

SHAPE_{of} THINGS^{to} COME

annual budget

FISCAL YEAR 2015



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FISCAL YEAR 2015

General Fund Budget
Adopted by the
Bloomington City Council
December 16, 2014

Other Funds Adopted
October through December, 2014

Budget Presentation Award



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, 2014.

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 13, 2015

Dear Reader:

The 2015 budget theme, "The Shape of Things to Come," describes how Bloomington is planning for the future by promoting community renewal and guiding growth in sustainable, fiscally sound ways. The City's long-term vision is to make Bloomington a stronger and more sustainable community where people want to live, work and play. We realize this vision by providing quality services at an affordable price and supporting the long-term property investments that residents and businesses have made in Bloomington. We also place great value on community members' input and rely on their feedback to help guide our planning with the goal of protecting and enhancing Bloomington's assets for future generations.

We are on the right track for a bright future, as evidenced by the most recent resident survey conducted by the City. Resident satisfaction remains strong in Bloomington. Bloomington's drinking water, police, fire and snow removal are the City's most highly rated services, and residents continue to be highly satisfied with the quality of life in Bloomington.

This is the third year in a row that the National Citizen Survey™ was conducted in Bloomington. The survey makes it possible for cities to compare their results against 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.

"I love Bloomington," said one respondent. "It's the center of everything for me."

This document presents the City's approved 2015 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 2015 budget. Five-year, 10-year and 15-year budget models were used to determine the current levy and to consider the City's long-term financial stability. This budget can also be found on our website at www.BloomingtonMN.gov. For more detailed financial information, please refer to the prior year's Comprehensive Annual Financial Report (CAFR) at www.BloomingtonMN.gov.

Lori Economy-Scholler
Chief Financial Officer

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INTRODUCTION

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City of Bloomington

City Council

Mayor



Gene Winstead
Term Expires January 2016

Council Members



Jack Baloga – District III
Term Expires January 2018



Tim Busse – At Large
Term Expires January 2016



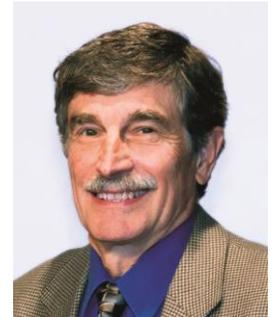
Andrew Carlson – District II
Term Expires January 2016



Cynthia Bemis Abrams – At Large
Term Expires January 2018



Dwayne Lowman – District I
Term Expires January 2016



Jon Oleson – District IV
Term Expires January 2018

Executive Management Team

Executive Management

James D. Verbrugge, City Manager

Community Development -----Lawrence Lee, Director
 Community Services -----Diann Kirby, Director
 Finance -----Lori Economy-Scholler, Chief Financial Officer
 Fire -----Ulysses Seal, Fire Chief
 Human Resources-----Kay McAloney, Director
 Legal -----Sandra Johnson, City Attorney
 Police -----Jeff Potts, Police Chief
 Public Works -----Karl Keel, Director
 Technical Services Group
 Assessing-----Matthew Gersemehl, City Assessor
 City Clerk's Office -----Janet Lewis, City Clerk
 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.

The City's sustainable strategies address energy use, accessibility, green infrastructure, choice of housing and transportation options and emphasis on using local and regional resources.

Land Use - **LU**

- Focus commercial and residential growth in three mixed use districts (South Loop, Penn/American, and Normandale Lake) where it can be served by transit, encourage short-trip lengths, promote biking and walking and reduce vehicle miles traveled.

Safety and Security - **S**

- Create a community where residents and visitors are safe.
- Be a family friendly community.
- Enhance support for members of the community as they age.

Transportation - **T**

- Support transit improvements including additional transit service.
- Implement the *Alternative Transportation Plan* including the creation of bikeway and walkway networks and their interfaces with transit and commercial and recreational destinations.
- Operate a Pavement Management Plan to adequately renew the transportation infrastructure.
- Encourage shared parking among land uses and developments.

Housing - **H**

- Guide new high-density housing toward locations near transit, services, amenities and employment.
- Encourage higher densities where appropriate as redevelopment occurs.

Utilities - **U**

- Reduce energy and resource consumption by decreasing inflow and infiltration into the sanitary system and by encouraging water conservation.
- Protect water quality using best management practices for surface and subsurface water.
- Adopt an asset management program to preserve the excellent condition of Bloomington's utilities.

Organizational Strength - **OS**

- Maintain a strong, sustainable organization in terms of the quality and affordability of services, financial strength and the professionalism and productivity of its operations.

- Make community investments that in turn encourage private investments consistent with the City's sustainability objectives.

You will find these colored icons associated with appropriate departmental and divisional objectives later in this document.

