



**budget  
in brief**

**BLOOMINGTON.**  
tomorrow. together. ●

**2023**



# City of Bloomington

## City Council

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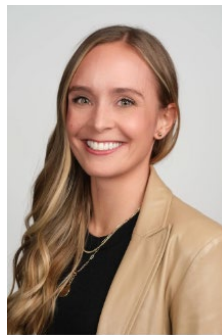
### Mayor



Tim Busse

Term Expires Jan. 2024

### Council Members



Jenna Carter

At Large

Term Expires Jan. 2024



Chao Moua

At Large

Term Expires Jan. 2024



Dwayne Lowman

District I

Term Expires Jan. 2024



Shawn Nelson

District II

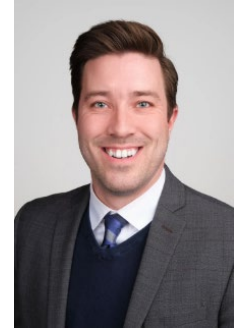
Term Expires Jan. 2024



Lona Dallessandro

District III

Term Expires Jan. 2024



Patrick Martin

District IV

Term Expires Jan. 2024

## Housing and Redevelopment Authority

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### Chairperson

Cheryl Lewis

### Commissioners

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

## Port Authority

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<b>President</b>	Bob Erickson
<b>Commissioners</b>	Tim Busse Jenna Carter Cynthia Hunt Tim Keller Rob Lunz Steve Peterson

## Executive Leadership Team

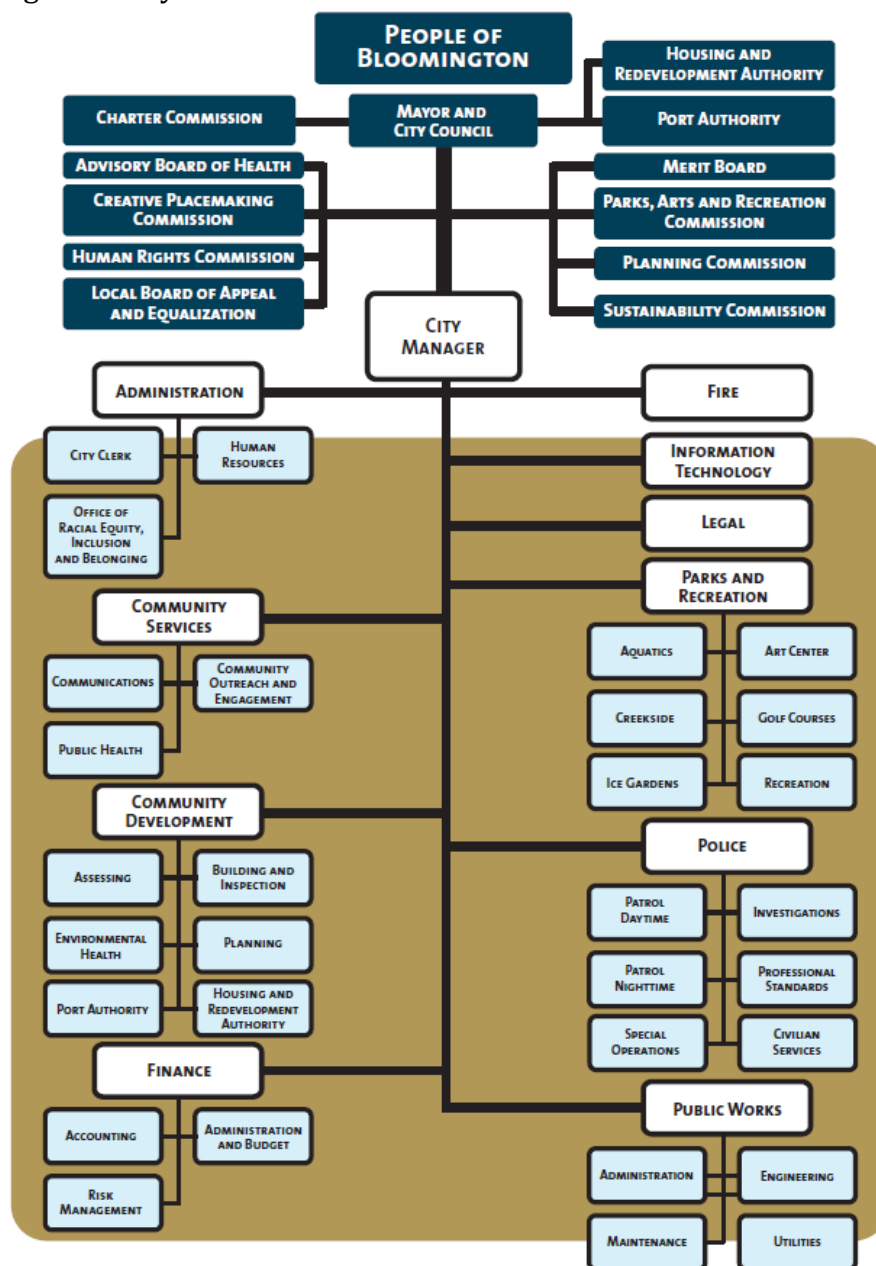
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<b>City Manager</b>	James D. Verbrugge Michael Sable	Assistant City Manager
<b>Department Heads</b>	Karla Henderson, Director Diann Kirby, Director Lori Economy-Scholler, CFO Ulysses Seal, Fire Chief Amy Cheney, CIO Melissa Manderschied, City Attorney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

