,048	44,316,048	44,316,048	45,161,727
Net Position at Year-End	\$ 44,316,048	\$ 48,816,780	\$ 48,759,578	\$ 45,161,727	\$ 45,397,840

Community Services – Support Services

Activities

Print Shop

Mail Room

Information Desk

The City's print shop, mail room and information desk functions provide services to all departments throughout the City. These activities are supported by user fees.

2018 Objectives

- S** Hold an internal Support Services Open House in spring to highlight Print Shop, Mailroom and Information Desk services.
- S** Market Print Shop activities to staff, with a goal to increase revenue, and seek additional partnerships with outside organizations.
- S** Begin printing City envelopes moved from warehouse inventory, which will increase Print Shop revenues.
- S** Revise Office Depot delivery process so that office supplies orders go directly to the appropriate building rather than being redistributed from the warehouse.
- S** Offer additional training to Information Desk staff to improve customer service.
- S** Hire additional P/T Mail Coordinator to fill open position by March.
- S** Evaluate current package delivery procedures and implement new processes to improve accurate delivery.

2017 Results

- Moved copy paper and envelope inventory from warehouse to Civic Plaza and took over ordering, managing inventory and distribution.
- Completed an assessment of the Print Shop that included a cost comparison of outside vendor printing and a summary of a customer survey results. The assessment showed using the Print Shop realizes an annual \$90,000 savings to the City and that internal customers overwhelmingly valued Print Shop services and favored keeping services in-house.
- Printed jobs for outside organizations and employees, which resulted in more than \$5,700 in revenues – a \$2,400 increase over 2016.

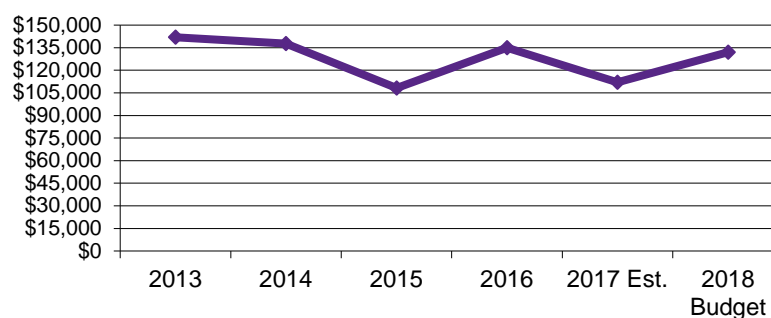
Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$219,077	\$238,959	9.1%
Materials/Supplies/Services	291,204	308,574	6.0
Add Depreciation Expense	15,000	5,000	(66.6)
	\$525,281	\$552,533	5.2%

Authorized Full-Time

	FY2016	FY2017	FY2018
	3	3	1
Information Assistant	1	1	0
Mail Coordinator	1	1	0
Print Shop Coordinator	1	1	1

Revenue from Print Shop



Surveys for the mail room and print shop are planned every two years to gather feedback from employees on service improvements and ideas for new ways to meet customer needs.

SUPPORT SERVICES INTERNAL SERVICE FUND
BUDGET SUMMARY
Revenues and Expenses

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 455,652	\$ 495,047	\$ 495,047	\$ 444,022	\$ 505,495
Interest Income	920	3,000	3,000	1,781	1,000
TOTAL REVENUES	456,572	498,047	498,047	445,803	506,495
Expenses					
Staffing					
Salaries and Wages	156,962	168,287	168,287	161,115	183,396
Benefits	44,793	50,790	50,790	48,257	55,563
Operating Expenses					
Professional and Technical Services	91	4,000	4,000	-	2,000
Utilities and Maintenance	31,891	38,200	38,200	30,018	37,150
Operations	1,216	1,500	1,500	1,206	1,539
City Support Services	216,599	213,404	213,404	208,869	233,755
Materials and Supplies	31,726	34,100	34,100	20,768	34,130
Capital Outlay					
Equipment	15,594	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL EXPENSES	498,872	510,281	510,281	470,233	547,533
Less Capitalized Assets	(15,594)	-	-	-	-
Add Depreciation Expense	4,548	15,000	15,000	5,000	5,000
NET TOTAL EXPENSES	487,826	525,281	525,281	475,233	552,533
NET INCOME (LOSS)	(31,254)	(27,234)	(27,234)	(29,430)	(46,038)
Net Position at Beginning of Year	199,561	168,307	168,307	168,307	138,877
Net Position At Year-End	\$ 168,307	\$ 141,073	\$ 141,073	\$ 138,877	\$ 92,839

Information Systems

Activities

General System Maintenance/ Support

Geographic Information Systems (GIS)

Information Systems (IS) provides the City with computer hardware and software and coordinates the networking and communications of the system in accordance with the City's long-range Information Systems 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-term and long-term informational technology impact for our staff and community.

IS's resources include the total hours available for services to City operating departments, as well as funding for hardware, software and training.

2018 Objectives

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

- Implementing Year 2 initiatives of the Information Systems strategic plan.
- Replacing the City's storage area network (SAN).
- Completing the deployment of a new Mobile Device Management system.
- Implementing new Code Enforcement software.
- Implementing a modernized jail control system.

ES Support and coordinate GIS functions and activities City-wide.

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

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

2017 Results

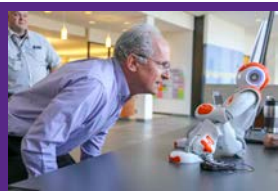
- Assisted with implementation of new Public Safety system.
- Completed implementation of the CityView permitting module.
- Completed successful pilot of video conferencing system.
- Completed significant upgrade of the City's Parks and Recreation system.
- Developed external access to City's SharePoint environment.
- 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 \$1,600,000 in hardware and software maintenance agreements.
- Provided reliable technical support and services to over 600 employees.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1,618,263	\$ 1,662,118	2.7%
Materials/Supplies/Services	3,162,891	3,744,126	18.4
Capital Outlay	311,000	516,899	66.2
Less Capitalized Assets	(311,000)	(516,899)	66.2
Transfer Out	385,120	393,634	2.2
Add Depreciation Expense	160,000	200,000	25.0
	\$5,326,274	\$5,999,878	12.6%

Authorized Full-Time

	FY2016	FY2017	FY2018
	13	13	13
Analyst	7	7	7
Computer Specialist	1	1	1
Information Systems Manager	1	1	1
LAN Administrator	1	1	1
Supervisor	2	2	2
WAN Administrator	1	1	1



A 5-year Strategic Technology Plan is being implemented to ensure the City's technology resources meet changing demands now and into the future.

INFORMATION SYSTEMS BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 4,775,956	\$ 4,938,370	\$ 4,938,370	\$ 4,925,630	\$ 5,174,646
Other	4,418	-	-	4,275	-
Interest Income	16,505	22,000	22,000	20,133	20,000
Transfers In	-	-	50,000	270,000	-
TOTAL REVENUES	4,796,879	4,960,370	5,010,370	5,220,038	5,194,646
Expenses					
Staffing					
Salaries and Wages	1,213,099	1,203,996	1,203,995	1,195,388	1,245,004
Benefits	407,891	414,267	414,267	417,565	417,114
Operating Expenses					
Professional and Technical Services	1,133,782	507,070	792,470	755,430	972,051
Utilities and Maintenance	1,647,917	1,903,430	1,959,008	1,872,993	2,065,786
Operations	151,082	154,000	154,000	130,806	135,685
City Support Services	296,921	301,111	301,111	301,556	316,839
Materials and Supplies	236,244	297,280	257,280	215,999	253,765
Capital Outlay					
Equipment	190,201	311,000	426,000	734,389	516,899
Transfers Out	328,020	385,120	385,120	385,128	393,634
TOTAL EXPENSES	5,605,157	5,477,274	5,893,251	6,009,254	6,316,777
Less Capitalized Assets	(190,201)	(311,000)	(426,000)	(734,389)	(516,899)
Add Depreciation Expense	206,555	160,000	160,000	200,000	200,000
NET TOTAL EXPENSES	5,621,511	5,326,274	5,627,251	5,474,865	5,999,878
NET INCOME (LOSS)	(824,632)	(365,904)	(616,881)	(254,827)	(805,232)
Net Position at Beginning of Year	4,063,969	3,239,337	3,239,337	3,239,337	2,984,510
Net Position At Year-End	\$ 3,239,337	\$ 2,873,433	\$ 2,622,456	\$ 2,984,510	\$ 2,179,278

Finance – Self-Insurance

This fund pays all costs related to the administration of the City's self-insured workers' compensation program, including costs associated with hiring Berkley Risk Services as our 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 premiums of 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.

2018 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.

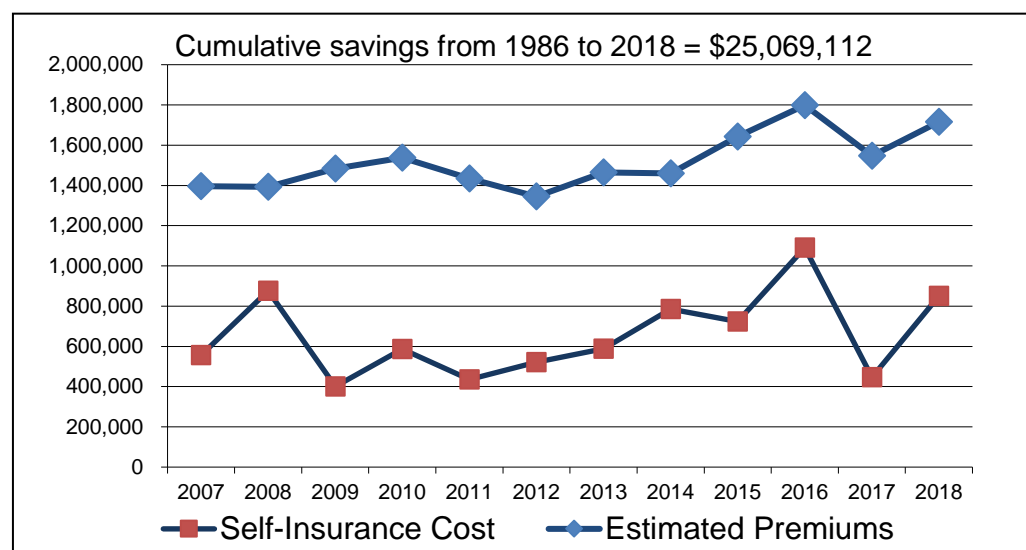
2017 Results

- Received a dividend from LMCIT of \$58,961.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Materials/Supplies/Services	\$ 2,226,036	\$2,321,658	4.3%
	\$ 2,226,036	\$2,321,658	4.3%

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



SELF-INSURANCE BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Departmental Charges	\$ 2,345,707	\$ 2,278,833	\$ 2,278,833	\$ 2,231,999	\$ 2,353,316
Interest Income	19,993	15,000	15,000	43,316	15,000
Transfers In	-	-	-	-	-
TOTAL REVENUES	<u>2,365,700</u>	<u>2,293,833</u>	<u>2,293,833</u>	<u>2,275,315</u>	<u>2,368,316</u>
Expenses					
Operating Expenses					
Workers' Compensation	1,265,356	929,884	929,884	628,945	1,008,331
General Liability	250,032	903,208	903,208	722,410	924,183
Auto Liability	204,618	194,041	194,041	155,535	181,409
Property Liability	158,445	198,903	198,903	154,054	207,735
TOTAL EXPENSES	<u>1,878,451</u>	<u>2,226,036</u>	<u>2,226,036</u>	<u>1,660,944</u>	<u>2,321,658</u>
NET INCOME (LOSS)	487,249	67,797	67,797	614,371	46,658
Net Position at Beginning of Year	1,691,023	2,178,272	2,178,272	2,178,272	2,792,643
Net Position At Year-End	<u>\$ 2,178,272</u>	<u>\$ 2,246,069</u>	<u>\$ 2,246,069</u>	<u>\$ 2,792,643</u>	<u>\$ 2,839,301</u>

Human Resources – Insured Benefits

In 2002, the Insured Benefits fund was created from savings that were achieved through the normal bid process. These savings were the initial funding for this internal service fund. Large expense increases anticipated in future years will be absorbed through this fund. Revenues come from user fees to operating budgets. While costs will increase, annual increases to operating departments will be flatter and more predictable with this fund.

2018 Objectives

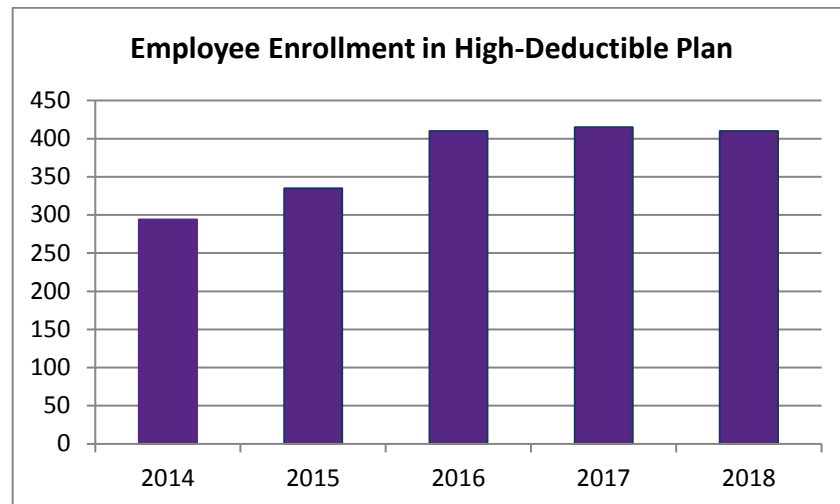
- S** Monitor the federal and state regulatory environment for potential impacts to the City's health insurance and reporting obligations.
- S** Monitor the City's claims experience for health insurance quarterly and work with the Employee Benefits Committee to manage costs for 2019 benefits.

2017 Results

- An RFP went out for insurance coverages and Medica was chosen to continue as the City's health insurance provider. Health insurance premiums went down while keeping the same plan options.

Expenses

	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Materials/Supplies/Services	\$9,217,351	\$10,527,068	14.2%
	\$9,217,351	\$10,527,068	14.2%



INSURED BENEFITS BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Departmental Charges/Payroll Deductions	\$ 9,037,566	\$ 8,381,540	\$ 8,381,540	\$ 8,730,100	\$ 9,758,509
Retiree/COBRA Contributions	608,862	530,324	530,324	508,434	625,012
Interest Income	14,633	8,000	8,000	26,694	8,000
Other Income	25,000	25,000	25,000	25,000	25,000
Transfers In	30,996	30,500	30,500	30,504	30,500
TOTAL REVENUES	9,717,057	8,975,364	8,975,364	9,320,732	10,447,021
Expenses					
Operating Expenses					
Health Insurance Premiums	8,935,774	8,379,676	8,379,676	8,640,640	9,637,183
Dental Insurance Premiums	579,251	589,000	589,000	622,443	650,000
Life Insurance Premiums	149,234	142,075	142,075	123,720	126,250
Short Term Disability Premiums	12,948	15,000	15,000	13,650	13,635
Long Term Disability Premiums	98,454	91,600	91,600	98,046	100,000
Transfers Out	200,004	-	-	-	-
TOTAL EXPENSES	9,975,665	9,217,351	9,217,351	9,498,499	10,527,068
NET TOTAL EXPENDITURES	9,975,665	9,217,351	9,217,351	9,498,499	10,527,068
NET INCOME (LOSS)	(258,608)	(241,987)	(241,987)	(177,767)	(80,047)
Net Position at Beginning of Year	2,682,460	2,423,852	2,423,852	2,423,852	2,246,085
Net Position At Year-End	\$ 2,423,852	\$ 2,181,865	\$ 2,181,865	\$ 2,246,085	\$ 2,166,038

Accrued Compensated Absences

The Accrued Compensated Absences fund accounts for payment of unused vacation, personal leave, compensatory time and the allocation of costs to respective departments. Funding is based on a percentage of full-time and permanent part-time salaries charged to departments.