Organization Mission

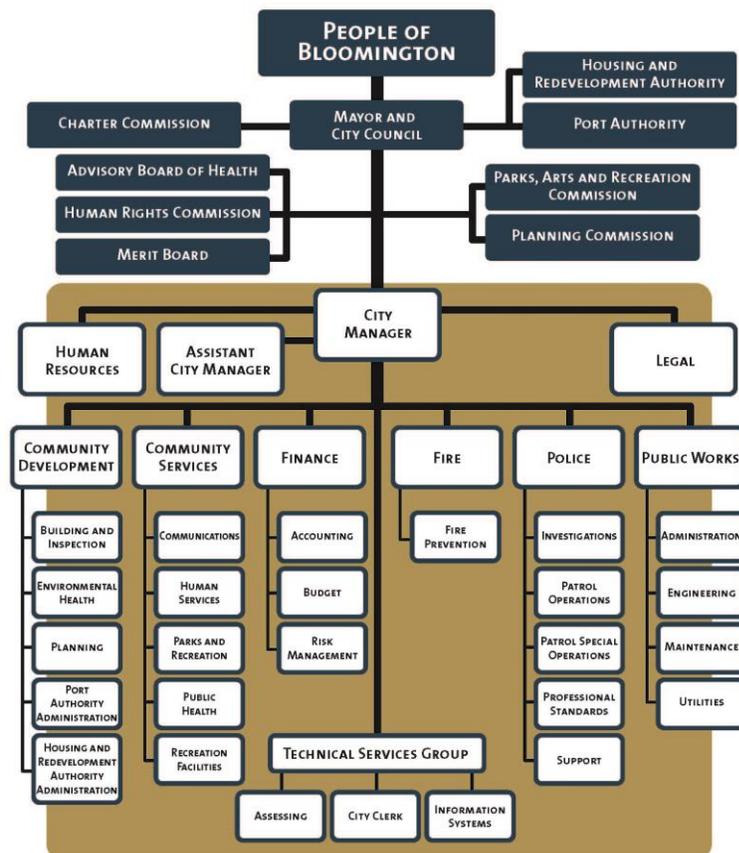
A professional, productive, learning organization that builds and renews the community by providing quality services at an affordable price.

Organization Structure and Chart

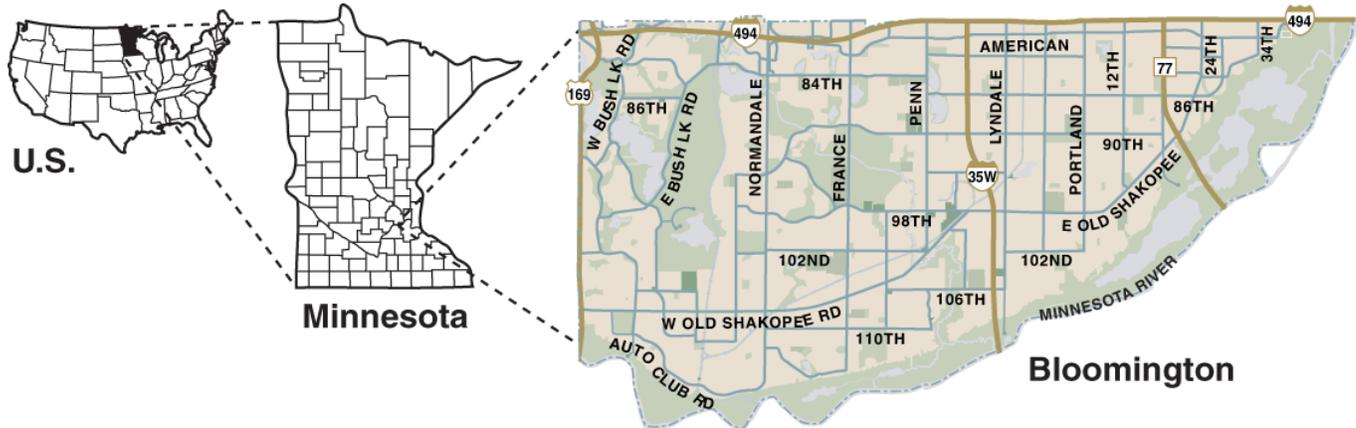
A home rule charter was adopted in November 1960. The City is a Council-Manager form of municipal government. The Council is comprised of the Mayor and six Council Members who serve four-year terms; the Mayor and two members are elected at large, the rest are elected by district. The City Manager, the 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,



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 27 cities out of more than 19,000 municipal governments in the U.S. that have achieved triple-A ratings from all three agencies.