# Organization Structure and Chart

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

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



## Community Profile

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



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

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

# City of Bloomington Strategic Plan

## Bloomington. Tomorrow. Together

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

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

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

#### **Our Mission**

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

#### **Our Core Values – We believe that...**

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

#### **Our Strategic Objectives – By 2030...**

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

#### **Our Strategies – What we will do**

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

## **Five-Year Results**

### **Measurement Results**

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

### **Strategy 1 Results**

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

### **Strategy 2 Results**

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

### **Strategy 3 Results**

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

### **We will not:**

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

## **Key changes in the 2023 budget**

### **Engaging the community**

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

### **2023 budget and property tax levy reflect community's priority of public safety**

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

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

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

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

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

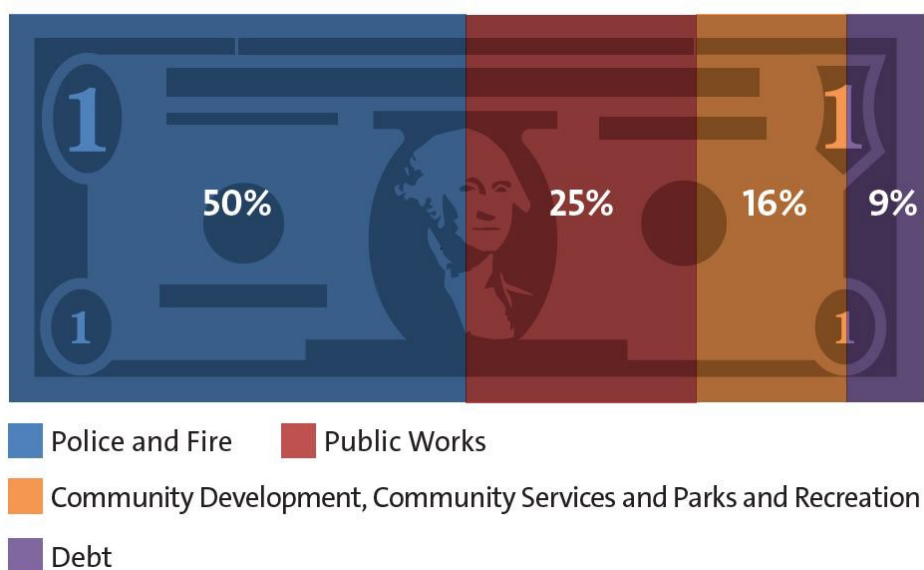


services for the owner of a \$355,900 median-valued home is \$111 for 2023, a \$10 increase from the 2022 monthly cost of \$101.

### **The 2023 City property tax dollar**

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

### **CITY PROPERTY TAX ALLOCATION**



## **Conclusion**

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

# 2023 Budget Overview

The budget is the blueprint for services and plans for fiscal year 2023.

It communicates the allocation of resources and the plan to achieve the City's goals and objectives.

## Adopted 2023 Budget

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

### General Fund

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

### Special Revenue Funds

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

### Enterprise Funds

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

### Internal Service Funds

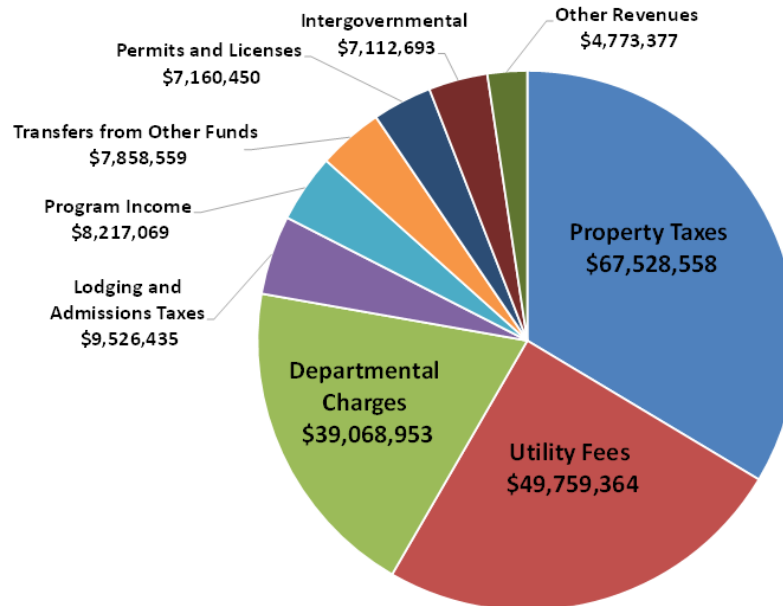
The \$3,344,679 decrease in the Internal Service Funds results from budgeted revenues of \$40,748,553, being less than the budgeted expenses of \$44,093,232. This is due in part to the planned transfer of revenues in the Facilities Fund from American Rescue Plan (ARP) funds for infrastructure projects.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

