

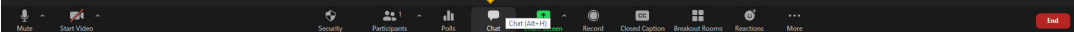
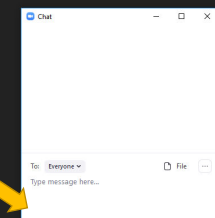
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October 20 & 27, 2021
Community Budget Information Session
and Round Table Discussion



*Get acquainted
with Zoom!*

Emily Larson



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Agreements for an Effective Discussion

- Be respectful
- Be honest
- Listen to understand
- Focus on the question
- Step up, step back

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Outline

- Property Taxes
- Impact of Market Valuations – Commercial Shift to Residential
- What Services do City Property Taxes Fund?
- Budget Drivers
- Fire Department Budget Challenges
- 2022 Budget Timeline
- Where to find budget information?
- Round Table Discussion Questions

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Property Taxes

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Property Tax Example (Mayor Busse's 2021 Property Tax Bill)

Hennepin County website
Property Information
search:
<https://www.hennepin.us>

Value and tax summary for taxes payable 2021

Values established by assessor as of January 2, 2020

Estimated market value:	\$381,900
Taxable market value:	\$379,031
Total improvement amount:	
Total net tax:	\$4,829.14 Hide Tax Details - This feature is not accurate for tax bills less than \$10.00.
Total special assessments:	
Solid waste fee:	
Total Tax:	\$4,829.14 Go to taxes due

▶ Hennepin County	\$1,448.15
▶ Hennepin County Regional Rail Authority	\$50.14
▶ City of BLOOMINGTON	\$1,506.25
▶ School District: Voter Approved Levies	\$924.66
▶ School District: Other Local Levies	\$554.96
▶ Metropolitan Special Taxing District Tax	\$85.95
▶ Other Special Taxing Districts	\$259.03

Property ID number: **17-027-24-13-0018**
Address: 2909 97TH ST W
Municipality: BLOOMINGTON
School district: 271
Watershed: 1
Sewer district:
Construction year: 1965

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Preliminary 2022 Tax Levy

- The preliminary tax levy for 2022 was set by the Council on September 13, 2021
- The amount of the levy was set at \$68,296,727
- This is a 2.75% increase from the 2021 tax levy, and overall increase of \$1.8 million
- The final tax 2022 levy will be approved in December. It cannot be any higher than 2.75%, but it can be lower.

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Comparison Cities – 2022 Preliminary Tax Levy Increase

Bloomington's preliminary tax levy increase of **2.75%** is considerably less than the average **5.84%** preliminary tax levy increase of these 15 other comparison cities.

Comparison City	Preliminary 2022 Tax Levy Increase
Bloomington	2.75%
Maple Grove	3.03%
Eagan	3.90%
Apple Valley	4.40%
Blaine	4.40%
Burnsville	4.80%
Eden Prairie	5.10%
Minneapolis	5.45%
Woodbury	5.50%
Minnetonka	5.60%
St Louis Park	6.50%
St Paul	6.90%
Lakeville	7.50%
Plymouth	7.92%
Edina	8.01%
Brooklyn Park	8.57%

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Impacts of Market Valuations

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Impact of Market Property Valuations

**For Minnesota hotel industry,
normal could be a year or more
away**

The hospitality sector has taken a devastating hit from COVID. But with vaccinations rising, operators predict a brighter 2021.

By Dee DePass Star Tribune | MARCH 6, 2021 — 8:00AM

Will business travel ever be the same?

No one can guarantee when business travel will be back. But everyone agrees it has changed for good.

How the Public's Comfort With Travel Will Affect the Recovery

Long-Term Changes Expected, Similar to 9/11, Great Recession

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Impact of Market Property Valuations

Minnesota housing market stays red hot in January

Home sales are up sharply, with northern regions posting largest gains.

By Jim Buchta Star Tribune | FEBRUARY 15, 2021 — 11:08AM

No wonder it's hard to find a new home: The Twin Cities has the worst housing shortage in the nation

After more than a decade of underbuilding, the lack of housing poses a growing threat to the region's economic growth.

By Jim Buchta Star Tribune | SEPTEMBER 18, 2021 — 1:57PM

Twin Cities area home prices see another double-digit increase in August

There was a double-digit annual decline in house listings.