Bloomington residents in the Labor Force – 47,840 (December, 2014)

Total Jobs in Bloomington – 49,224 (2nd Quarter 2014)

Housing – Total Units – 38,088

91.80 Percent Single-Family Homes Owner Occupied

21,252 Single-family Detached Units

2,787 Single-family Attached Units

13,917 Multiple-family Units

113 Mobile Homes and Trailers

19 Commercial/Industrial Living Units

Population (United States Census Bureau) – 86,319

Median Age – 40.2 (2010 Census Bureau's American Community Survey)

National Unemployment Rate – 5.6% (December, 2014)

Minnesota Unemployment Rate – 3.6% (December, 2014)

City of Bloomington Unemployment Rate – 2.8% (December, 2014)

Public Safety –

Emergency Outdoor Warning Sirens – 22

Emergency Vehicle Pre-emption Systems – 121

Fire Protection – 6 Stations

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

Chief and 2 Assistant Chiefs

ISO Class 3

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

Educational Institutions -

Colleges – 5

Bethany College of Missions – 101 Full-Time Students

National American University – 568 Full-Time Students

Normandale Community College (part of Minnesota State Colleges and University System) offering Baccalaureate degree options through Metro State University and Mankato State University – 4,293 Full-Time Students

Northwestern Health Sciences University – 868 Full-Time Students

Rasmussen College – 5,876 Full-Time Students

Independent School District #271 – 10,030 Students (2013/14 Enrollment)

10 Elementary Schools – 4,524 Students

3 Middle Schools – 2,331 Students

2 Senior High Schools – 3,179 Students

Parochial Schools – 4 with a total enrollment of 884 students

Elections -

53,611 Registered Voters – 2014 General Election

34,591 Ballots Cast – 2014 General Election

64.5 Percent Voting

53,639 Registered Voters – 2013 General Election

13,822 Ballots Cast – 2013 General Election

25.80 Percent Voting

Utilities -

Municipal Sewer System – Metropolitan Council Environmental Services

25,214 Connections

354 Miles of Sanitary Sewer Mains

8.1 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

411 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

25,267 Connections

12.5 Million Gallons Daily Average Consumption

44 Million Gallons System Capacity

4,592 Public and Private Fire Hydrants

6,975 Water Distribution Valves

Storm Sewer – 253 Miles

Sidewalks – 232 Miles on Street Right-of-Way

Streets – 369 Local Center Lane Miles

29.84 County Center Lane Miles

21.14 State Center Lane Miles

Street Lights – 4,339

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

3,787 Acres of parks and open spaces including:

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 golf courses (two courses) and ice arena (three indoor rinks)

2015 Budget Calendar

| | |
|---------------------------|---|
| April 21 – May 16, 2014 | Prepare payroll projections for 2015. 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. |
| May 12 | City Council starts prioritizing tax-supported programs. |
| May 22 | Budget Kickoff meeting with all departments and program managers |
| May 22 – June 13 | Departments load requested budget into budget module in Naviline. Budget lockout is June 13. |
| June 13 – July 25 | Budget editing by Budget Team. Aquatics and Art Center submit budgets to determine levy required. Revenue producing programs evaluate fees. |
| June 16 – July 25 | 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 4 | Update City Council on preliminary budget work; get guidance on preliminary levy and General Fund budget. Discussion on budget and levy. |
| September 22 | City Council adopts preliminary 2015 tax levy and General Fund budget for 2015. |
| September 30 | Preliminary tax levy and budget certified to Hennepin County. |
| October/November/December | Utility budgets due. Public hearings on utility rate changes. Special Revenue, Enterprise Fund and Internal Service Fund budgets presented to the City Council for approval. |
| December 1 | Property tax public hearing. |
| December 15 | Final 2015 budget and tax levy approval by City Council. |
| December 30 | Final 2015 levy and General Fund budget certified to Hennepin County. |

City Manager's Budget Message



The Shape of Things to Come

The 2015 theme for the State of the City and the City's publications, "The Shape of Things to Come" highlights the significant development and redevelopment happening throughout Bloomington.

As a community ages, so does its infrastructure. Much of Bloomington's infrastructure, including streets, utilities and more, was built decades ago. The City has many programs in place to address aging infrastructure, including the Pavement Management Program that strategically plans for and implements the repair and replacement of streets, and the Comprehensive Asset Management Program. Updating commercial areas also plays a major part in revitalizing the city. Infrastructure improvements are being planned or constructed in the city's South Loop, Normandale Lake and Penn American districts.

Over time, communities of choice grow and evolve in new and different ways as peoples' visions, interests and opportunities make things happen. Moving toward this vision will make our community competitive well beyond *Imagine Bloomington 2025*, our strategic plan, to a community we can all be proud to have been a part of.

The following pages present the City of Bloomington's Annual Budget for the Fiscal Year 2015 that connects the priorities and financial planning with community needs and expectations outlined in *Imagine Bloomington 2025*. Additional guiding principles employed during the budget process are designed to ensure that the City continues to meet the needs of residents while balancing the City's budget. During the 2015 budget process, the City Council again reviewed and ranked all of the major property tax-supported services. The Council used the objectives of *Imagine Bloomington 2025* to rank strategic initiatives for possible funding in 2015 to 2017. A few of these initiatives are funded for 2015.