Although the goal of this fund is to have assets equal liabilities, or zero net assets, this would only be necessary in the case of a complete government shut-down, a very unlikely event.

2018 Objectives

- S** Be in a fully-funded position by 2022.
- S** Continue providing City employees with fair leave policies to retain and attract good employees.
- S** Provide funding to support paid time off for benefits for permanent part-time positions.

2017 Results

- Increased contributions to this fund to 5% of full-time salary, up from 3% in 2016.

Expenses	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Materials/Supplies/Services	\$1,873,738	\$1,877,073	0.2%
	\$1,873,738	\$1,877,073	0.2%

ACCRUED BENEFITS BUDGET SUMMARY Revenues and Expenses					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Departmental Charges	\$ 1,295,244	\$ 2,209,103	\$ 2,209,103	\$ 2,209,760	\$ 1,625,155
Interest Income	74,506	95,200	95,200	141,278	131,139
Transfers In	-	-	-	-	-
TOTAL REVENUES	1,369,750	2,304,303	2,304,303	2,351,038	1,756,294
Expenses					
Staffing					
Salaries and Wages	1,847,057	1,836,000	1,836,000	1,925,492	1,842,073
Benefits	31,309	37,738	37,738	23,362	35,000
TOTAL EXPENSES	1,878,366	1,873,738	1,873,738	1,948,854	1,877,073
NET INCOME (LOSS)	(508,616)	430,565	430,565	402,184	(120,779)
Net Position at Beginning of Year	(1,494,290)	(2,002,906)	(2,002,906)	(2,002,906)	(1,600,722)
Net Position At Year-End	(2,002,906)	(1,572,341)	(1,572,341)	(1,600,722)	(1,721,501)

COMPONENT UNITS

Table of Contents

Housing and Redevelopment Authority	206 - 207
Port Authority	208 - 209

Housing and Redevelopment Authority

Activities

Administration

Rental Housing Development

Rental Assistance

Home Ownership

Commercial Redevelopment

Single-Family Redevelopment

Public Housing

Neighborhood Revitalization

Rental and Single-Family Rehabilitation

The Housing and Redevelopment Authority's (HRA) purpose is to provide housing and redevelopment programs to Bloomington. The HRA contracts with the City of Bloomington to provide day-to-day management and staff. The Bloomington City Council appoints the five-member HRA board. The HRA's programs are focused primarily in three areas: affordable housing, neighborhood preservation, and commercial and residential redevelopment. Federal and State programs and local property taxes support the HRA.

2018 Objectives

- R** Acquire and demolish blighted homes
- R** Acquire land for redevelopment in designated areas and sites for affordable housing
- R** Assist 100 seniors with housing maintenance and homemaking services
- R** Provide housing rehab loans to 60 homeowners
- R** Continue the Curb Appeal Loan program into its third year – provide 15 loans to homeowners in the target neighborhood
- R** Assist with the acquisition/rehabilitation of three homes for the Land Trust Program for re-sale to first-time low/moderate income homebuyers
- R** Conduct three landlord collaborative meetings, including a multi-city meeting and Fair Housing training.
- R** Maintain highest possible utilization of Section 8 Voucher Programs as funding permits
- R** Partner with Minnesota Multi-Housing Association to offer Fair Housing Workshop to landlords
- R** Begin initial stages of Phase 3 of the redevelopment of Penn and American to possibly include housing and hotel uses
- R** Offer the Housing Improvement Area program to assist common interest communities with rehabilitation funding
- R** Continue the Home Energy Squad Enhanced program with Center for Energy and Environment and serve 250 homeowners
- R** Begin planning for future redevelopment opportunities in commercial-retail nodes of the City
- R** Plan and hold 2018 Home Improvement Fair in February
- R** Select winning proposal for 108th Street redevelopment

2017 Results

- Assisted 120 seniors with housing maintenance and homemaking services
- Provided housing rehabilitation loans to 103 homeowners, including CDBG, Neighborhood and Curb Appeal programs.
- Provided rental property and manager education through three landlord collaborative meetings (68 attendees)
- Achieved highest utilization of Housing Choice Voucher (Section 8) Rent Assistance that funding permitted
- Achieved HUD's "high performer" rankings for administration of the Section 8 Voucher program
- Provided housing to 44 large families through the HRA's two rental housing programs.
- Sold two vacant lots to private owners to build owner-occupied single-family homes
- Habitat for Humanity completed an affordable home for a first-time home-buyer on a former HRA lot that had previously been a substandard home with violations
- Acquired two substandard homes to be demolished and land re-sold for new owner occupied single-family home
- The Home Energy Squad Enhanced Program provided 160 homeowner visits
- Implemented direct deposit of assistance payments to Section 8 Voucher landlords
- Sold a single-family lot at a reduced price to Habitat for Humanity to build home to sell to a low-income family

Expenditures

	FY2017	FY2018	
	Original Budget	Approved Budget	Percent Change
Salaries/Wages/Benefits	\$ 1,150,534	\$ 1,177,240	2.3%
Materials/Supplies/Services	7,934,644	8,051,303	1.5%
	\$ 9,085,178	\$ 9,228,543	1.6%

Authorized Full-Time

	FY2016	FY2017	FY2018
	10	10	10
HRA Administrator	1	1	1
Office Assistant	1	1	1
Office Support Specialist	1	1	1
Program Manager	1	1	1
Program Specialist II	5	5	5
Program Specialist I	1	1	1



Since its origin in the early 1990's, the HRA's Rental Homes for First Time Home Buyers program has assisted over 50 families to become homeowners.



2018 Habitat for Humanity House

HOUSING AND REDEVELOPMENT AUTHORITY
BUDGET SUMMARY
Revenues and Expenditures

	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Program Income	\$ 1,311,795	\$ 862,925	\$ 1,547,925	\$ 1,530,939	\$ 911,476
Tax Revenues	1,933,744	2,139,335	2,119,335	2,100,883	2,254,825
Intergovernmental	5,463,557	6,082,918	5,297,918	5,208,895	6,062,242
Interest Income	7,689	-	-	24,725	-
Transfers In	140,000	-	160,000	160,000	-
TOTAL REVENUES	8,856,785	9,085,178	9,125,178	9,025,442	9,228,543
Expenditures					
Staffing					
Salaries and Wages	782,778	849,115	844,115	816,493	853,591
Benefits	295,401	301,419	321,419	314,393	323,649
Operating Expenditures					
Professional and Technical Services	181,557	155,100	415,100	304,977	232,100
Utilities and Maintenance	6,420,759	6,196,030	7,056,030	6,532,982	6,245,571
Operations	20,263	46,875	41,875	18,933	43,402
City Support Services	205,914	215,476	215,476	209,478	205,377
Materials and Supplies	19,758	19,300	14,300	5,225	53,950
Transfers Out	342,000	-	160,000	160,000	-
Land	1,999,688	1,301,863	-	-	1,270,903
TOTAL EXPENDITURES	10,268,118	9,085,178	9,068,315	8,362,481	9,228,543
FUND BALANCE SOURCES (USES)	(1,411,333)	-	56,863	662,961	-
Fund Balance at Beginning of Year	9,748,710	8,337,377	8,337,377	8,337,377	9,000,338
Fund Balance At Year-End	\$ 8,337,377	\$ 8,337,377	\$ 8,394,240	\$ 9,000,338	\$ 9,000,338

Port Authority

Port Authority was created by the City 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.

2018 Objectives

RA 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.

2018 Key Projects: Mall of America (MOA) expansion, Bloomington Central Station (apartment building) and Alpha B (restaurant, hotel, coffee shop, market).

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.

2017 Results

- Continued implementation of the South Loop District Plan.
- Evaluated and participated in the bid for EXPO 2023
- Secured funding for MOA transit station
- Completed construction on a project with Terratron to develop a hotel, restaurant, coffee shop, parking ramp and possible future phase (market or pharmacy on Alpha B parcel south of Lindau Lane).
- Bloomington Central Station 394-unit apartment project was developed by Lennar with project completion in the spring of 2017.

Expenditures	FY2017 Original Budget	FY2018 Approved Budget	Percent Change
Salaries and Benefits	\$ 150,000	\$ 195,000	30.0%
Materials/Supplies/Services	95,000	150,322	58.2
Support Services/Space & Occupancy	112,731	123,500	9.6
	\$ 357,731	\$ 468,822	31.1%

Authorized Full-Time	FY2016	FY2017	FY2018
	3	4	4
Development Analyst	1	2	2
Port Authority Administrator	1	1	1
Senior Civil Engineer**	1	1	1

**Senior Civil Engineer authorized, not currently funded

PORT AUTHORITY BUDGET SUMMARY Revenues and Expenditures					
	2016 ACTUAL	2017 ORIGINAL BUDGET	2017 AMENDED BUDGET	2017 ESTIMATED	2018 BUDGET
Revenues					
Interest Income	\$ 84	\$ 50	\$ 50	\$ -	\$ -
Other	290,529	350,000	350,000	350,000	500,000
Transfers In	-	-	-	-	-
TOTAL REVENUES	290,613	350,050	350,050	350,000	500,000
Expenditures					
Salaries and Benefits	115,267	150,000	150,000	144,469	195,000
City Support Services	83,759	112,731	112,731	82,713	150,322
Materials and Supplies	91,386	95,000	107,000	106,556	123,500
TOTAL EXPENDITURES	290,412	357,731	369,731	333,738	468,822
FUND BALANCE SOURCES (USES)	201	(7,681)	(19,681)	16,262	31,178
Fund Balance at Beginning of Year	36,549	36,750	36,750	36,750	53,012
Fund Balance At Year-End	<u>\$ 36,750</u>	<u>\$ 29,069</u>	<u>\$ 17,069</u>	<u>\$ 53,012</u>	<u>\$ 84,190</u>



CAPITAL

Table of Contents

Capital Projects	213 - 215
Approved Capital Expenditures	215 - 216
Summary of Project Costs	216

Capital Projects

The Capital Budget development process starts with Departments and 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. In 2017 a Facilities Committee was created to review and prioritize these types of structural needs. Once this is completed, an analysis of funding requirements and any necessary related prioritization is done by the Executive Management Team, comprised of Department Directors and the City Manager.

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 incremental cost is 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, which is then forwarded to the Mayor and City Council for their consideration and if appropriate, approval. According to the City's Community Investment Program Policies, operating costs must be projected and included in operating budget forecasts.

The CIP is also 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, letting of contracts, etc.

Capital projects should 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 and internal budgets are developed based on Council appropriation. Individual project budgets are then approved by the Council on a project-by-project basis.

Highlights of 2018 Capital Funding Projects:

Parks

- \$610,000 is budgeted to replace fencing at three parks, to install warning tracks and repair the backstops at Valley View softball fields. No additional savings or operating costs are anticipated for these improvements.
- \$480,000 is budgeted to improve parking lot lighting to meet City code, install a new picnic shelter, install a shade structure on the bocce courts and install adult fitness equipment at Valley View Park. No additional savings or operating costs are anticipated for these improvements.
- \$300,000 is budgeted to install a Veteran's Memorial at Civic Plaza. No additional savings or operating costs are anticipated for these improvements.
- \$129,077 is budgeted to add lights on the Normandale Lake Trail. Less than \$300 is expected in additional electricity charges for this improvement.

Alternative Transportation

- \$1,228,500 is budgeted for the Old Cedar Avenue trailhead. This trailhead will service three different trails. These improvements will include reconstruction of the existing parking lot, construction of restroom facilities and provide trailhead signage. Additional maintenance costs of \$20,000 are anticipated for cleaning and maintaining the restrooms, plowing the street and trail, and sign maintenance.

- \$2,403,000 is budgeted for the Nokomis Minnesota River Trail. This trail is connected to the newly renovated bridge over Long Meadow Lake. It will also connect to the next segment to be constructed by Three Rivers Park District which will complete the route. Additional maintenance costs for the trail will be \$6,500 for the 1.5 mile segment,

Utilities Infrastructure

- Capital costs include \$530,000 for the restoration of reservoirs, well rehabilitation and asset management projects to extend the life of these assets. Operating costs will not increase since this is just rehabilitation of existing assets, not an increase in the system.
- The Storm Water budget includes \$9,500,000 for construction of the Northeast Penn project to reduce neighborhood flooding. Another \$2,500,000 is budgeted for asset maintenance. Operating costs will stay the same.

Equipment

- The 2018 equipment budget includes \$2,539,000 of planned purchases. By regularly upgrading equipment, the City realizes approximately \$100,000 per year in savings on maintenance costs.

South Loop Capital

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 2018 capital expenditures include:

- \$1,000,000 for design and engineering for Fire Station 3 to be rebuilt and possibly relocated (additional maintenance costs or savings won't occur until actual construction)
- \$5,000,000 to upgrade the 24th Avenue/Mall of America Transit Station (not maintained by the City).
- \$400,000 for creative place-making and art installations (\$10,000 maintenance cost)
- \$1,173,000 for lane reconfiguration on Killebrew Drive and East Old Shakopee Road, new LED light fixtures for street lights and signal upgrades along the light rail tracks. LED lighting will save over \$5,000 per year.
- \$500,000 for demolition of Alpha 5 and Interstate Diesel to prepare for future development.

Surface Transportation

- A new west bound access to I-494 at East Bush Lake Road project started in 2016 continues through 2019. \$13,000,000 is budgeted for construction in 2018. No additional costs are expected.
- \$1,700,000 is budgeted for signal retiming, coordination and system management, and improvements.
- \$2,784,000 is budgeted for improvements to Normandale from 86th Street to 94th Street to widen the street, channelize, provide turn lanes, signals and a bikeway. This project is funded through Federal, State and County sources. No additional maintenance costs are anticipated.

Pavement Management

A funding and implementation plan for repair and maintenance of Bloomington roadways was adopted in 1992. First, needs are identified, then funding is provided through state aids, assessments and an annual levy. 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 2018, approximately \$8,772,000 will be invested in street reconstruction and \$3,150,000 will be spent on overlaying existing pavement. See chart on General Fund Street Maintenance page regarding street conditions. Operating costs will not change because about 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.

City Facilities

After fourteen years in the new Civic Plaza building, some areas need to be refreshed.

- The Center for the Arts is budgeting \$85,000 for audio and lighting upgrades. There will be no effect on maintenance costs.
- \$316,000 is budgeted for Civic Plaza technology and mechanical updates.
- \$283,000 is budgeted for new roofs for the public works garage and the Robinson Park building.
- \$75,000 is budgeted to bring the lunchroom and bathrooms at Western Maintenance into code compliance.