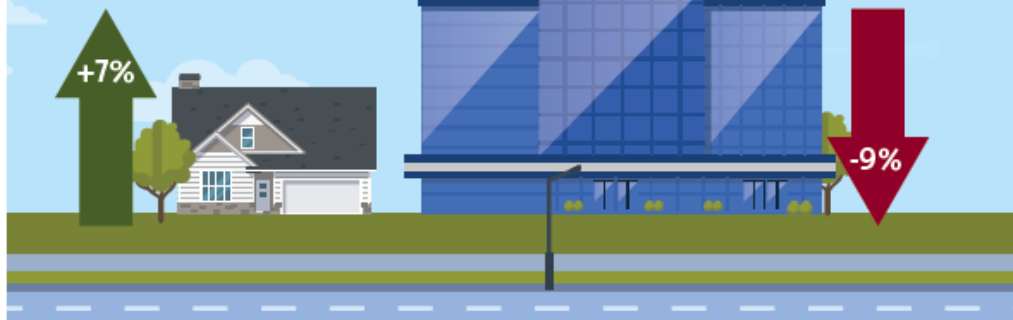
By Jim Buchta Star Tribune | SEPTEMBER 17, 2021 — 2:22PM

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Impact of Market Property Valuations

THE MEDIAN VALUE HOUSE HAS INCREASED, WHILE COMMERCIAL PROPERTY VALUES HAVE DECREASED



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Impact of Market Property Valuations

- The City's total property tax amount is allocated among property owners based on the value and type of their property.
- Even if the overall property tax amount levied by the City is not increased in 2022, more of the share of property taxes will be paid by residential properties than commercial properties in 2022 than 2021 because residential values increased while commercial values declined.



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What Services do City Property Taxes Fund?

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What Services do City Property Taxes Fund?

- The majority (more than 80%) fund Public Safety, Public Works, and Parks and Recreation.
- About 9% fund principal and interest payments for Debt issued to fund large capital improvements for facilities, roads, and parks.

City Services	Preliminary 2022 Property Tax Levy	% of total
Police	\$25,171,555	48%
Fire	\$7,294,503	11%
Public Works	\$18,311,147	27%
Parks & Recreation	\$3,798,079	5%
Community Development	\$4,815,798	7%
Community Services	\$2,856,308	4%
Debt Service	\$6,049,337	9%
Total Tax Levy	\$68,296,727	100%

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Preliminary 2022 Tax Levy would be \$100.46/month for the Median Value Home.

- The value of the median Bloomington home is \$307,200
- The City's 2022 Preliminary Tax Levy would be \$100.46/month for the median value home.

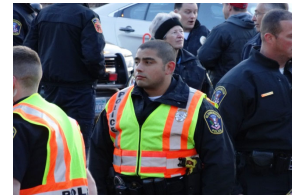
City Services	Median Value home monthly property tax
Police	\$37.03
Fire	\$10.73
Public Works	\$26.93
Parks & Recreation	\$5.59
Community Development	\$7.08
Community Services	\$4.20
Debt Service	\$8.90
Total monthly property tax	\$100.46

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Bloomington Police Department

- 123 Sworn Officers
- 33 Full-time Civilian Positions (Including 14 positions in Dispatch Center)
- 2 Hennepin County Liaisons (Multi-Cultural Community and Social Worker)
- Patrol Division
- Dispatch Center
- SWAT
- Bomb Squad
- Special Investigations
- Traffic Unit
- Crime Prevention
- K-9 Unit
- Animal Control
- Community Engagement
- Training
- Officer wellness and mental health
- Pathways to Policing Program



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Bloomington Fire Department

- 105 Firefighters (Including Chiefs and Inspector/Firefighters)
- Majority of Firefighters are paid-on-call
- 1 Fire Chief, 1 Deputy Fire Chief, and 2 Assistant Fire Chiefs
- 4 Firefighter / Fire Inspectors
- *New in 2020 3 Battalion Chiefs (funded by American Rescue Plan Funds 2022-2024)
- 2 full-time clerical staff
- 6 Fire Stations
- 3,195 calls for service in 2020
- 911 call to arrival time for 1st unit 9 min 39 seconds 90% of the time the time – Goal is 7 min 30 seconds 90% of the time.



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Public Works

- 182 Full-time employees
- Responsible for:
 - well-maintained streets and infrastructure
 - efficient transportation network
 - Maintenance to parks and buildings
 - Provides utilities to residents and businesses.