Strategic Direction

The planning and public infrastructure groundwork the City of Bloomington completed during the downturn years is paying dividends now. Bloomington residents and businesses are seeing the shape of the future as land use, housing, transportation, open space and public safety objectives are achieved. The City's stakeholders enjoy high quality, affordable services, a financially strong organization and productive City operations. This budget is built around these strategic goals:

Organizational Strength - OS

- A balance of commercial (53% of total) and residential (47% of total) property values, resulting in one of the lowest property tax rates in Hennepin County.
- One-third of the city is set aside for parks and open spaces, including several parks that have metropolitan significance.
- A major redesign of the City's website, BloomingtonMN.gov, last updated in 2006, makes the website more useful.
- The City is partnering with Bloomington Theatre and Art Center (BTAC), Mall of America, the Bloomington Convention and Visitor's Bureau and others, to develop a plan that introduces public art projects to the South Loop District.

Transportation – T

- An efficient and cost-effective street system, providing easy access to regional highways and sewer and water systems.
- Continued development of a unique Alternative Transportation Plan with a 2015 update of the original 2008 plan.
- Construction began last spring to prepare for future development in the South Loop area. Lindau Lane has been lowered and a bridge deck constructed to connect further development of the Mall of America to the north to the Met Center property. Work continues on the extension of Lindau Lane to the east which is expected to be completed in 2015.
- Preliminary design work on the 35W/494 Interchange was completed in 2014. Funding for the first phase of the project, the northbound to west ramp and Orange Line BRT Station will be sought in 2015.
- Bids will be received in early 2015 and construction started for the Old Cedar Avenue Bridge renovation project.

Utilities – U

- Continued preservation of natural drainage systems and wetlands in the Nine Mile Creek and Minnesota River watersheds.
- Continue the “Green Streets for Blue Waters” program that includes development of rain gardens in conjunction with the City’s Pavement Management Program to improve surface water quality.

Housing – H

- A mix of owner-occupied and rental housing, which broadens the variety of housing options for growing families, as well as both younger and older adults.

Safety and Security – S

- Implementation of a new Citizen Alert system that sends time-sensitive emergency notifications directly to citizens’ home phones, cell phones and e-mail addresses.
- Continue proactive policing, targeting spots for crime deterrence.
- Explore the possibility of a new community center to bring the community together.
- Enhance support for members of the community as they age.

Land Use – LU

- Implementation of the South Loop District Plan to advance the area’s transformation beyond the Mall of America. The plan includes extending Lindau Lane to connect the Mall of America to Bloomington Central Station.
- Penn American and Normandale Lake District improvements.

Renewing Community

The City’s budget dedicates resources to implement plans for three key growth districts to provide higher density, mixed-use and transit-oriented housing, hotel and commercial development. This development district strategy also has the effect of protecting and enhancing established single family neighborhoods. In 2014, Bloomington continued to thrive, setting a record for the value of building permits issued in a year. Hotels, retail, senior housing, single family housing, rental housing and office buildings broke ground in 2014.

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

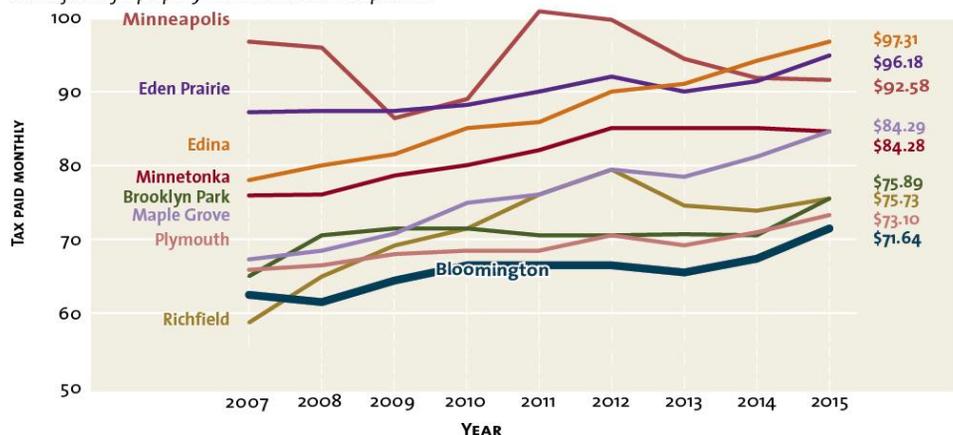
- The Mall of America (MOA) expansion including 127,000 square feet of retail and 34,000 square feet of restaurant space, a 180,000 square foot office tower, a 342-room JW Marriott hotel and two levels of underground parking
- A 118-room extended stay Marriott Towne Place Suites Hotel
- A 303-room Hyatt Regency Hotel at Bloomington Central Station
- A Hard Rock Café in the Mall of America
- Toro’s 75,000 square foot office headquarters expansion
- Penn American District Phase II including a 107-room Home2 Suites by Hilton Hotel, 37,700 square feet of retail including a Fresh Thyme grocery store, a 200-seat restaurant and one level of underground parking
- A two-story Luther Infiniti auto sales and service facility
- A 37,000 square foot Ski Chalet at the Hyland Ski and Snowboard Area
- A 100-room Hampton Inn & Suites hotel in the Normandale Lake District
- Open Access Technology International South Campus, a 110,000 square foot office building and data center
- Applewood Pointe at Valley West, a 77-unit independent senior housing cooperative
- The Summit at Chelsea Ridge (Rahr subdivision), 15 single-family lots.