Executive Summary

Fund/Activity	2018 Adopted	Purpose	Budget Page Number
Community Services	30,000	Furniture, Kitchen Equipment for Creekside Community Center	88
Public Works	34,000	Survey Equipment	98
	28,000	Signal Cabinets	100
Total General Fund	\$ 92,000		
Communications	303,200	Cable TV Equipment, high definition upgrades	150
Cemetery	160,000	Road, fencing	148
Creative Placemaking	150,000	Art Installation	158
Water Utility	285,000	Well and pump rehabilitation, water plant equipment	166
	185,000	Reservoir maintenance	
	735,000	Improve distribution system	
Wastewater Utility	850,000	Lift station rehabilitation	168
	1,350,000	Improve collection system	
Storm Water Utility	9,500,000	NE Penn drainage project	170
	2,500,000	Replacement and maintenance on collection system	
Golf Courses	36,500	Kitchen equipment, utility vehicle	174
Ice Garden	10,000	Zamboni battery	174
	75,000	Building amenities, concrete, parking lot lights	
	126,000	Design fees for building renovations	
	100,000	Rinks #1-#3 LED lights	
Center for the Arts	85,000	Replace theater lighting and sound system equip.	174
Aquatics	136,000	Repaint pool vessel	174
Information Systems	216,899	Network and technology upgrades	194
	300,000	Storage area network	
Fleet Maintenance	2,539,000	Equipment Replacement	186
Public Safety Radio	100,000	Body cameras for Police	188
Facilities Replacement	150,000	Park projects	190
	900,000	Roof projects/Mechanicals	
	750,000	Interior Finishes	
South Loop Capital	1,000,000	Fire Station 3 design and planning	*
	550,000	Killebrew Drive and Old Shakopee Rd lane changes	*
	5,000,000	MOA transit station improvements and signage	*
	400,000	Creative Placemaking	*
	623,000	Street lighting and traffic signals	
	500,000	Demolition	
Park Capital Projects	849,077	Playground replacements	*
	1,040,000	Playground/Recreational facility improvements	*

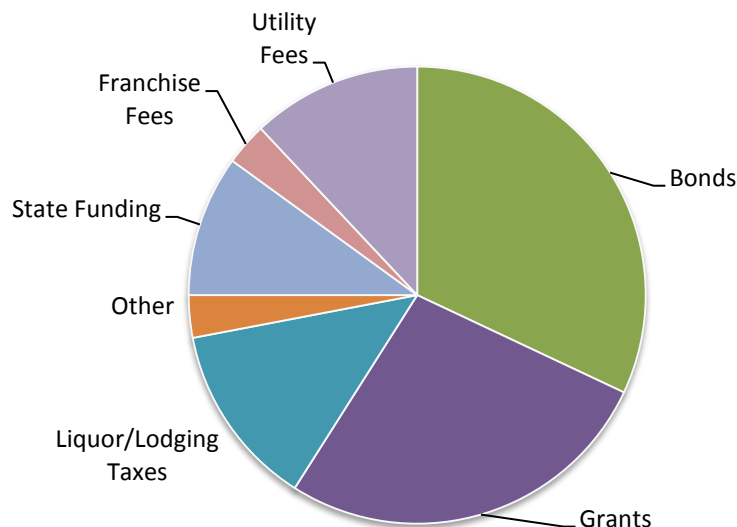
Road and Street Improvements	8,771,617	Pavement Management Program reconstruction	*
	3,151,424	Overlay streets	*
	1,600,000	Subdivision streets/Transit, signal, street upgrades	*
	13,000,000	East Bush Lake Road access to I 494	*
	2,784,000	Normandale Boulevard improvements	*
	185,000	98 th & Old Shakopee, Progressive Rail improvements	*
	44,000	Bridge maintenance-Auto Club Road	
Alternative Transportation	1,228,500	Old Cedar Avenue Bridge trailhead	*
	2,403,000	Nokomis Minnesota River Trail	*
	178,000	Sidewalk improvements	
	400,000	Right of Way Trail design for France Avenue	
TOTAL ALL FUNDS	\$65,342,217		

*The City has an ongoing ten-year plan which lists projects incorporated for budget purposes. Each project then returns to the City Council for approval.

SUMMARY OF PROJECT COSTS

Project Total	2018
South Loop Capital	\$ 8,073,000
City Facilities	2,110,000
Roads & Streets	29,536,041
Sewer, Water & Storm Water	15,405,000
Park Development	1,889,077
Information Systems & Equipment	516,899
Vehicles	2,539,000
Other Equipment/Improvements	192,000
Communications	303,200
Recreation Facilities	568,500
Alternative Transportation	4,209,500
Total Project Costs	\$ 65,342,217

Sources of Funding for Capital Projects





DEBT

[illegible]

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

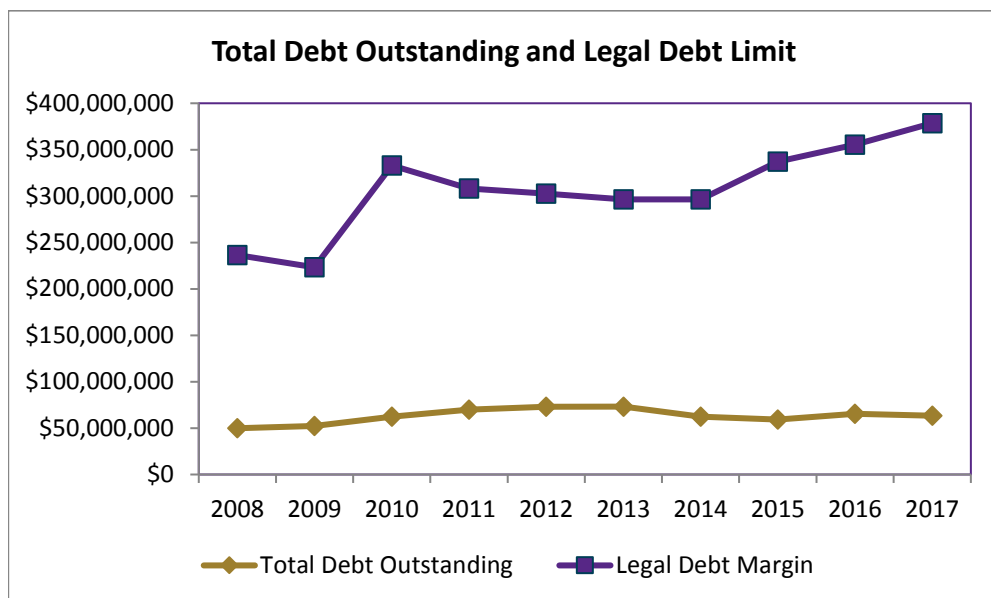
Minnesota State law limits the amount of General Obligation (GO) debt for any municipality to 3 percent of market value. This is an increase of 1 percent from mid-2008 and prior. This limitation provides reasonable assurance of the municipality's ability to pay its obligations. Bloomington's estimated taxable market value for taxes payable year 2018 is \$12,802,264,000. 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.

2018

General Obligation Debt Limit \$ 384,067,920

Bloomington's Debt Subject to the limit 5,520,000

Debt Margin \$ 378,547,920



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 32 cities to achieve the "Triple Triple A".

General Obligation Debt Issuances During 2017

In May of 2017, the City issued the following debt:

- \$1,420,000 of General Obligation Charter Bonds. The proceeds were used to finance park improvements within the City.
- \$1,170,000 of General Obligation Water Utility Bonds. The proceeds were used to finance improvements to the City's water system.

In December of 2017, the City issued the following debt:

- \$4,970,000 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.

Anticipated Debt Issues

The City plans to issue Charter Bonds of up to \$1.5 million for park improvements and up to \$1.2 million of General Obligation Taxable Housing Improvement Bonds that are 100% special assessed in the spring of 2018. In the fall of 2018 the City plans to issue Permanent Improvement Revolving Fund debt of approximately \$6.6 million to replenish funds expended for the Pavement Management Program and specific developer-assessed projects and approximately \$13 million in Utility bonds for a storm water storage project. For 2019 the City anticipates issuing Charter Bonds for Park related projects estimated at \$1.3 million, Capital Improvement Bonds for a fire station at approximately \$7.1 million and Permanent Improvement Revolving Fund debt of approximately \$6.6 million.

The City's total outstanding tax and assessment supported debt on December 31, 2017, was \$59,605,000, for a per capita amount of \$675 (population 88,299). The per capita limit on the City's debt is \$4,350.

The total debt principal and interest due in 2018 is \$14,641,999 of which \$4,136,391 is borne by the property tax levy. About 66 percent of the currently issued debt will be paid off in five years and almost 94 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)

General Obligation

2007 Permanent Improvement Revolving, Forty-One Series (2009-2028)

2008 Permanent Improvement Revolving, Forty-Two Series (2010-2029)

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

2011 Permanent Improvement Revolving, Forty-Five Series (2013-2031)

2011A Permanent Improvement Revolving Refunding. Bonds refunded the 2003 Permanent Improvement Revolving, Thirty-Eight Series (2014-2018)

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 will refund the 2007 Series Forty-One (2019-2028) and 2008 Series Forty-Two (2019-2029)

2017 Permanent Improvement Revolving, Fifty-One Series (2019-2028)

2017A Charter Bonds (2018-2027)

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)

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
2018	\$13,035,000	\$1,606,999	\$715,000	\$95,034	\$12,320,000	\$1,511,965
2019	8,005,000	1,324,297	720,000	70,138	7,285,000	1,254,159
2020	7,665,000	1,109,228	735,000	52,352	6,930,000	1,056,876
2021	7,385,000	894,052	750,000	33,089	6,635,000	860,963
2022	5,715,000	706,041	110,000	21,469	5,605,000	684,572
2023	4,730,000	557,653	115,000	16,944	4,615,000	540,709
2024	4,240,000	422,344	120,000	11,069	4,120,000	411,275
2025	3,840,000	301,656	130,000	6,769	3,710,000	294,887
2026	2,660,000	211,984	130,000	4,169	2,530,000	207,815
2027	2,195,000	150,182	135,000	1,434	2,060,000	148,748
2028	1,405,000	103,130	0	0	1,405,000	103,130
2029	750,000	70,358	0	0	750,000	70,358
2030	510,000	48,576	0	0	510,000	48,576
2031	395,000	31,868	0	0	395,000	31,868
2032	280,000	18,998	0	0	280,000	18,998
2033	100,000	12,150	0	0	100,000	12,150
2034	100,000	9,150	0	0	100,000	9,150
2035	100,000	6,150	0	0	100,000	6,150
2036	95,000	3,225	0	0	95,000	3,225
2037	60,000	900	0	0	60,000	900
	\$63,265,000	\$7,588,939	\$3,660,000	\$312,467	\$59,605,000	\$7,276,472

POLICIES

Table of Contents

Budget Policy - Financial Control 225 - 228

Financial Management Policies 229 - 261

Budget Policy - Financial Control

Budgets are financial plans for future events. As better information becomes available, the budget may be amended within the following guidelines. Budgets for the City of Bloomington are, under Section 7.05 of the City Charter, controlled by four categories:

Ordinary operating expenses subdivided into (a) salaries and wages, (b) other operating expenses, (c) payment of principal and interest on bonds and other fixed charges and (d) capital outlays (for new construction, new equipment and all improvements of a permanent character).

Budget Process

The budget, as presented in this document, is developed for each general fund major program or department and for each general fund program. For example, the Finance Department is a major program. Within Finance are several programs including Administration, Accounting, Budget, and Risk Management all within the general fund. In addition, the department also oversees one internal service fund operation, Self-Insurance. Expenditures by category (as explained above) may not exceed the total major program budget for each of the four categories.

Sections 7.06 and 7.07 of the City Charter provides for passage and enforcement of the budget:

“The budget must be the principal item of business at the first regular monthly council meeting in September. The council must hold adjourned meetings from time to time until it has considered all the estimates. The meeting must give interested citizens a reasonable opportunity to be heard. The annual budget finally agreed upon must set forth the complete financial plan of the city for the ensuing fiscal year for the funds budgeted. It must show the sums to be raised and their sources and the sums to be spent and their purposes according to Section 7.05. The total sum appropriated must be safely less than the total estimated revenue. The council must adopt the budget by resolution not later than the first week of December. The council must also adopt a resolution levying all taxes it considers necessary within statutory limits for the ensuing year for each fund. The tax levy resolution must be certified to the county auditor according to law. At the beginning of the fiscal year, the sums fixed in the budget resolution are appropriated only for the several purposes named in the budget resolution.”

“The city manager must strictly enforce the provisions of the budget. The 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 Sections 6.07 and 6.08 except for a purpose and up to the amount authorized in the budget resolution.”

Section 7.08 of the City Charter provides for alterations to the budget:

“After the budget resolution has been adopted, the council has no power to increase the amounts fixed in the budget resolution beyond the estimated revenues, but if the actual receipts exceed the estimates, the council can increase the amounts up to the actual receipts. The council by resolution of a majority can reduce the sums appropriated for any purpose in the budget resolution, or by a resolution approved by five members authorize the transfer of sums needed for other purposes from unencumbered balances of appropriations in the budget. The city manager can make transfers of sums within the major expense classifications in a department or division. However, the manager cannot transfer appropriations between major expense classifications in a department or division nor can the manager transfer appropriations between departments or divisions without council approval.”

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annually appropriated budgets are formally adopted for the general, special revenue, internal service and enterprise funds. Formal budgets are not adopted for debt service, capital and trust and agency funds.

Budgeted amounts are reported as originally adopted. Budgeted expenditure appropriations lapse at year-end. Supplementary appropriations can be carried forward to the following year if approved by the City Council.

Encumbrances represent purchase commitments. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

The City follows the procedures below in establishing the budget:

The City Manager submits to the City Council by late August a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for all funds of the City. The general, special revenue and proprietary funds are formally adopted through the budgetary process as documented herein. Public hearings are conducted to obtain taxpayer comments. A preliminary levy is adopted and certified to the County by September 15. Hennepin County mails parcel specific tax notices to property owners providing taxes due the following year based on the preliminary levy. A budget and levy hearing is held in accordance with State law. Property owners are invited to testify supporting or disagreeing with the proposed general fund budget and the City's proposed property tax levy.

The General fund budget is modified, if desired, and adopted through passage of a resolution. The levy is also adopted by resolution.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, 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 comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which

spending activities are controlled. The various funds are grouped, for budgeting purposes, into six generic fund types and two broad fund categories as follows:

Governmental Funds

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

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

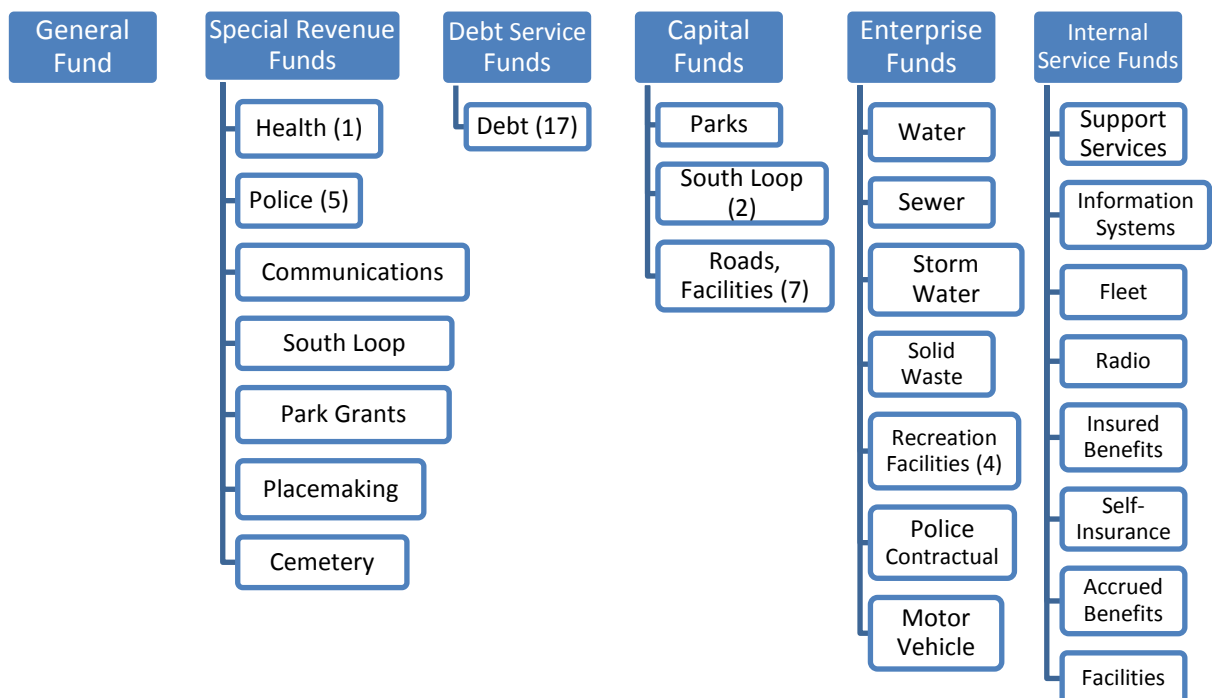
Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds.