## Budgeted Revenues – All Funds

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

### 2023 Budgeted Revenues - All Funds

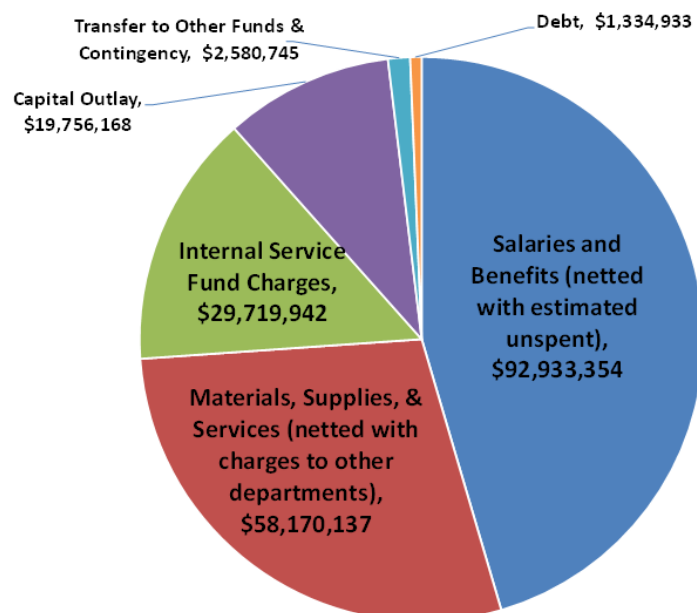


## Budgeted Expenses – All Funds

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

### 2023 Budgeted Expenses - All Funds



# Property Tax Value Information

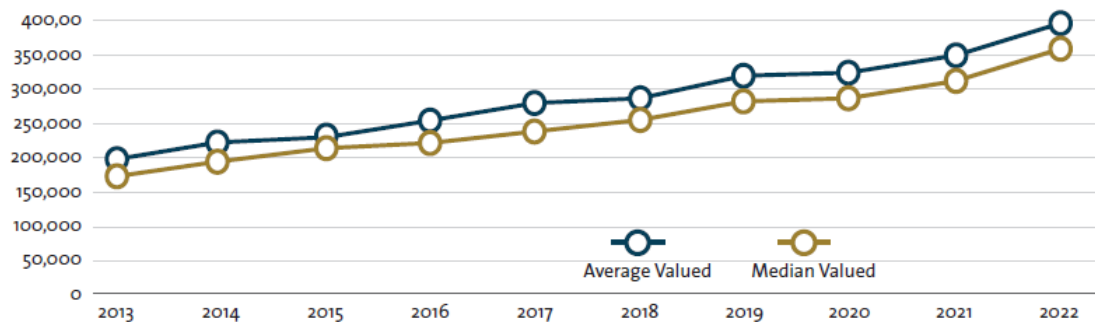
One of the most difficult concepts of the Minnesota Property Tax System is the proportionate share of the property tax levy. Some states set a mill rate which when applied to the home value creates a property tax similar to a sales tax. In Minnesota, taxing jurisdictions such as Cities, Counties, and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

## Single Family Residential

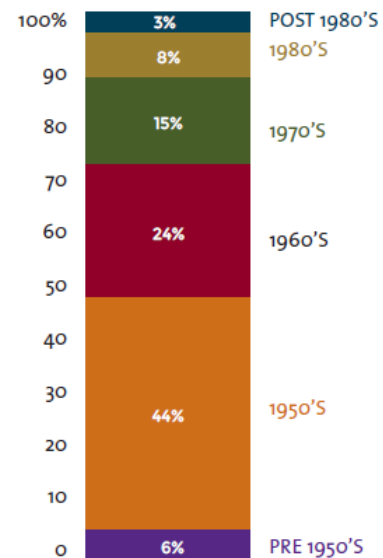
Average and Median Value History				
Assessment Year	Average Value	% Chg	Median Value	% Chg
2022	389,500	16.8%	355,900	15.9%
2021	333,600	6.5%	307,200	7.3%
2020	313,100	0.3%	286,400	0.9%
2019	312,200	9.1%	283,900	10.5%
2018	286,200	4.9%	256,900	4.3%
2017	272,800	7.2%	246,400	9.1%
2016	254,400	2.3%	225,900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