Meeting Demands for Quality City Services

The City is continuing to meet the needs of its residents while finding ways to improve the quality of its services, keep costs affordable and retain its cost competitiveness. In a 2015 comparison of communities in Hennepin County with more than 20,000 residents, the monthly single-family cost of services for the median-value home in terms of property taxes showed Bloomington ranking the lowest. *See graph below.* Note that Bloomington compares even more favorably when adjusted for State provided property tax aids to cities and the Fiscal Disparities program.

CITY PROPERTY TAX ON MEDIAN VALUE SINGLE-FAMILY HOME

Not adjusted for property tax aids and Fiscal Disparities.



To ensure Bloomington remains a vibrant, innovative and healthy community, the City Council reviews and prioritizes all property tax

supported City services. See page 36. The most critical services, such as public safety and infrastructure, entail 70 percent of the City's total expenditures. Community safety, planning and maintenance services as well as quality of life services, such as arts and recreation programs constitute approximately 15 percent each of 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.

Bloomington has strengthened 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 27 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

Taking the Long View in Community

During the 1990s, Bloomington began modeling the economic cycles traditionally found in market economies and developed strategies to deal with economic downturns. The City now creates a five-year General Fund financial model and 10 to 15-year models for other funds. This type of modeling allows the City to see which reinvestments and renewals are needed and what level and manner of services to provide over the long term as well as context for its more strategic policy decisions in terms of their longer term impact. Modeling also allows the City to respond in the short term and make the necessary changes to deal with economic cycles and the impacts of some strategies long-term effects. These strategies, particularly improving quality while remaining cost competitive and effective, are not only used during downturns, but during good times as well. The City's strong financial position, coupled with long-term budgeting strategies, help us manage in good and bad economic times. This allows the City to take advantage of lower commodity prices in the downturn, which contributes to Bloomington being cost competitive in comparison to similar cities in Hennepin County.

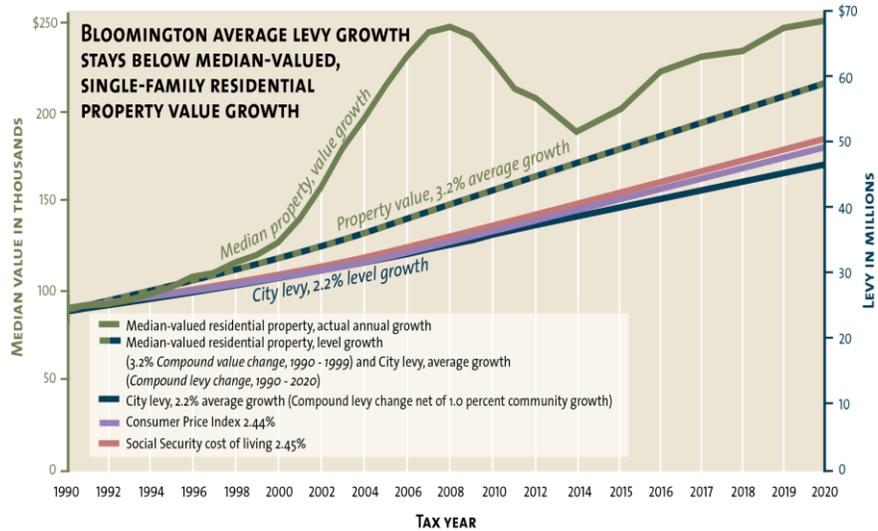
Bloomington Housing Market

The value of the median home rose 10 percent in 2014 and is now nearly back to the level it was at in 2004. In the past 15 years, even factoring in the declines from 2008 through 2013, the median home value has increased an average of 3.4 percent per year. A strong development cycle for office, hotel and retail properties is currently underway, and there is also significant price appreciation in the real estate markets for the highest class

of commercial properties. In 2015, the City expects strength from all property types leading to continued tax base growth.