Proprietary Funds

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.



Basis of Accounting and Basis of Budgeting

All budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Governmental funds are budgeted for and accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means 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. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only 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.

Proprietary funds are budgeted for and accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.

Financial Management Policies

ORGANIZATIONAL MISSION

A Positive, Professional, Productive, Learning Organization

Building Community and Its Renewal

By Providing Quality Services at an Affordable Price

Preamble

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.

Objectives: In order to achieve this purpose, the following objectives are established for the City's fiscal performance:

- To protect the City Council's policy-making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- 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.
- To assist sound management of the City government by providing accurate and timely information on the City's financial condition.
- To provide sound principles to guide the decisions of the City Council and City staff which have fiscal impacts.
- To set forth operational principles which promote long-term cost effectiveness while providing services desired by the public with minimal financial risk.
- 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.
- 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.
- To protect and enhance the City's credit rating and prevent default on any municipal debt obligations.
- To ensure the legal use and protection of all City funds through a good system of financial and accounting controls.
- 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.
- To record transactions in a manner which matches current revenues to current expenditures (full cost including benefits and depreciation).
- 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).

Policy Guidelines

(Note: The following policies are paraphrased. The entire text can be found on the City's website – <http://bloomingtonmn.gov/cityhall/dept/finance/finance.htm>

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
 - (4) Income and expenditure projections
 - (5) Capital improvement financing
 - (6) Risk management
 - (7) Screening of Industrial Development Bonds (IDB) and Housing Revenue Bond applications (also see separate Guidelines)
 - (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) "Fiscal Notes" to be presented as part of any proposal to the Council in connection with any new or expanded operating or capital improvement programs.
 - (13) Payroll
 - (14) Accounts Receivable

(15) Receipts and Collections

(16) Accounts Payable

- B. The City will maintain a program for the investment of funds consistent with the City's Investment Policy under separate cover.
- 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 reach 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 Fire 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 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. The 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.
- 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 groups 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 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.
- P. The City will strive to obtain each year the GFOA Distinguished Budget Award.
- 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.

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.

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.
- D. Net general obligation debt (as defined above) will not exceed the statutory limit as required by Minnesota State 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. 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.
- H. 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.
- I. Tax Increment Policy -
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. Tax increment financed projects, and all other capital projects, of the Port Authority and the Housing and Redevelopment Authority shall be included in the City's 5-Year Capital Improvement Program each year for prioritizing.
 3. (a) The City will not approve any new tax increment district or abatement district if the resulting total projected tax capacity (net of estimated Fiscal Disparities Contribution) of all tax increment districts in the City (including

the proposed district) exceeds 15.0 % of the total projected tax capacity of all taxable property (including the proposed district) in the City. 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:

	<u>Range</u>
City	0.0% to 5.0%
Port Authority	0.0% to 10.0%
HRA	0.0% to 5.0%
Total	0.0% to 15.00%

Any proposed alteration of this allocation can only be changed by a 5/7 vote of the full City Council.

4. The City will not consider tax increment financing requests for retail, service, industrial, hotel or office development projects that lie outside City approved redevelopment, industrial development district or economic development districts.
5. Types of tax increment financing:
 - (a) Tax increment financing will not, unless approved by a 5/7 vote of the full 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.
 - (b) 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 the full 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.
6. As required by State law, each and any 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 or change. 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.
7. The City, the HRA or the Port Authority, as appropriate, will charge a developer an application fee in accordance with the City's Fees and Charges Schedule as approved annually by the City Council to recover full

costs related to Staff review time and expenses relative to analysis of any proposed plan.

K. Abatement District Policy –

The City of Bloomington is authorized by MS.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; or
 5. Help provide access to services for residents of the City of Bloomington; or
 6. Finance or provide public infrastructure; or
- C. 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. 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 current levy or \$200,000 if levy is less than \$2,000,000 as amended by Minnesota Statutes.
- D. Any new abatement district or new tax increment district shall not exceed the limitations set forth in J.3.
- E. The City of Bloomington will consider all proposals eligible for abatement districts before adopting an abatement district for any project..
- 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 grant of \$25,000 or more or loan of \$75,000 or more. Unless an exception to the Business Subsidy Law applies, a 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, (3) reimburse the property owner for the cost of improvements made to the property, or (4) pay the cost of issuance of the bonds.

L. Business Subsidy Policy –

The following are Bloomington's guidelines for the granting of Business Subsidy to a business or developer.

Any Business Subsidy identified under Minnesota Statutes as "Business Subsidies" are covered under these policies.

A. Definitions –

Act means Minnesota Statutes, Sections 116J.993 to 116J.995, as hereinafter amended, also referred to as the Business Subsidy Act.

Business Subsidy means a City, Port Authority or HRA grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the Recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of governmental facilities given to a business.

City means the City of Bloomington.

Criteria means those elements considered by the Grantors as a guide in the consideration of potential Recipients requesting a Business Subsidy.

Development Agreement means a document between the Grantor and Recipient outlining the terms and conditions under which Business Subsidy will be provided.

Grantor means the City, HRA or Port as defined herein.

HRA means the Housing and Redevelopment Authority In and For the City of Bloomington.

Port means the Port Authority of the City of Bloomington.

Recipient means any for-profit business entity that receives a Business Subsidy or any nonprofit business entity meeting the requirements of Section 116J.993, subd. 6 of the Act.

Subsidy Agreement means an agreement between a Grantor and a Recipient that meets the requirements of Section 116J.994, subd. 3 of the Act.

B. Business Subsidy Criteria

The Criteria set forth in this section establishes minimum requirements that a Recipient must meet in order to be eligible to receive a Business Subsidy. The Grantor reserves the right to approve a project that varies from the Criteria if a Grantor determines a valid public purpose will be served. Criteria may be amended subject to a public hearing, the notice of which shall be published ten days prior to the hearing.

A description of the Criteria is set forth below:

- The request for Business Subsidy must meet a "public purpose". Examples of public purposes are contained in Section J.
- The project is unlikely to go forward "but for" the Business Subsidy.

- Developers or businesses receiving a Business Subsidy shall be in compliance with the requirements of state and local law, including conformance with the Comprehensive Plan and Zoning Ordinance of the City. A Grantor can conditionally approve a request for Business Subsidy; if changes in the Comprehensive Plan, the zoning ordinance or other local laws or policies are under active consideration by the City.
- The Recipient must demonstrate the ability to develop the type and size of project proposed. Upon request, the Recipient must provide market and financial feasibility studies, appraisals, soil borings, information provided to private lenders regarding the project, or other information or data that the Grantor, or its financial advisor, requests in order to independently determine the need for Business Subsidy. A Grantor may also rely on data provided by an applicant to a financial institution.
- The project will not significantly and adversely increase the demands for public services or public facilities in the City unless plans to mitigate the project's impact are approved.
- The Recipient's request for Business Subsidy must be for the minimum amount of subsidy and duration of time required to make the project financially feasible.
- The project will effectively utilize investments in existing public infrastructure and if applicable support public services such as transit.

C. Job and Wage Goals.

- Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Business Subsidy Act, the creation of jobs is a public purpose for granting a subsidy. Creation of at least ___ Full-Time Equivalent (FTE) jobs is a minimum requirement for consideration of assistance. The goals for the number of jobs to be created or retained must result in job creation or retention by the Recipient within the Grantor's jurisdiction overall.
- The wage floor for wages to be paid for the jobs created shall be not less than \$_____ [or can use formula – 150% of the State minimum wage in effect at the time the subsidy is granted]. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
- The wage and job goals set forth in this section must be satisfied within two years of the Benefit Date.
- The wage and job goals may be set at zero if the Grantor determines that creation or retention of jobs is not an objective.

D. Requirements for Business Subsidy Recipients.

The Recipient of a Business Subsidy must satisfy the following requirements:

- The Recipient must retain ownership of the project at least until the project is completed, its occupancy stabilized, project management established, and Business Subsidy repayment (if repayment is required) is initiated.
- The Recipient or successor must continue operations at the site where the Business Subsidy is used for at least five years from the Benefit Date.
- The Recipient of a Business Subsidy must meet the wage and job goals set forth above.

E. Business Subsidy Agreements

Any Recipient receiving a Business Subsidy will be required by the Business Subsidy Act to enter into a Subsidy Agreement with the Grantor outlining the terms and conditions under which Business Subsidy will be provided.

The Subsidy Agreement between the Grantor and the Recipient must meet the requirements set forth in Section L and all other requirements of the Business Subsidy Act and any other requirements which may be incorporated into the development agreement for the project.

For a Business Subsidy subject to Section 116J.994, subd. 5 of the Business Subsidy Act (in 2012, those Business Subsidies exceeding \$150,000), the Grantor must hold a public hearing with a public notice published in the official newspaper at least ten days before the public hearing. The notice must be sufficiently conspicuous in size and placement, make the information available in printed paper copies, and if possible, be placed on the Internet.

The Business Subsidy Agreement must be approved by the governing body of the Grantor, and if the Grantor is not the City, the Business Subsidy Agreement must also be approved by the City Council. The Business Subsidy Agreement must be executed by both the Grantor and the Recipient.

F. Exemptions

Under Section 116J.993, subd. 3 of the Business Subsidy Act, a Recipient proposing activities contained in Section K is exempt from the requirements of the Business Subsidy Act. Requests for financial assistance that are exempt from the Business Subsidy Act are still subject to review and approval of the Grantor. The granting of such assistance is at the sole discretion of the Grantor and may be subject to other regulatory requirements and/or policies.

G. Application Process

Business or developers seeking a Business Subsidy must complete an application for assistance. The Grantor may request additional information from the developer or business to determine whether the request for a Business Subsidy is consistent with the Grantor's policies. Failure to provide requested information will result in denial of the request for a Business Subsidy.

H. Fees

All applicants will be responsible for legal, financial, consultant and other costs associated with the review of the application.

I. Reports

The Recipient and Grantor must comply with the reporting requirements set forth in Section 116J.994, subd. 7 and 8 of the Business Subsidy Act.

J. Example of Subsidy Public Purposes

Grantors may consider the following public purposes, among others, when considering the applicant's request:

- The project provides a service or meets a consumer need not currently met or which is underserved in the City.
- The project represents a significant investment in an area of the City that is economically depressed.
- The project will remove blighting influences or rehabilitate an area of the City in need of revitalization.
- The project will stimulate additional capital investment and act as a catalyst for future (re)development.
- The project will enhance the value of surrounding properties, stabilize the area or foster a "sense of community".
- The project will anchor a needed commercial center in the City.
- The project will enhance the viability of other businesses in the City.
- The project will assist in the orderly growth of the City and generate significant economic spin off.
- The project will prevent the closure due to merger, physical expansion, change in market or economic factors, downsizing, and other factors of business needed in the community.
- The project will employ a classification of people in the community at large who are not fully employed.

- A business subsidy will permit the project to employ more people, pay higher wages, be of better quality, or in some way be of more value to the City.
- The project will provide a needed service in the City, including but not limited to health care or social services.
- The project will preserve or increase the City's tax base.

NOTE: By state law, increasing the tax base may not be solely used as a public purpose, nor can job retention be used unless job loss is specific and demonstrable.

K. Exemptions from the Business Subsidy Act

Section 116J.993, subd. 3 of the Business Subsidy Act provides that the following forms of assistance are not a Business Subsidy within the meaning of the Business Subsidy Act;

- A Business Subsidy of less than \$150,000;
- Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- Redevelopment of property polluted by contaminants as defined in Section 116J.552, subd. 3;
- Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code, and assistance provided for designated historic preservation districts including assistance for a tax increment financing hazardous substance subdistrict as defined under Section 469.174, subd. 23 of the Business Subsidy Act, provided that the assistance is equal to or less than 50 percent of the total cost;
- Assistance provided to organizations whose primary mission is to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- Assistance of housing;
- Assistance for pollution control or abatement;
- Assistance for energy conservation;
- Tax reductions resulting from conformity with federal tax law;
- Workers' compensation and unemployment compensation;
- Benefits derived from regulation;
- Indirect benefits derived from assistance to educational institutions;
- Funds from bonds allocated under Chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;

- Assistance for a collaboration between a Minnesota higher education institution and a business;
- Assistance for a tax increment financing soils condition district as defined under Section 469.174, subd. 19 of the Business Subsidy Act;
- Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value; and
- General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- Funds from dock and wharf bonds issued by a seaway port authority;
- Business loans and loan guarantees of \$75,000 or less;
- Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- Such other exemptions as provided by amendments to Section 116J.993, subd.3 of the Business Subsidy Act, as it may be amended.

Requests for subsidies exempt from the Business Subsidy Act are still subject to review and approval of the Grantor. Such approval is at the sole discretion of the Grantor.

L. Requirements for Subsidy Agreements

Section 116J.994, subd. 3 of the Business Subsidy Act requires a Recipient must enter into a Subsidy Agreement with a Grantor that includes the following:

- A description of the subsidy, including the amount and type of subsidy and type of district if the subsidy is tax increment financing;
- A statement of the public purposes for the subsidy;
- Measurable, specific and tangible goals for the subsidy;
- A description of the financial obligation of the recipient if the goals are not met;
- A statement of why the subsidy is needed;
- A commitment to continue operations at the site where the subsidy is used for at least five years after the Benefit Date;
- The name and address of the parent corporation of the recipient, if any;
- A list of all Business Subsidies by all grantors for the project;
- Wage and job goals; and
- Such other requirements as are set out in Section 116J.994, subd. 3 of the Business Subsidy Act.

M. Post-Issuance Compliance Procedure and 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 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 there under (the “Treasury Regulations”), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. 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.

1. **Effective Date and Term.** The effective date of this Policy is the date of approval by the City Council of the City (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 of the City will 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) Financial Advisor (the organization primarily responsible for providing financial 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 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 .
 - (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 .
 - (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.
 - (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.
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; 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.

(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.

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; (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 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) copies of all Form 8038Ts and Form

8038-Rs filed with the IRS; and (xix) the transcript prepared with respect to such tax-exempt governmental bonds.

6. Remedies. In consultation with Bond Counsel, the Chief Financial Officer shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the *de minimus* 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 Notice 2008-31, 2008-11 I.R.B. 592, 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.
8. Other Post-Issuance Actions. If, in consultation with Bond Counsel, Financial 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, the Chief Financial Officer shall take such action if the Chief Financial Officer has the authority to do so.
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.
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.

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, or compilation and financial report assistance proposed by the auditors, or for which the City wishes to hire them exceeding \$5,000 must be approved by the City Council prior to hiring them. In addition, similar work to date that would result in exceeding a cumulative limit of \$15,000 annually to be paid to the external auditor must be approved by the City Council prior to hiring them. All other types of work would require Council approval prior to hiring them.

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 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.

Fund Balance Year-End Classification Policy

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.

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 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.

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.

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.

Investment Policy

I. Investment Policy Statement of Purpose

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

II. Scope

All cash and investments are pooled together to achieve economies of scale for each entity.

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 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.

IV. Objective

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

- A. **Safety** - to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 - Credit Risk - the risk of loss due to failure of the security issuer or backer
- B. Interest Rate Risk – the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. **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.
- 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 (see the entire policy for exceptions).