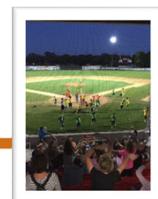


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Parks and Recreation Department

- 24 full-time employees (and 270 seasonal and part-time employees)
- Oversees 97 Parks – recently completed a robust Park System Master Plan
- Provides recreational opportunities through programs and facilities offering a wide variety of opportunities for people of all ages and abilities
- Creekside Community Center
- Dwan Golf Course
- Bloomington Ice Garden
- Bloomington Center for the Arts
- Bush Lake Beach
- Bloomington Family Aquatic Center



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Community Development

- 62 full-time employees
- Drives, encourages, supports, and preserves economic growth and development throughout the City of Bloomington
- Assessing – determines annual valuation and classification for properties
- Building and Inspections – Reviews constructions plans, issues permits and inspects work
- Environmental Health – licenses and inspects establishments like restaurants, hotels, public pools, and grocery stores and enforces City nuisance and zoning codes
- Planning – reviews and prepares development and rezoning applications and provides long-range planning

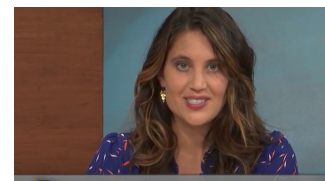


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Community Services

- 39 Full-time employees
- Public Health – promotes, protects, and improves health
- Community Outreach and Engagement – facilitates, connects, and engages with the community
- Communications – digital and print marketing, education, and awareness

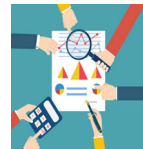


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Departments that Support City Services

- Administration Department (City Manager's Office , Human Resources, and City Clerk)
- Legal Department (Civil and Prosecution)
- Finance Department (Budget, Accounting, Financial Reporting, Accounts Payable, Accounts Receivable, Risk Management, Purchasing, Cash Management, and Utility Billing)
- Information Technology Department (Hardware, Software, Network, Fiber, Security)



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Prizes! (Enter to win at blm.mn/budget)

- Ride along with the Fire Chief.
- Personal tour of the Bloomington Police Department by the Police Chief.
- Two open skate sessions and two ice skating rentals from the Bloomington Ice Garden.
- Two tickets to an Artistry show (donated by Artistry).
- Behind-the-scenes taping of Council Minute with Mayor Busse. learn about the equipment and what goes into creating a weekly cable television show.
- Personalized street sign.
- Organics recycling gift pack.
- Security 101 with City IT staff.
- Job consultation with City HR staff

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Budget Drivers

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Budget Drivers

- Lodging and Admission taxes continue to lag behind where they were before the pandemic
- The budget is a values document – investments are necessary to continue to make Bloomington a place where people want to live, work, and visit
- A more sustainable model is needed for the Fire Department. Significant investment needed in to ensure adequately staffed to respond

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Fire Department

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Fire Department

- Authorized for 175 paid-on-call firefighters, with a goal of 155. Currently at 105 with 12 new recruits
- Recruiting and retention has become a big issue, especially over the past couple of years
- Only 8 career full-time Firefighters
- Firefighters are paid for each time they respond to an emergency call
- Firefighters earn a pension for their work serving the community

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Fire Department - Assessment

- Assessment of department done two years ago by a national expert
- Positive review for professionalism and capabilities
- Identified challenge of continuing to meet service expectations for response time and necessary number of firefighters to an event



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Fire Department – Three new Full-Time Battalion Chiefs

- Using American Rescue Plan Funds of \$400,000 for three years (2022, 2023, 2024) to hire three full-time Battalion Fire Chiefs.
- Increased duty crew hours at Fire Stations and pay that had not increased since 2004 at an additional \$1,000,000 in the budget.
- Recently Applied for Federal SAFER Grant to hire 18 full-time Firefighters that would be covered by the grant for three years (2022, 2023, 2024). We were unsuccessful in obtaining this grant.

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Budget and Property Tax Timeline

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Budget and Property Tax Timeline

- October 20 & 27 – Public Budget Information Sessions
- November 22 – 2022 Budget Discussion at City Council Meeting
- December 6 – Truth-in-Taxation Public Hearing
- December 31 – Final Tax Levy and Budget due to Hennepin County

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Where to Find City Budget Information?

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Where to find Budget Information

- New dedicated page on the City of Bloomington's website

www.blm.mn/budget

Finance Links

[Capital Improvement Plan \(CIP\)](#)

[City budget](#)

Finance Department

[Financial reports](#)

[Local sales tax](#)

[Pay my utility bill](#)

[Purchasing](#)

[Property tax information](#)

[Utility Billing](#)

Finance Department



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Where to Provide Feedback on the City's Budget?