General Fund Support through Property Tax

The City Council approved a general operating fund budget of \$63,990,682, a 4.13 percent increase from the 2014 budget. The City uses multiyear modeling to track revenue and expenditures to predict upcoming trends for 2015. City staff also uses a five-year planning model that considers both the short-term and future needs of the community to recommend a preliminary levy. In providing quality City services that meet public demand, the City continues to be cost effective.



Key Budget Opportunities

The 2015 Budget analysis of key organizational budget opportunities is as follows:

Health Insurance

The City’s Insured Benefits Fund is modeled out 10 years. While the City did receive a zero percent lock in for its 2012-2014 health insurance contract, it has utilized modeling to budget for longer term rate increases. The City has a rate guarantee not to exceed 15 percent for 2015.

Pavement Management Program

The Pavement Management Program that was started in 1992 completed its first 21 years in proactively managing the City’s streets. In 2015, the City levied just over \$950,000 for the overlay portion of its Pavement Management Program (PMP), which is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. In addition, approximately \$2 million is levied for debt service on the reconstruction portion which is funded by ten-year bonds. After needs are identified, funding is provided through State aids, assessments and the City’s annual levy. The City will continue to utilize accumulated fund balances to support the planned number of overlay miles.

Staff Changes

One additional employee is added in Motor Vehicle Licensing. This enterprise fund is adding additional services and needs an additional employee to maintain acceptable wait times.

Council 2015 Budget Policy Decision

2015 Property Tax Levy and Budget Recommendation

After months of budget meetings, the City Council adopted a property tax levy increase of four percent to \$49,971,775. This means the monthly cost of tax-supported services for the owner of a \$206,900 median value home is \$71.64 for 2015. Four out of the past five years this cost was \$67.82. The increase of \$3.82 from 2014 is the result of a shift in tax base value from commercial properties to residential properties. From 2013 to 2014, the median valued home increased from \$188,000 to \$206,900, a growth of 10 percent. Commercial values grew an average of one percent during this same timeframe. This differential increase in value results in residential properties paying a larger share of the property tax levy.

PRELIMINARY LEVY AND MEDIAN MONTHLY COST VS. CPI



Conclusion

The budget for fiscal year 2015 is a strong financial plan that continues to move Bloomington toward its long-term goals. Bloomington is at the top of the class for financial strength and stability and ranked very well by its residents in many of its aspects. As one of only 27 cities out of more than 19,000 municipal governments in the U.S. that has achieved triple-A ratings from all three credit rating agencies it uses its resources strategically in its efforts to move the city closer to its *Imagine Bloomington 2025* vision of being a healthier, more sustainable community with a variety of recreation opportunities, housing alternatives, quality services and revitalized commercial areas. Economic growth, community vitality and fiscal strength will continue to be priorities for 2015 and beyond.

SHAPE^{of} THINGS^{to} COME

BUDGET OVERVIEW

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2015 Budget Summary – All Funds (except Capital Funds)

| REVENUES | | | | |
|---|------------------------|------------------------|--------------------------|------------------------|
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Property Taxes | | | | |
| General Fund | \$39,327,081 | \$40,450,658 | \$40,690,631 | \$42,258,742 |
| Debt Service | 3,853,744 | 4,205,916 | 4,154,725 | 4,041,425 |
| Other Funds | 1,597,239 | 1,301,842 | 1,279,745 | 1,371,955 |
| Other Taxes | 7,576,443 | 7,416,550 | 8,194,941 | 7,936,905 |
| Special Assessments | 3,016,793 | 3,434,747 | 2,891,101 | 3,446,697 |
| Permit/Licenses | 4,960,222 | 5,004,425 | 6,064,276 | 5,125,800 |
| Fines | 1,493,872 | 1,388,000 | 1,107,023 | 1,371,250 |
| Intergovernmental | 5,614,031 | 4,583,609 | 5,379,274 | 4,773,869 |
| Program Income | 39,269,392 | 41,452,567 | 41,268,666 | 43,894,568 |
| Interest | 196,160 | 485,280 | 1,182,780 | 444,569 |
| Cable Franchise | 1,164,721 | 1,360,400 | 907,642 | 1,416,000 |
| Other Revenue | 13,882,462 | 6,394,212 | 7,518,111 | 6,926,328 |
| Utility Fees | 25,301,155 | 27,845,486 | 24,370,111 | 28,776,300 |
| Subtotal | \$147,253,315 | \$145,323,692 | \$145,009,026 | \$151,784,408 |
| 2015 Does not include Pavement Management Program Levy of \$958,134 or tax abatement levy of \$555,449. 2014 Does not include Pavement Management Program Levy of \$871,031 or tax abatement levy of \$501,050. 2013 Does not include Pavement Management Program Levy of \$791,846 or tax abatement levy of \$464,939. | | | | |
| EXPENDITURES | | | | |
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Staffing | | | | |
| Salaries and Wages | \$ 45,957,452 | \$ 47,877,237 | \$46,213,672 | \$ 49,415,246 |
| Benefits | 18,608,460 | 20,135,454 | 20,138,374 | 19,327,277 |
| Operating Expenses | | | | |
| Professional/Technical Services | 4,101,670 | 5,196,647 | 5,281,099 | 3,387,528 |
| Utilities/Maintenance | 17,808,747 | 18,133,411 | 17,755,628 | 18,845,620 |
| Operations | 11,988,965 | 12,561,599 | 10,204,971 | 13,604,397 |
| City Support Services | 23,511,282 | 24,615,869 | 27,009,581 | 26,347,884 |
| Materials/Supplies | 10,679,896 | 11,383,044 | 10,964,647 | 11,472,129 |
| Capital Outlay | 8,632,733 | 10,779,182 | 9,379,205 | 11,719,498 |
| Debt Service | 11,076,528 | 8,366,484 | 20,103,025 | 8,369,396 |
| Transfer Out | (6,194,925) | (2,787,557) | (6,252,401) | (3,954,843) |
| Estimated Unexpended | | (2,088,966) | | (2,259,649) |
| | \$146,170,808 | \$154,172,404 | \$160,797,801 | \$156,274,483 |