V. Delegation of Authority

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:

- 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.

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.

VII. Investment Committee

An Investment Committee shall meet quarterly or as needed to review the performance of investments and review the investment strategy.

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.

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
- B. Savings/demand deposits
- C. Bankers acceptance
- D. Commercial paper
- E. U.S. Treasury obligations
- F. U.S. Agency securities GSE's (Government Sponsored Enterprises).
- G. Municipal Securities
- H. Repurchase agreements

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.

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.

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)

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.

XIV. Investment Credit Rating Degradation

Credit updates should be completed on all non-insured general obligation (GO's), bankers' acceptances and commercial paper with a credit rating that has declined.

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.

XVI. Maximum Maturities

Fund Specific:

- A minimum of five percent of the portfolio will mature under 30 days,
- Total funds will be invested to a maximum maturity of five years,
- Total weighted average maturity of total funds will not exceed 3.5 years, and
- Maturities will be diversified to avoid undue concentration of assets in a specific sector.
- 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.

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.

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.

XVII. 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 review whether market yields are being achieved.

XIX. 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.

XX. Reporting

The CFO is charged with the responsibility of preparing a periodic investment report, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last period in the City's Financial Reports

XXI. 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.

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.

Revenue Policy

- A. The City will 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.
- 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.
- 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.

Risk Management Policy

- A. The City will maintain a separate Self-Insurance Fund within its fund and account groups.

- B. The City will calculate annually an updated estimated working capital requirement for the Self-Insurance Fund. Such working capital should be an estimate of claims to be covered in the next few years plus an amount for unexpected claims. Transfers from the Self-Insurance Fund will only be made after at least three years of funding/loss experience, or a consultants report, indicates an over-funding.
- C. The City will utilize the services of a professional Risk Manager, either on-staff or by contract, to administer the City's risk avoidance program.
- D. The City will periodically conduct educational safety and risk avoidance programs within the various departments.
- E. Staff will report to the City Manager and the City Council, at least annually, on the results and costs of the City's risk management program for the preceding year.
- F. The City will, on an ongoing basis, analyze the feasibility of purchasing outside insurance coverage to replace or supplement the self-insurance program, in order to provide the best and most economical loss coverage available.
- G. The City will periodically (approximately every five (5) years) conduct, using independent outside consultants, a comprehensive risk management study, including adequacy of reserves, and will implement those recommendations for the improvement of risk management which are found to be feasible and cost-effective.
- H. The City will maintain the deductible amount considered prudent in light of the relationship between the cost of insurance and the City's ability to sustain the loss.

Self-Insurance Reserve Policy

I. Purpose

A Self-Insurance Fund has been established to provide for operations stability and to provide for needs caused by unforeseen events. The Self Insurance Fund will be the first fund to respond to claims, which will allow the City to accept higher deductibles, thereby reducing the premiums paid on its insurance policies. The Fund will also be used to pay for annual insurance policy premiums.

II. Background

The City of Bloomington continually reviews its insurance coverage, limits, deductibles, reserves and claims payments as part of its risk management program. In an effort to establish a framework within which the City's will pay all costs associated with processing and defending claims made against the City, the Self Insurance Fund (621) was established.

The Self-Insurance Fund is to be used for the following purposes:

- To pay for insured losses up to the deductible of the insurance policy responding to the claim, including any and all costs associated with defending the claim.
- To pay for costs associated with the self-insured Workers' Compensation program, including reinsurance premiums.
- To pay for premium costs for the all property/casualty programs.

- To provide protection from fluctuating insurance premiums due to changes in the insurance market.

III. Policy

The Self Insurance Fund balance will be maintained at a level equal to unpaid claims liability (as prepared by an enrolled actuary at least every five (5) years). The Fund balance will be reviewed each year during the annual budget preparation.

Claim payments will be made from the Self Insurance Fund for all claims against the City. Contributions to the Self Insurance Fund are calculated annually by taking into account premiums, claims history, the insured value of property and equipment, as well as the number of vehicles assigned to each department.

Planned drawdown of the Self Insurance Fund balance below a minimum level will be permitted for operational purposes to cover extraordinary expenditures or to reduce the impact of increasing premiums or claims experience for workers' compensation or liability coverage. Reductions in the Self Insurance Fund balance are meant to be short term only and must be resolved through rate adjustments, implementation of a new permanent revenue source or reduction in expenditure levels.

Surplus fund balance above the minimum level may be used to defer or reduce payments needed to support risk management operations.

Travel Policy

I. Purpose and Scope

It is the purpose of this policy statement to establish adequate internal controls to satisfy Internal Revenue Service (IRS) regulations, State laws, and to provide a framework to use as a guide to prescribe circumstances for which travel reimbursements or travel purchasing card transactions will be authorized. Only claims for accommodations and services actually incurred or in accordance with the Standard Federal Per Diem Rate in the case of meals and incidental expenses would be reimbursed once the Travel Expense Report has been approved. Employees are expected to utilize the same care when incurring official expenses that a prudent person would utilize if traveling on personal business.

II. Overnight Travel by Mayor, Council, and Commission Members

The Mayor and Council members attending meetings, workshops, conferences, or training at the expense of the City, which require out-of-state travel must obtain approval of the travel by the City Council at an open meeting and must include an estimate of the cost of the travel. Commission member travel requests require approvals from the City Manager and program manager responsible for the budget funding the trip. Travel expense reports are subject to Finance Department review. No reimbursements will be made for attendance at events sponsored by or affiliated with political parties.

In evaluating the out-of-state travel request, the Council will consider the following:

- Whether the elected official will be receiving training on issues relevant to the City or to his or her role as the Mayor or as a council member.
- Whether the elected official will be meeting and networking with other elected officials from around the country to exchange ideas on topics of relevance to the City or on the official roles of local elected officials.
- Whether the elected official will be viewing a facility or function that is similar in nature to or under consideration by the City and the purpose for the trip is to study the facility or function to bring back ideas for the consideration of the full Council.
- Whether the elected official has been specifically assigned by the Council to visit another city for the purpose of establishing a goodwill relationship such as a “sister-city” relationship.
- Whether the elected official has been specifically assigned by the Council to testify on behalf of the City at the United States Congress or to otherwise meet with federal officials on behalf of the City.
- Whether the City has sufficient funding available in the budget to pay the cost of the trip. In some cases, the City may require the elected official to pay for a part of the travel costs as condition of approval.

III. City Reimbursement of Travel Costs that Require Overnight Travel

The City will pay or reimburse all travel costs that are both reasonable and necessary. All persons conducting official City business are expected to show good judgment in the nature and amount of expenses incurred while conducting City business. Per Minnesota Statute, purchases of alcoholic beverages cannot be reimbursed. Travel must be by the most direct or normally traveled route unless approved in advance by the employee's supervisor. Reimbursement will be limited to the cost of travel by a direct route or on an uninterrupted basis. The employee will be responsible for any additional costs exceeding the business purpose related expenses.

The following expenses may be approved for reimbursement:

Transportation. Coach airplane passage is considered standard for travel out of the five state region, as air travel is usually more economical in time and money than other modes of transportation when making long trips.

Traveling by Automobile (City & Personal). When traveling in a City vehicle, the employee should use a City assigned purchasing card for fuel expenses or their own credit card if a City purchasing card is not available. Due to potential liability considerations, transportation of persons not on official City business is prohibited in City vehicles. The City is not responsible for damage to personal vehicles while on official business, as the employee's vehicle is not covered by the City's insurance coverage. When personal automobiles are used as a mode of transportation for travel within the five state region, reimbursement will be made at the mileage or allowance rate in effect at the date of travel. Payment of

mileage will be based on the most direct route from the point of departure to the point of destination. In instances when the person receives a car allowance, additional mileage reimbursement is not allowed in accordance with Minnesota state law.

Car Rental. Prior approval by the Department Head is required if it is necessary to rent a car at the travel destination. Pre-payment of a car rental can be made using a City purchasing card. No personal use of car rental is allowed to be claimed on the Travel Expense Report. Car rental insurance will not be reimbursed by the City. If car rental insurance is purchased, it would be at the individual's expense. The City's automobile insurance coverage applies to rental vehicles. Under normal circumstances, should a rental car be damaged while being used for business purposes, the City will defend and indemnify the employee against any claims made by the rental company for damage to the rental car. Minnesota law requires your personal insurance company to provide coverage when the rental car is being used for personal activities in most instances.

Lodging. Hotel or motel accommodations should be appropriate to the purposes of the trip. Where multiple occupancy by other than City employees/officials occurs, only the actual cost of the single room rate (if different from the double room rate) may be claimed for reimbursement or charged. Business telephone calls and reasonable personal telephone calls incurred during overnight stays are reimbursable. When assigned, a City mobile device or cell phone should be used for telephone calls. Expenses that are not deemed reasonable and necessary will not be reimbursed. Some non-reimbursable examples are: movies in your hotel room, fees to use the hotel's health club, dry cleaning, and personal items (such as toothpaste, shampoo, etc.)

Per Diem. The per diem allowance is a daily payment for meals and related incidental expenses when overnight travel accommodations are necessary, in accordance with published federal per diem rates instead of receipt based reimbursement. Employees should NOT submit receipts for any meal purchases when requesting overnight travel reimbursements. A City assigned purchasing card may NOT be utilized to pay for meal expenses requiring overnight travel. An employee may claim an amount not to exceed the allowable per diem rate in accordance with the Standard Federal Per Diem Rate Schedule in effect at the time of travel as published by the U.S. General Services Administration (GSA). The per diem allowance is separate from lodging, transportation, and other miscellaneous expenses. The per diem allowance covers all charges, including taxes and service charges where applicable for:

Meals.

Expenses for breakfast, lunch, dinner, snacks and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons).

Incidental expenses.

Fees and tips given to porters, baggage carriers, bellhops, and hotel maids.

Employees are entitled up to the allowable daily Federal per diem amount for the area. Employees may claim full per diem for the day of departure and the day of return from a business trip, regardless of the departure or arrival time. However, for meals provided by the conference or training event, the daily per diem amounts are adjusted by the following guidelines:

- If one meal is provided at no cost, the employee is still eligible for full per diem.
- If two meals are provided at no cost, per diem is reduced to two-thirds.
- If three meals are provided at no cost, per diem is reduced to one-third.

Per diem cannot be used for travel related costs that do not involve an overnight stay.

IV. City Reimbursement of Travel Costs that do not Require Overnight Travel

Travel plans involving expenses that do not require overnight travel accommodations will be reimbursed based on actual cost substantiated by appropriate receipts. The employee is entitled to reimbursement of meal expenses after submitting actual receipts. No reimbursement is authorized if meals are provided during the meeting or event. When available, the assigned City purchasing card should be used for these type of activities. This includes training or meetings within the metro area.

V. International Travel

For domestic travel purposes, the IRS definition of the United States includes the 50 states and the District of Columbia. The purpose of travel outside the United States for City business must be unquestionably professional in content and should only be considered if a similar meeting, conference, or training of similar quality cannot be found within the continental limits of the United States. International travel expenses for business related purposes are deductible, as outlined in the IRS Code Publication 463 (Travel Outside the United States), but may be limited if the travel involves non-business activities.

VI. Other

Falsification of travel documents/expense reporting, resulting in overpayment of the City's assets, may be cause for disciplinary action.

It is the employee's responsibility to:

- Maintain accurate records;
- Make a conscious effort to minimize expenses while maintaining an adequate level of comfort and convenience;
- Request reimbursement in an accurate and timely manner, 60 days or less.

Financial Management Policies Adoption

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

GAUGING THE CITY

Table of Contents

Crime	265
Traffic	265-266
Emergency Response	266-267
Tax Supported Services	268
Property Market Value versus Building Permit Value	269
Lodging Tax and Hotel Occupancy	269
Admission and Liquor Tax	270
Population	270
Employment	271
Major Employers	272
City Services/Utilities Cost	272 - 274
Citywide Curbside Cleanup	274
Web Site Visits	275
Recreational Facilities Net Assets	275

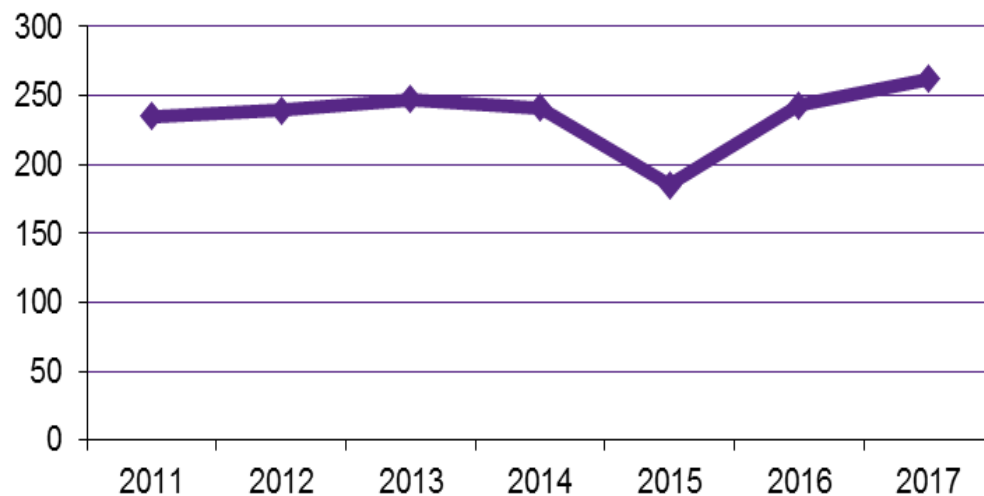
Gauging the City

Part I Crimes

	2015	2016	2017
Homicide	0	1	2
Rape	43	58	47
Robbery	61	64	33
Aggravated Assault	58	68	66
Burglary	199	182	178
Theft	2,643	2,519	2,334
Vehicle Theft	104	132	141
Arson	10	11	12

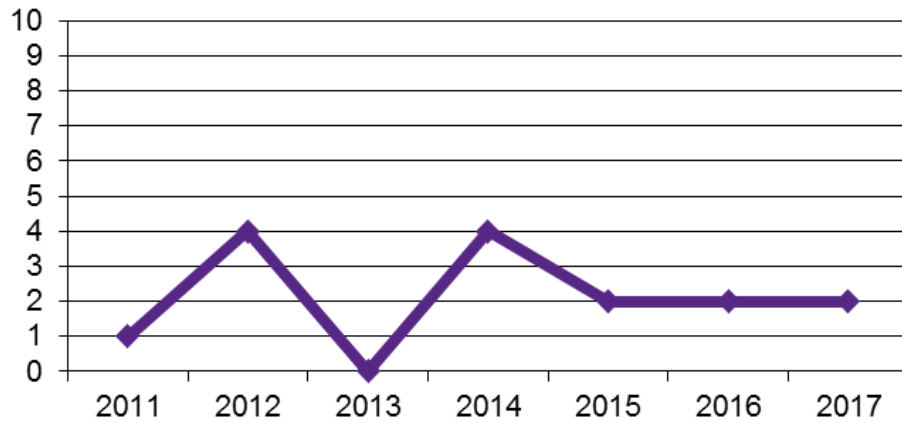
Part I Crimes include homicide, rape, robbery, aggravated assault, burglary, theft, vehicle theft and arson. The source for this data is the Bloomington Police Department record system.