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Options to share feedback on the Budget

- Share them now at the end of this session
- Share them at the Budget Information Session in the Council Chambers on Wednesday, October 27 at 7:00 pm
- Let's Talk Bloomington Webpage
- Contact Budget Manager Kari Carlson at kcarlson@bloomingtonmn.gov or 952-563-8725
- Contact the Mayor and City Council members at council@bloomingtonmn.gov
- Truth in Taxation Public Hearing December 6 at 6:00 pm



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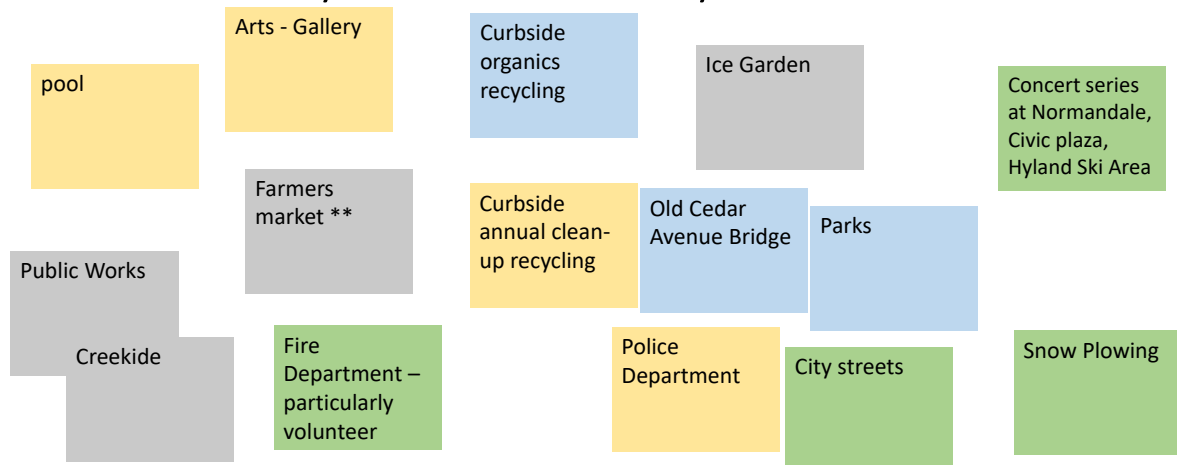


Roundtable Discussions

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What is your favorite City service?



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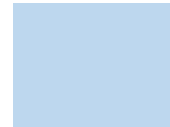
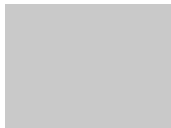
What did you learn about the City Budget? What caught your attention in the presentation?



Discrepancy of commercial tax base and residential tax base

Problem will last 5 years with lodging taxes

Appreciate the numbers, pie charts, and seeing other cities and seeing how well we manage the city



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Is there a City service or area in the City that you would like to see more investment in and why?

Love to see more investment in bike infrastructure in the City. Bike a lot and there are not a lot of places where I feel safe on my bike.

Rather than adding more services, need to stick to core services. Other organizations can offer more of the social services. Need to really watch what a City should provide and not offer things that can be addressed other places

Children activities – what can we do more of to get kids to feel like they are more a part of the community.

Any investment that allows us to generate more revenue for public/private partnerships as opposed to relying on tax revenue increases

Struggling with how to deal with homelessness, always loved idea of tiny homes, very intrigued to see if there is a way if Bloomington could provide clusters of tiny homes for homeless people. Grants? **

Disconnect between city, small town, suburb, rural areas. Love to see a program to have Bloomington use its status as a leader to reach out to rural and small towns possibly bring more investment in Bloomington

The Fire Department needs more investment. Love to have City invest more to make sure it becomes sustainable.

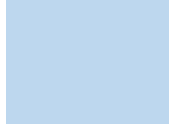
Neighborhoods could be expensive or cause division.

Mpls and St Paul have defined neighborhoods. We don't have that in Bloomington. Maybe if we had more defined neighborhoods it could be a way for the City to encourage more involvement. Defining neighborhoods with names. ** Gives people more a sense of belonging and opportunities for engagement. Could be an issue for funding like they have in Mpls.

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What information would you share with your friends and neighbors about what you learned this evening?



We are a very fiscally responsible City that has a plan and is acting on said plan.



I will on Facebook to post the City budget website page



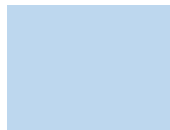
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What advice do you have for the City Council as they set the final 2022 budget and tax levy?



Tighten up the budget make it as lean as possible. Don't add more regulations that cost us more in taxes. We are stressed financially as families and know energy costs are going up for all of this.



I think they have it covered pretty well and the rock and a hard place prevents them from really addressing property taxes which have become somewhat burdensome.



You guys are really well organized, well presented, very transparent, appreciate that everyone works hard for the taxes that we pay and aligned to the values and long-term strategy.



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