2015 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 2015.

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 2015 Budget and related property tax levies were approved by the City Council and certified to Hennepin County in December, 2014. The 2016 Budget and related levies were approved in concept by the City Council at that time. During 2015, the conceptual 2016 Budget will be reviewed and refined, where necessary, before adoption by the City Council and certification to the County in December, 2015.

Adopted 2015 Budget

The 2015 Budget Summary schedule is shown on page 27. The budgeted revenues, including transfers in, for all funds total \$151,784,408. Appropriations for all funds total \$156,274,483. The \$4,490,075 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 \$1,615,862, 2.5 percent of the proposed budgeted expenditures as required by the City's Charter that is available for emergencies or unanticipated costs or opportunities.

The Special Revenue Funds' revenue budget of \$6,248,033 is \$260,827 less than budgeted expenditures of \$6,508,860. This is due to spending down fund balance to cover pension obligations for volunteer firefighters. Past positive performance in the General Fund was transferred here to level out impacts in future years.

The Enterprise Funds' budgets with revenues of \$36,495,482 and expenses of \$38,635,819 result in a net decrease to fund balance of \$2,140,337. Most of the decrease is due to capital spending in the Utility Funds, accrued for several prior years for improvements to the water, wastewater and storm water systems.

The \$1,856,764 decrease in the Internal Service Funds results from revenues of \$37,619,039, less than expenses of \$39,475,803. As part of the City's downturn strategy internal service fund charges to departments were held flat in 2010 with a small increase for 2011. Fees were increased in 2012 to return the funds partway to "normal" while using working capital above established goals for any operational increases. Fees for 2013 and 2014 were allowed to increase to move these funds even closer to "normal" operation. 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 four categories account for 81 percent of the revenue budget.

Property Taxes - The largest source of revenue is property taxes of \$47,672,122 comprising 42 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, the Pavement Management Program (PMP) and community renewal 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 2015 this levy is allocated across the tax base according to market values set at the beginning of 2014 from sales data gathered from October 2012 to September 2013 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 \$28,776,300 of the City's revenues or 25 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 water rates were increased by 3.0 percent for 2015 and Tier Two water rates were raised 13.0 percent for 2015. Utility funds are modeled out 15 year to keep rates in line with operating and capital needs.

This is the third year of state-mandated conservation fees in the Water and Wastewater funds which lower rates for low volume users and raise them for higher volume users. Most of the increase in water rates for 2015 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 7.0 percent in 2015 to cover an increase 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 \$7,831,609, or seven 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 \$7,936,905 of City revenues, or seven 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 \$5,814,817 includes cell tower rentals, donations, refunds, interest and operating transfers from other funds and accounts for five 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.

Permits and License Fees – Permits and license fees of \$5,125,800 account for five 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 \$4,773,869 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 2015 at \$3,446,697, three percent of total revenue.