Vehicle Traffic Personal Injury Accidents



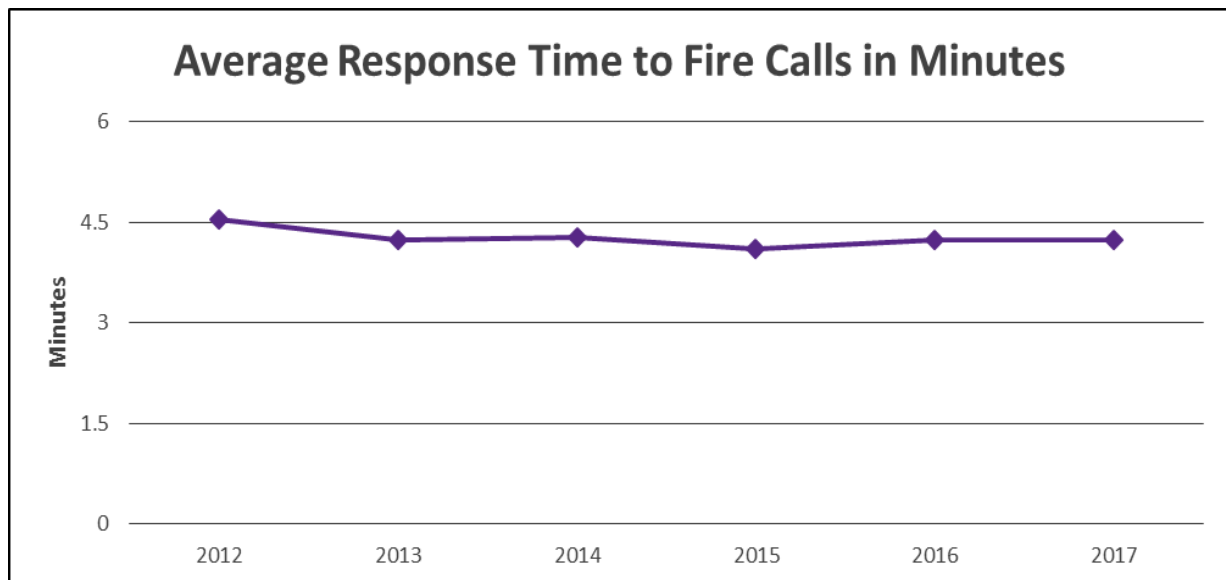
Traffic enforcement efforts are driven by both accident data and complaints. Citizens can call the Traffic Division to report traffic concerns.

Motor Vehicle Traffic Number of Fatal Accidents



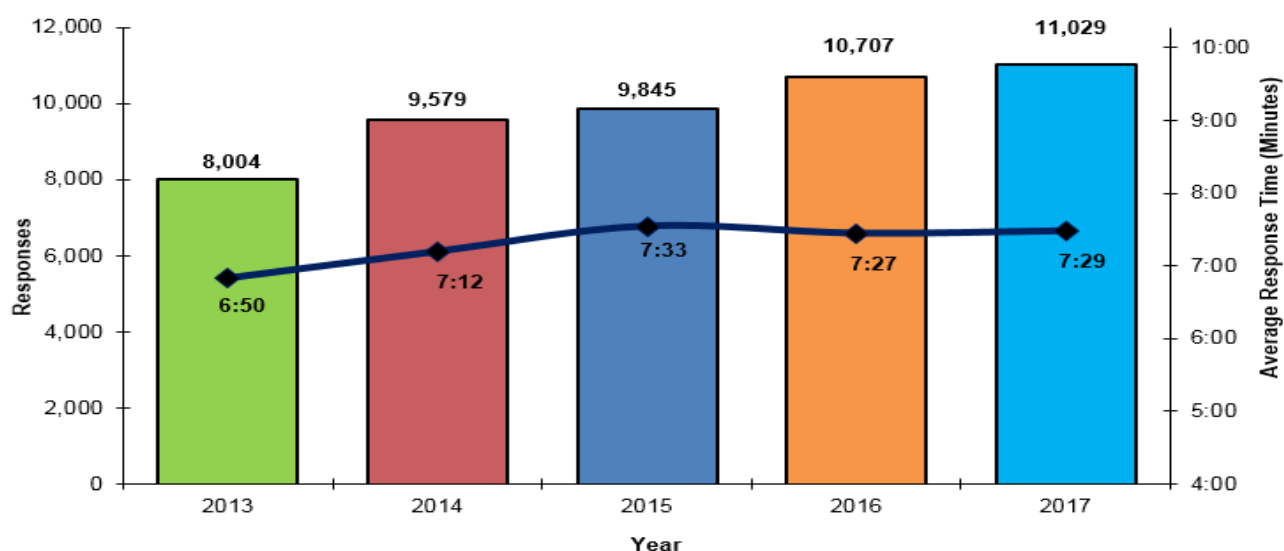
Enhanced enforcement of speeding and drunk driving laws may have an effect on limiting motor vehicle fatalities.

Fire Response Time Average Annual



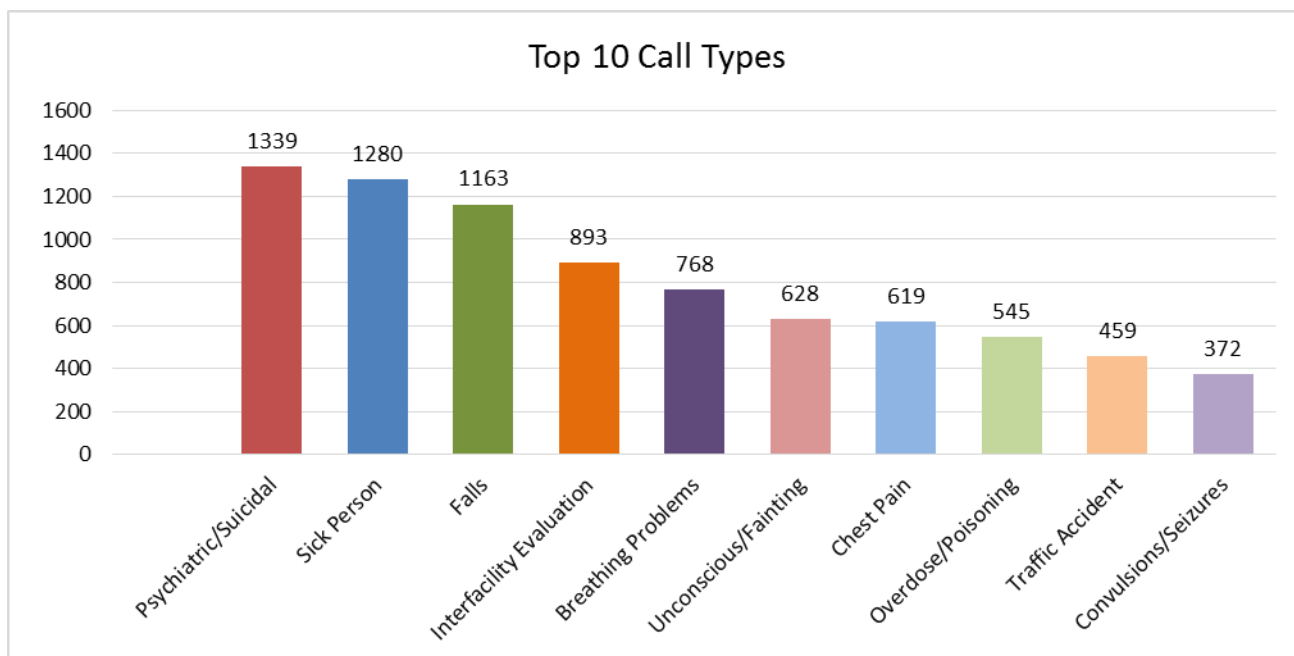
Response time is the time that elapses from the moment the dispatch alert tones are sounded until the first fire unit arrives at the scene. Bloomington has six fire stations throughout the City with approximately 124 volunteer firefighters. The Police/Fire 911 emergency system, 800 Mhz radio equipment, current fire apparatus, equipment, training and technology all help to accomplish an annual response time close to four minutes. The department goal is to have a unit on scene within four and a half minutes from dispatch.

Emergency Medical Response within 7 Minutes and 21 Seconds



Allina Health EMS responded to 11,029 calls in 2017 within the City from January 1 – December 31. Allina Health EMS Responded within the Hennepin County Response time standard of 8 minutes and 6 seconds. Such results are equally distributed across Bloomington. The average response time for emergency medical service calls is 7 minutes and 29 seconds.

Top Ten Call Types



Tax Supported Services

The City of Bloomington can compare itself to other similar cities in Hennepin County several different ways. Comparisons by household include single-family and multi-family; by median value home are for the home value exactly in the middle of a list of all home values; by single-family lot eliminates home value from the analysis.

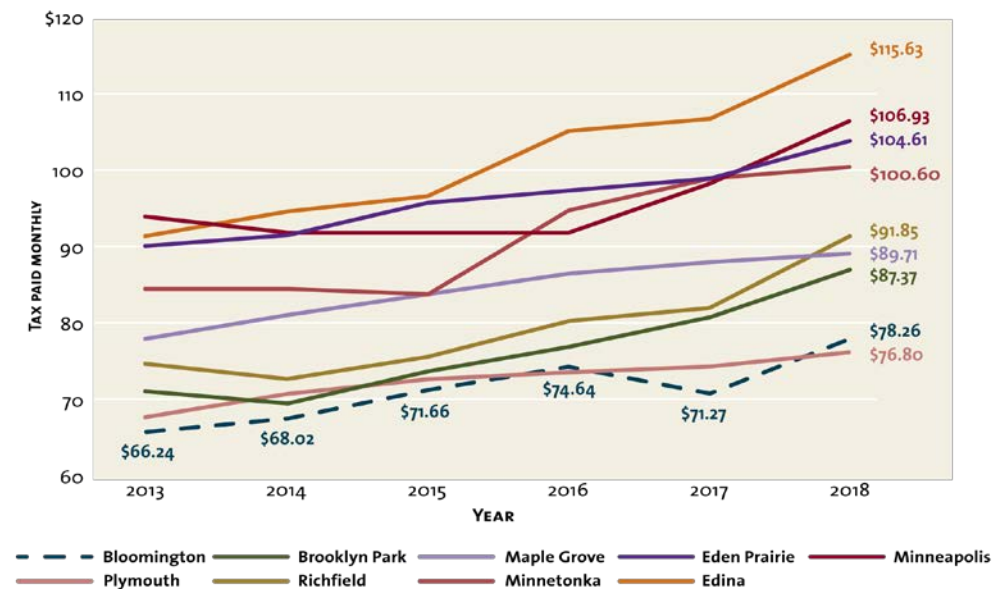
Adjusting for property tax aids means that state aid payments made in lieu of property tax are added to the tax amount for comparison purposes. Not adjusting for property tax aids focuses on what taxpayers pay regardless of how much state aid is received to decrease local taxes.

A survey of Hennepin County communities of over 20,000 population show the cost of tax supported services in a number of ways. Households include single-family and multi-family dwellings. Adjusted for property tax aids means that state aid payments paid in lieu of property tax are added into the tax amount.

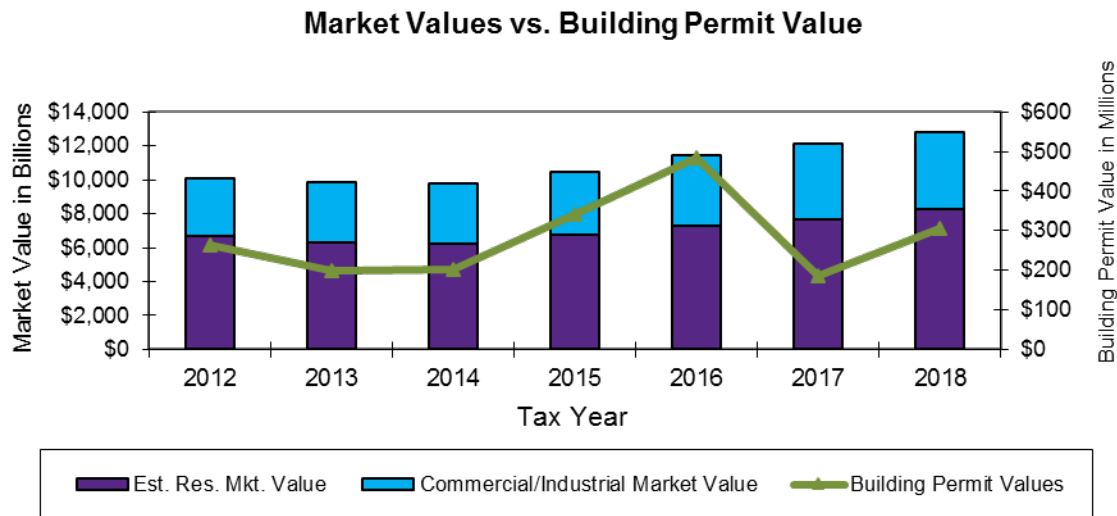
Some communities are fiscal disparities contributors and some are fiscal disparities receivers. This tax calculation reduces tax for those communities which contribute to the fiscal disparities pool and increases the tax for those who receive fiscal disparities in lieu of tax.

This graph, which is not adjusted for fiscal disparities and property tax aids, tells the same story as the adjusted graphs. This is the actual cost of city services for a median value home and is the basis of the checkbook historically seen in City publications.

CITY PROPERTY TAX ON MEDIAN VALUE SINGLE-FAMILY HOME

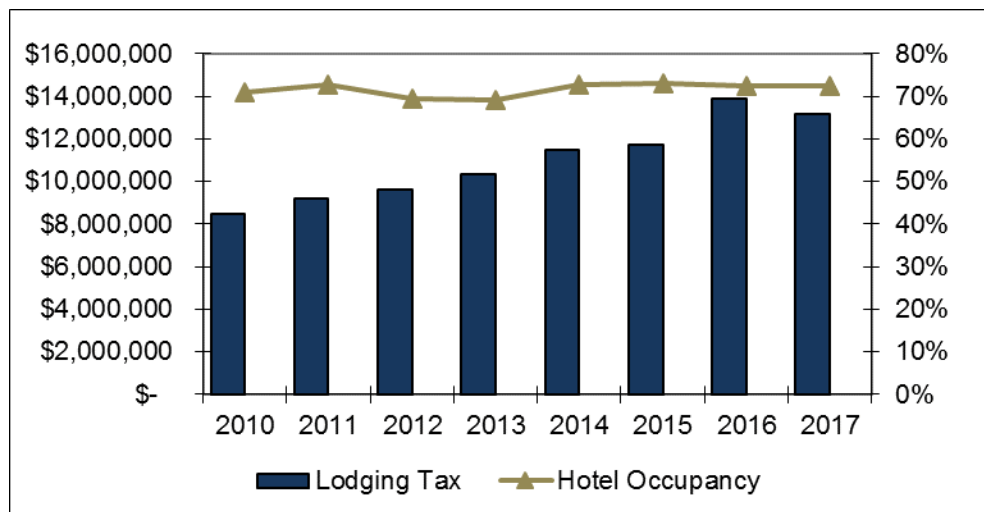


Property Market Value versus Building Permit Value



The annual residential real property market value increased approximately 8% in tax year 2018, after growing approximately 6% in tax year 2017 and 8% in tax year 2016. All parcels used primarily for housing and related lands are included. The annual non-residential real property market value grew approximately 3% in tax year 2018 after being up approximately 5% in 2017 and 14% in 2016. Parcels included in this group are all commercial, industrial, utility and related lands.