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

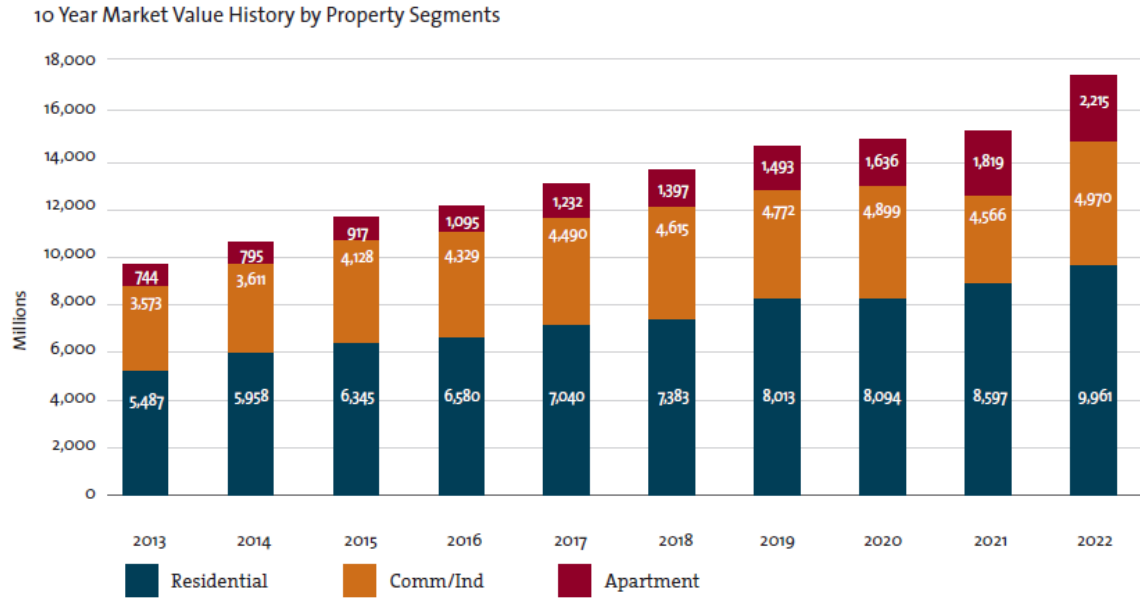
10 Year Average and Median Value History



SINGLE FAMILY HOUSING STOCK BREAKDOWN



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



## Property Tax Levy Components

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

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



# Fund Descriptions and Structure

## Fund Accounting

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

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

## Governmental Funds

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

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

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

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

## Proprietary Funds

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

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

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

## Budgeted Fund Structure

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# Budgeted Fund Descriptions

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## **General Fund:**

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

## **Special Revenue Funds:**

### **2. Cemetery**

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

### **3. Communications**

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

### **4. Creative Placemaking**

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

### **5. DWI (Driving While Intoxicated) Forfeiture**

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

**6. Enhanced 911**

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

**7. Federal DOJ (Department of Justice) Drug Forfeiture**

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

**8. Federal Treasury Drug Forfeiture DOT**

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

**9. Fire Pension**

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

**10. Park Grants**

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

**11. Police Grants**

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

## **12. South Loop Revolving Development Services**

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

## **13. State Drug Forfeiture**

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

## **Enterprise Funds:**

### **14. Aquatics**

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

### **15. Center for the Arts**

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

### **16. Golf Courses**

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

### **17. Ice Garden**

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



### **18.Contractual Police Services**

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

### **19.Solid Waste Utility**

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

### **20.Storm Water Utility**

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

### **21.Wastewater Utility**

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

### **22.Water Utility**

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

## **Internal Service Funds**

### **23.Accrued Benefits**

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

**24. Employee Benefits**

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

**25. Facilities Maintenance**

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

**26. Fleet Maintenance**

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

**27. Information Technology (IT)**

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

**28. Public Safety Technology and Equipment**

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

**29. Self-Insurance**

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

**30. Support Services**

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

# Department / Fund Relationship

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

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

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

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

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

# Total General Fund Financial Summary

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



# Special Revenue Funds

## Financial Summary

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

# Enterprise Funds Financial Summary

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

## Internal Service Funds Financial Summary

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

# Staffing Levels

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

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

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

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

## **Fire:**

2023 Budget has significant investment in Police and Fire

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

## **Police:**

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



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

## Position Summary Schedule

### Authorized Full-Time Positions

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

## Position Summary Schedule

### Authorized Full-Time Positions

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