Lodging Tax and Hotel Occupancy Annual Average

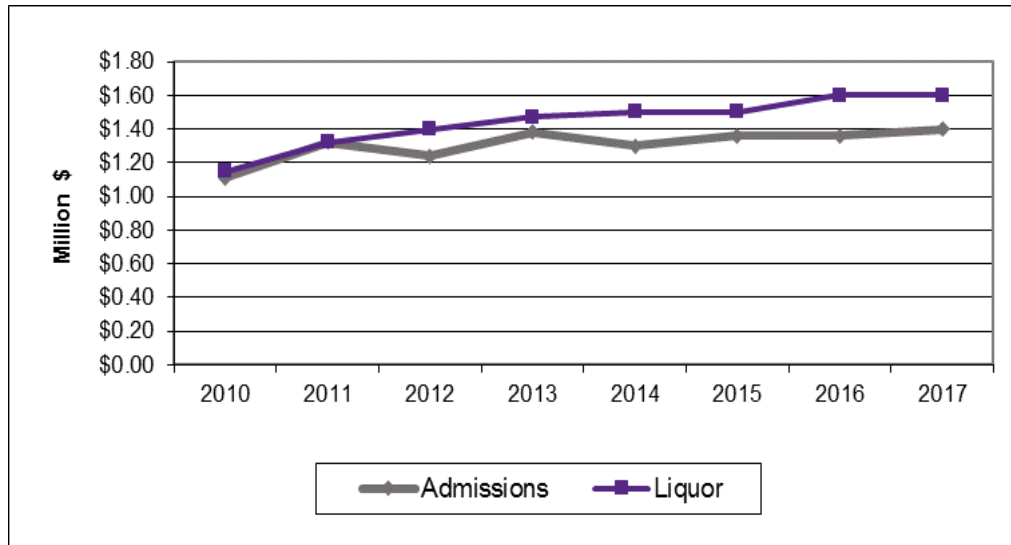


The City retains three-sevenths of lodging tax revenue collected for use in the General Fund and distributes two-sevenths to the South Loop Capital Improvement Fund. The remaining two-sevenths are remitted to the Bloomington Convention and Visitors Bureau. The graph shows the City's and South Loop Capital Improvement Fund's portion of the collections. Lodging sales tax revenue increased by 15 percent in 2017 compared to 2016.

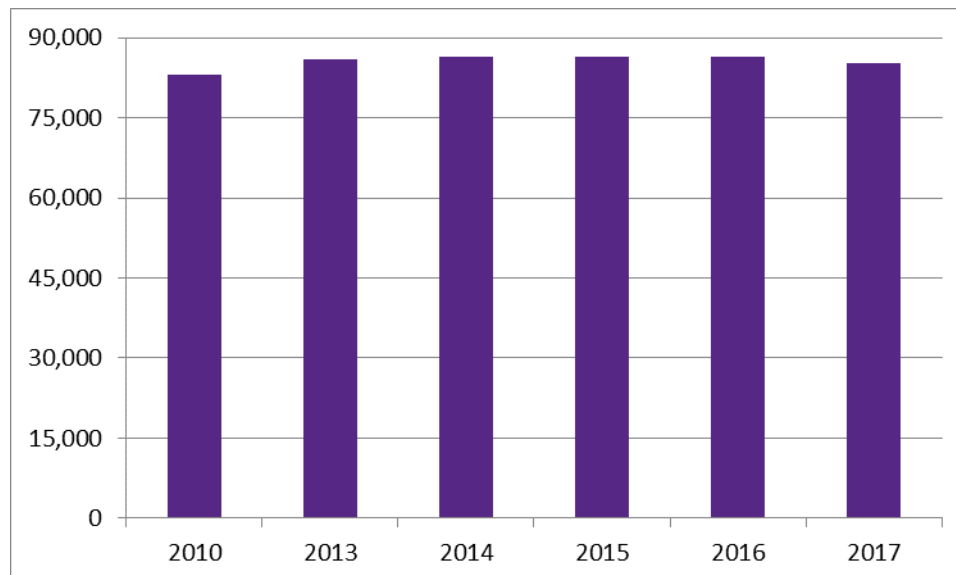
The hotel occupancy rate figures were compiled by the Bloomington Convention and Visitors Bureau and represent the occupancies as reported by an average number of Bloomington hotels each month.

Admissions and Liquor

The City retains all admissions tax collections in the General Fund. Revenues have been between \$930,000 and \$1,385,570 since 2000. The City collects liquor tax for the South Loop Capital Improvement Fund.

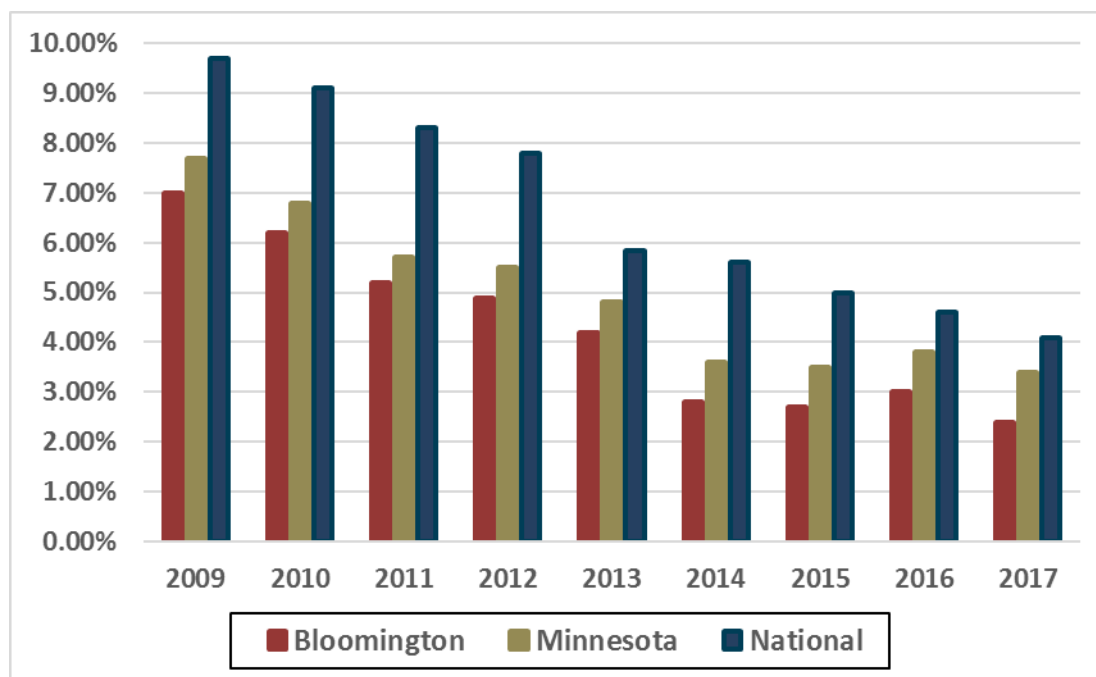


Bloomington Population



The estimated 2017 population total was 85,319 people. The projected population for 2018 is stable.

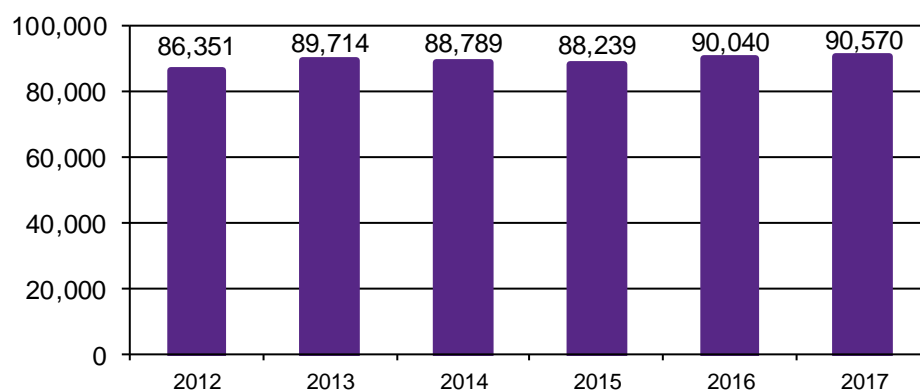
Unemployment Rates



Bloomington's unemployment rate at 2.4 percent is below the national average (4.1 percent) and slightly below the state average (3.4 percent).

Source: U.S. Bureau of Labor Statistics – October, 2017

Number of Jobs in Bloomington



Source: Q2 Minnesota Department of Employment and Economic Development – January, 2018.

Major Employers in the City

<u>Employer</u>	<u>Product Service</u>	<u>Approximate Number of Employees</u>
Health Partners	Health Insurance Provider	3,234 ⁽¹⁾
Bloomington Public School District	Public Education	1,940
Seagate Technology	Computers/Manufacturing	1,580
Donaldson Companies, Inc., Corporate Headquarters	Automotive Equipment	1,002
The Toro Company	Lawn Equipment, Snow Blowers	990
NCS Pearson	Education Technology	959
Barr Engineering	Engineering	727
General Dynamics	Defense contractor	678
Express Scripts	Pharmacy Benefit Management	638
Minnesota Masonic Home Care Center	Home care/assisted living	612

⁽¹⁾ Includes administration office and clinic employees

Source: Phone survey of individual employers, May, 2016.

NOTE: Approximately 13,000 people are employed at businesses in the Mall of America and an additional 10,000 people are employed in Bloomington's hospitality industry.

Utility Rates

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water (per 1,000 gallons)				
Tier 1	2.64	2.82	3.09*	3.39*
Tier 2 (>20,000 gallons)	4.42	4.99	5.46*	5.99*
Sewer (per 1,000 gallons after 2010)	3.53	3.87	4.23	4.64
Stormwater	5.95	6.37	6.81	7.29
Solid waste (recycling)	2.84	2.84	3.04	3.65

*Water is a two-tier system with a minimum of 2,000 gallons per month for residential property.

Monthly Cost of City Services and Utilities

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City property taxes on a median home	\$71.64	\$74.73	\$71.17	\$78.26
Water				
Tier 1	14.78**	15.79**	17.30**	18.98**
Tier 2 (>12,000 gallons)	4.42	4.99	5.46	5.99
Sewer	15.00***	16.45***	17.98***	19.72***
Stormwater	5.95	6.37	6.81	7.29
Solid waste (recycling)	2.84	2.84	3.04	3.65
Total Per Median Value Home	\$110.21	\$116.18	\$116.30	\$127.90

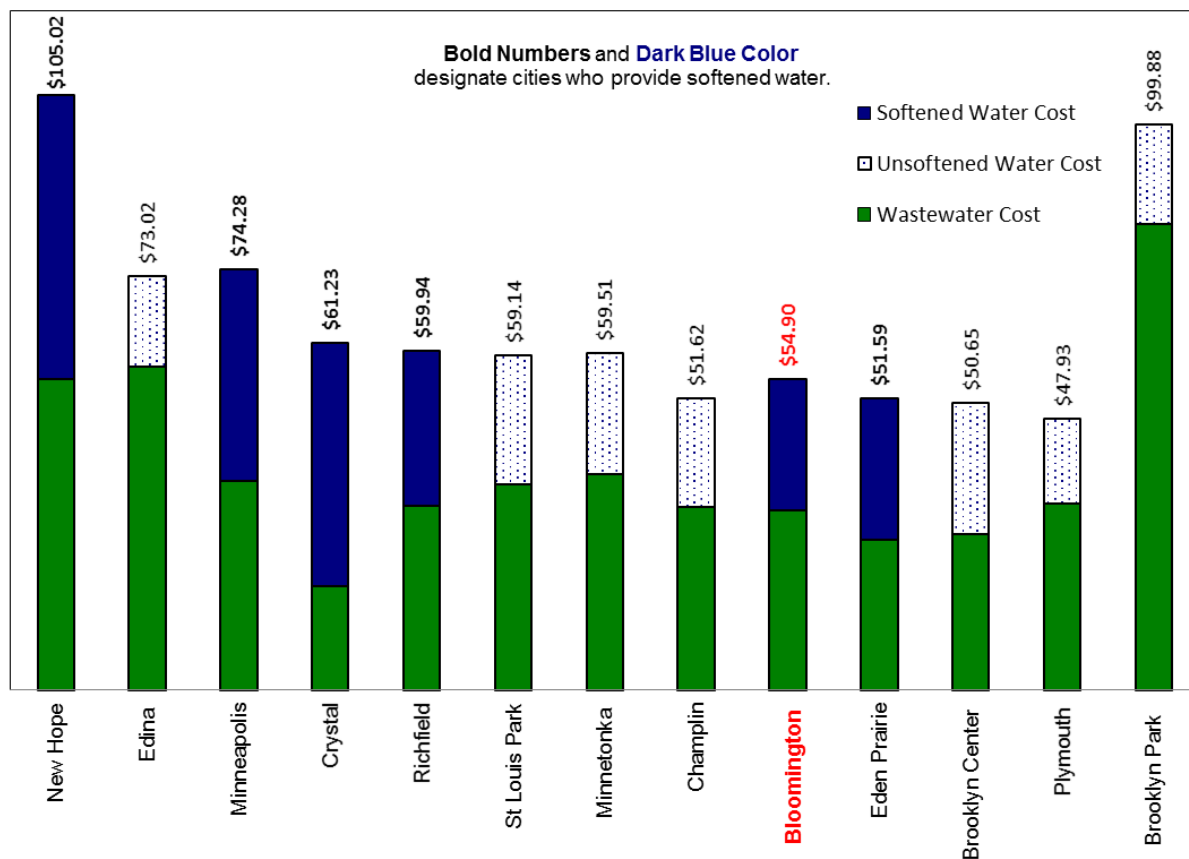
** Water usage average of 5,600 gallons monthly.

*** Sewer usage average of 4,250 gallons monthly.

Combined Water and Wastewater Charges

This graph shows the combined water and wastewater charges to homes in several metro communities. These calculations were made with 2015 rates for usage of 7,500 gallons of water and the same amount of wastewater.

2017 Rate Comparison



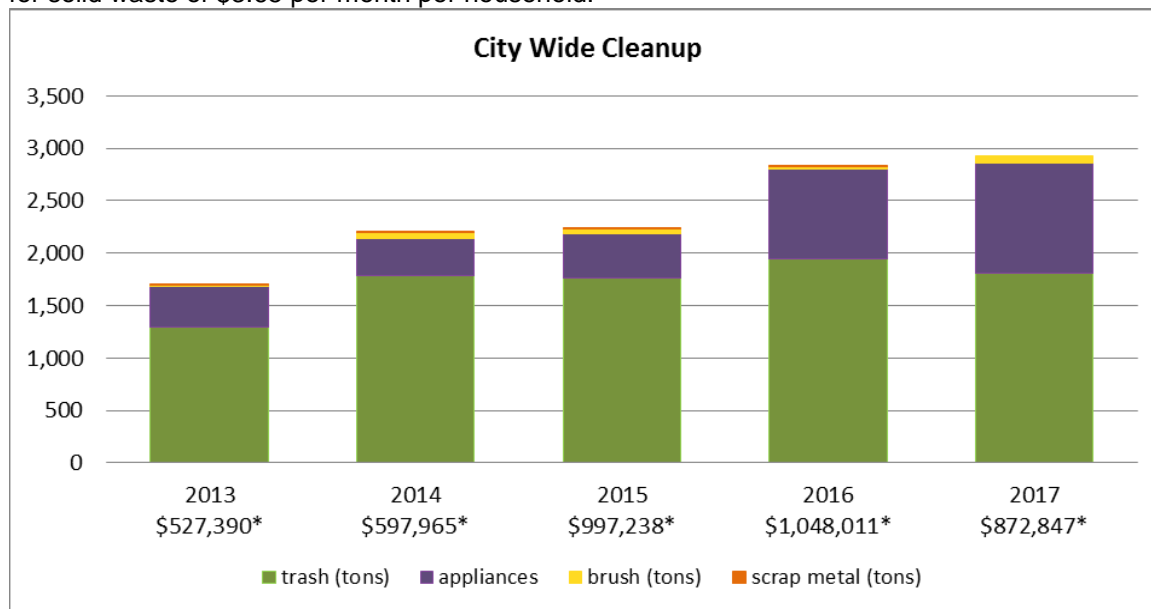
Total Cost Comparisons

LOCATION	2017 MONTHLY COST OF SINGLE-FAMILY PROPERTY TAXES (NOT ADJUSTED FOR AIDS)	MONTHLY COST FOR SINGLE-FAMILY WATER AND SEWER CHARGES	WATER SOFTENED AT THIS CITY'S WATER TREATMENT PLANT?	ADDITIONAL COST FOR HOME SOFTENING OF WATER	FRANCHISE FEES	RESIDENTIAL SAVINGS ORGANIZED COLLECTION	TOTAL MONTHLY COST: CITY PROPERTY TAXES PLUS WATER, SEWER & SOFTENING, AND FRANCHISE FEES
Edina*	\$107.61	\$75.12	No	\$38.22	\$3.90		\$224.85
Minnetonka	99.45	52.34	No	38.22	2.50		192.51
St. Louis Park*	86.38	57.53	No	38.22	6.50		188.63
Minneapolis	98.78	74.88	Yes	--	14.00		187.66
Brooklyn Park	81.32	43.49	No	38.22	14.00		177.03
Plymouth*	74.74	45.67	No	38.22	4.00		162.63
Maple Grove*	88.67	33.02	No	38.22	0.00		159.91
Woodbury*	82.35	36.65	No	38.22	0.00		157.22
Eden Prairie*	99.74	49.82	Yes	--	5.00		154.56
Richfield	82.54	59.95	Yes	--	8.20		150.69
Bloomington	71.27	50.18	Yes	--	7.50	(7.20)	121.75
Blaine*	\$47.94	\$25.78	No	\$38.22	\$1.25		\$113.19

*Denotes Peer Cities from Citizen Survey

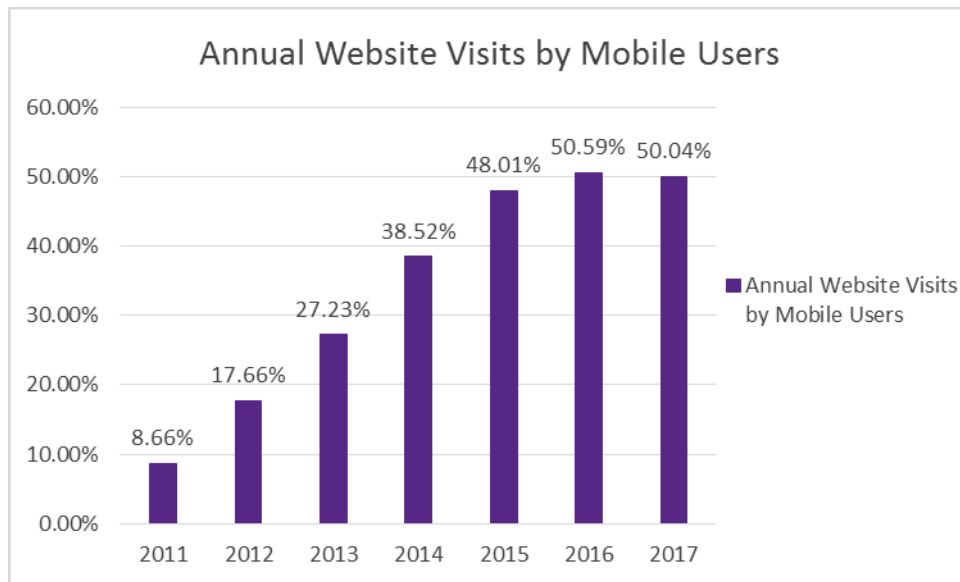
City-Wide Cleanup

One very popular program in the City is the City-wide curbside cleanup. Residents can place appliances, brush, scrap metal and trash at their curb and the City contracts with a hauler to make one pass through each neighborhood to pick it up. Funding for this program comes from a utility fee for solid waste of \$3.65 per month per household.



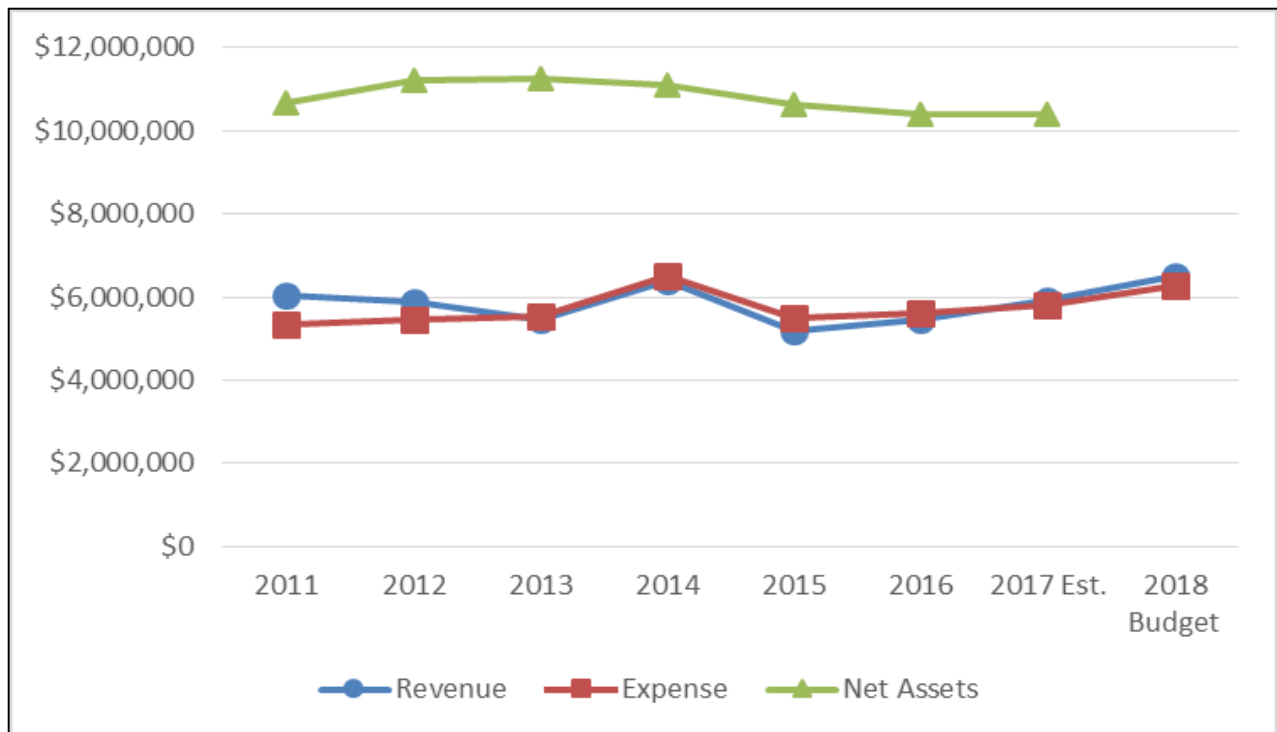
*Cost of collection for each consecutive year.

Annual City Web-Site Visits



In 2015 the City's external website underwent major reconstruction and in the process became more mobile user friendly. Since the website update, there has been increased smart phone and mobile user device visits by 9.49% from 2014 to 2015 and 2.58% from 2015 to 2016. However, from 2016 to 2017 the mobile user device visits has reached an equilibrium with usage remaining relatively similar.

Recreational Facilities Net Assets





GLOSS

Table of Contents

Glossary **279 - 283**

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.

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

Capital Outlay – Purchases of fixed assets that have a value of \$10,000 or more, and a useful life of more than four years.

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

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.

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.

Deficit – The excess of expenditures over revenues.

Department – Basic organizational unit of City government responsible for carrying out related functions.

Division – Basic organizational unit of City government that is functionally unique in its service delivery.

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.

Ten-Year Model – A planning tool used to assess the opportunities and challenges of future budget years based on scenarios of the current budget 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 -

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.

Full-Time Equivalent (FTE) – 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.

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.

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.

League of Minnesota Cities Insurance Trust (LMCIT) - A self-insured membership cooperative formed by Minnesota cities.

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.

Light Rail Transit (LRT) – 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.

Mall of America (MOA) – Nation's largest retail and entertainment complex located in Bloomington.

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.

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.

Net Assets – The equity associated with general government less liabilities.

Operating Budget – Financial plan for the fiscal year which authorizes proposed personnel complements, expenditures and the revenues to finance them.

Pavement Management Program (PMP) – 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.

Program – Within each Department are several divisions or programs in the City, each charged with carrying out a specific function.

Proposed Budget – Budget as submitted by the City Manager to the City Council.

RFP – Request for proposals.

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.

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.

Third Party Administrator (TPA) – 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.

WIC – Women, Infants and Children food program.

Workers’ Compensation Reinsurance Association (WCRA) – Insurance coverage that protects the City from catastrophic workers’ compensation losses.

Working Capital – Current assets minus current liabilities. This measure is used as a gauge in determining appropriate fund balances.



INDEX

Table of Contents

Index	
I like you alex hase	287 - 288

Index

287 - 288

Index

– A –

Accounting, 126-127
 Accrued Compensated Absences, 200-201
 Admissions Tax, 47, 270
 Adopted Budget, 30, 279
 Annual Permit Revenue, 72
 Anticipated Debt, 222
 Appropriations, 33, 34, 48
 Assessor, 106-107
 Auto Forfeitures, 140

– B –

Basis of Accounting, 228
 Basis of Budgeting, 228
 Boards and Commissions, 114-115
 Budget Calendar, 19
 Budget Overview, 29
 Budget Policy, 225-228
 Budget Presentation Award, 5
 Budget Process, 225
 Budget Recommendation, 25
 Budget Service Priorities, 38
 Budget Summary, 29
 Budgetary and Financial Control Policy, 225
 Building & Inspections, 78-79
 Building Permit Value, 269
 Business Licenses, 48
 Business Permits, 48
 Business Subsidy Policy, 236

– C –

Cable Franchise Fees, 32
 Capital Improvement Program Policy, 232
 Capital Projects, 213-217
 Capital, 213
 Cemetery Trust, 148-149
 City Clerk, 108-109
 City Council, 13, 112-113
 City Manager Budget Message, 20-26
 City Manager, 116-117
 City Services, 37, 38, 274
 City Statistics, 17-18
 City-wide Cleanup, 274
 Collateralizations, 251
 Communications, 150-151
 Community Development, 72-81
 Community Profile, 17-18

Community Services, 82-93
 Community Vision, 14
 Component Units, 206-209
 Contingency, 49, 130-131
 Contractual Police, 176-177
 Cost Comparisons, 274
 Court Fines, 48
 Court Forfeits, 48
 Cultural/Arts Events, 90-91

– D –

Debt Existing, 222
 Debt Issuance, 219
 Debt Margin, 219
 Debt Overview, 219
 Debt Policy, 232
 Dental Costs, 49
 Diversification, 252
 Downturn Strategy, 49
 Drug Forfeiture, 144-145
 DWI Arrests, 140
 DWI Forfeiture, 140-141

– E –

Educational Institutions, 18
 Elections, 18
 Emergency Medical Response, 266-267
 Employment, 271
 Engineering, 98-99
 Enhanced 911, 142-143
 Enterprise Funds 164, 280
 Environmental Health, 80-81
 Ethics and Conflicts of Interest, 250
 Executive Management Team, 13
 Expenditures, 29
 External Auditor Independence Policy, 246

– F –

Facilities Maintenance, 190-191
 Fatal Accidents, 266
 Finance, 122-129
 Financial Management Policies, 229
 Financial Service Providers, 251
 Fines, 32
 Fire Prevention, 68-69
 Fire Response Time, 64, 266

Fire, 64-71

Fleet Maintenance, 186-187
 Forfeited Funds Policy, 246
 Forfeitures, 32
 Franchise Fees, 32, 150
 Fund Accounting, 226
 Fund Balance Year-End Classification Policy, 247
 Fund Balance, 40

– G –

Gauging the City, 263
 General Fund Budget Summary, 55
 General Fund Model, 50
 General Fund Service Priorities, 38
 General Fund, 55-131
 General Government, 110-115
 General Obligation Capital Improvement Plan, 221
 General Recreation, 92-93
 Gifts and Gratuities, 255
 Glossary, 279-283
 Goals and Strategies, 14
 Governmental Funds, 227

– H –

Health Costs, 49
 Health Grants, 15
 Health Insurance, 25
 Hotel Occupancy, 269
 Housing & Redevelopment Authority, 206-207
 Housing Market, 24
 Human Resources, 120-121
 Human Services, 88-89

– I –

Information Systems, 194-195
 Insured Benefits, 198-199
 Interest, 31, 48
 Intergovernmental Revenue, 32, 48
 Internal Control, 252
 Internal Service Funds 184-201
 Introduction, 11
 Investment Committee, 250

Investment Credit Rating
Degradation, 251
Investment Policy, 249

– L –

Legal, 118-119
Levy, 39
Liquor Tax, 270
Local Outlook, 23
Lodging and Admission
Taxes, 31
Lodging Tax, 47, 269

– M –

Maintenance
Administration, 100-101
Major Employers, 272
Market Value Tax Base
Growth, 47
Mission Statement, 14
Motor Vehicle Licensing,
178-179

– N –

Non-Business Licenses, 48
Non-Business Permits, 48
Non-Monetary Contracts, 254

– O –

Operating Fund
Crosswalk, 51
Organization Chart, 16
Organization Mission, 15, 229
Organization Structure, 15
Other Revenue, 31
Outstanding City Debt, 222

– P –

Park Grants, 152-153
Parks Maintenance, 190-191
Part I Crimes, 60, 265
Pavement Management
Program, 25, 214
Penalties, 32
Pension Residual Asset
Fund, 146-147
Performance Standards, 252
Permits and License Fees, 32
Personal Injury Accidents, 265
Planning, 76-77
Police Administration, 58-59
Police Grants, 138-139
Police Operations, 60-61
Police Support, 62-63
Police, 56-57
Policies, 225-261

Policy Guidelines, 230
Population, 270
Port Authority, 208-209
Post Issuance Compliance,
242
Print Shop Revenue, 192
Program Income, 31, 48
Prohibited Investments, 251
Property Market Value, 269
Property Tax Levy
Recommendation, 26-27
Property Tax Resources, 37
Property Tax, 31, 47, 268
Proprietary Funds, 227
Public Health, 86-87, 154-
155
Public Safety Special
Revenue, 136-137
Public Safety, 17, 56-71
Public Works, 94-103
Purchasing Policy, 253

– R –

Radio Operations, 188-189
Recreation, 18
Recreational Facilities,
174-175, 275
Renewal Costs, 38
Revenue Policy, 255
Revenues, 30-33, 47-48
Risk Management Policy, 255
Risk Management, 128-129

– S –

Salaries, 48
Securities Lending
Agreements, 251
Self-Insurance Reserve
Policy, 256
Self-Insurance, 196-197
Solid Waste Management,
172-173
South Loop, 20, 156-157, 214
Special Assessments, 32
Special Revenue Funds
Budget Summary, 135
Special Revenue Funds, 133,
248
Staffing, 52
Storm Water Utility, 170-171
Street Maintenance, 102-
103
Structural Balance, 49
Suitable Investments, 251
Support Services, 192-193
Surface Transportation, 214

– T –

Table of Contents, 7-9
Tax Base, 34
Tax Capacity, 35
Tax Supported Services, 268
Taxes, 36
Technical Services Group, 104-109
Transfers, 31
Transmittal Letter, 6
Travel Policy, 257
Two-Year Budget, 30

– U –

Unemployment, 271
Utilities Infrastructure, 214
Utilities, 18, 273
Utility Fees, 31
Utility Rates, 273

– W –

Wastewater Charges, 168,
272, 273
Wastewater Utility, 168-
169
Water Charges, 166, 273
Water Utility, 166-167
Web-Site, 275
Working Capital Balance,
42-46