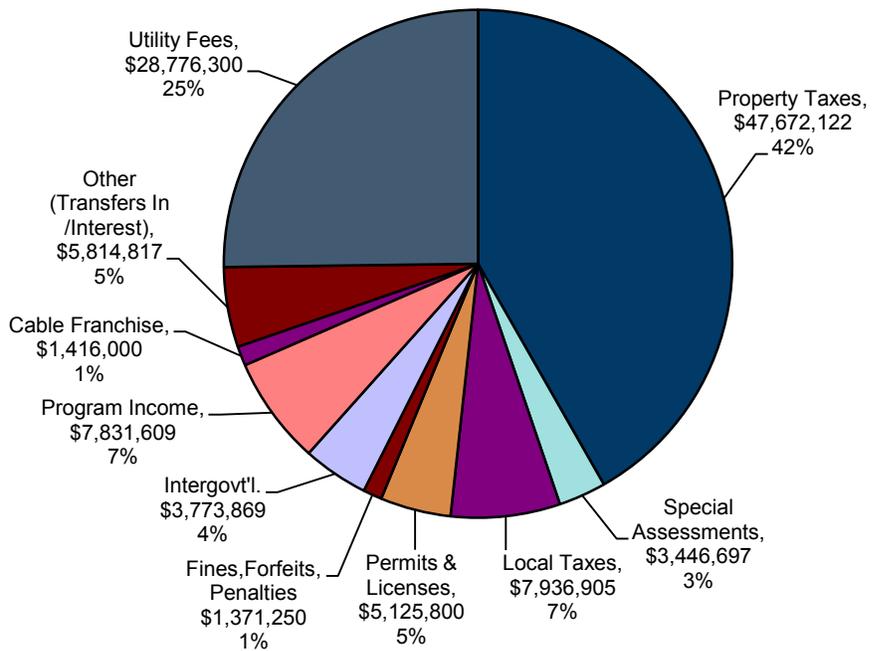
Fines, Forfeitures, Penalties – These funds are the City's share of police patrol traffic citations and other funding coming from the court system.

The 2015 budget for this revenue of \$1,371,250 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).

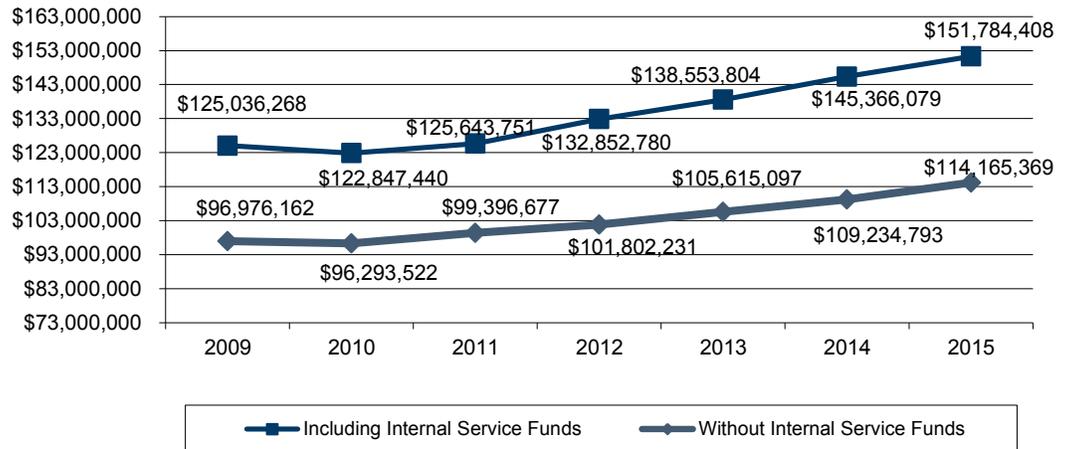
2015 Budgeted Revenues

All Budgeted Funds (Except Capital and Internal Service Funds)

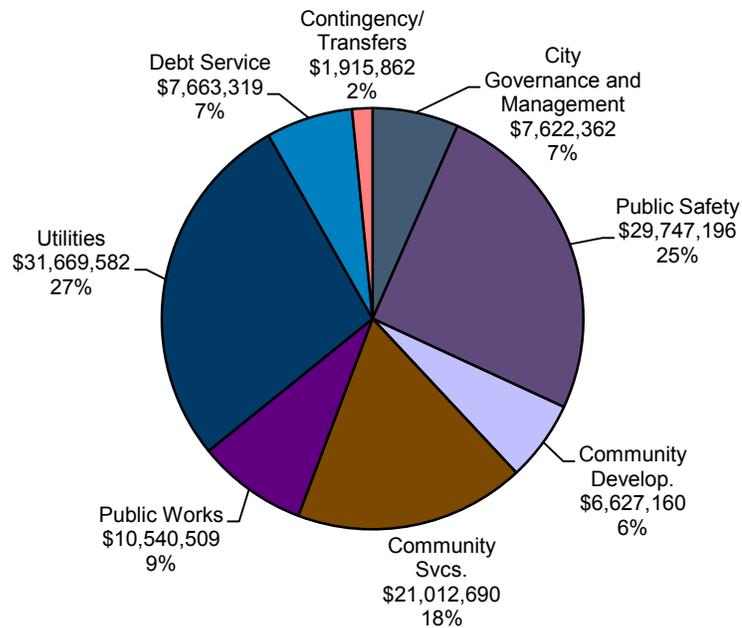


Total budgeted revenues for all funds equal \$151,784,408. Excluding internal service funds and capital projects, total revenues equal \$114,165,369 as shown in the chart by major source.

Total Budgeted Revenues

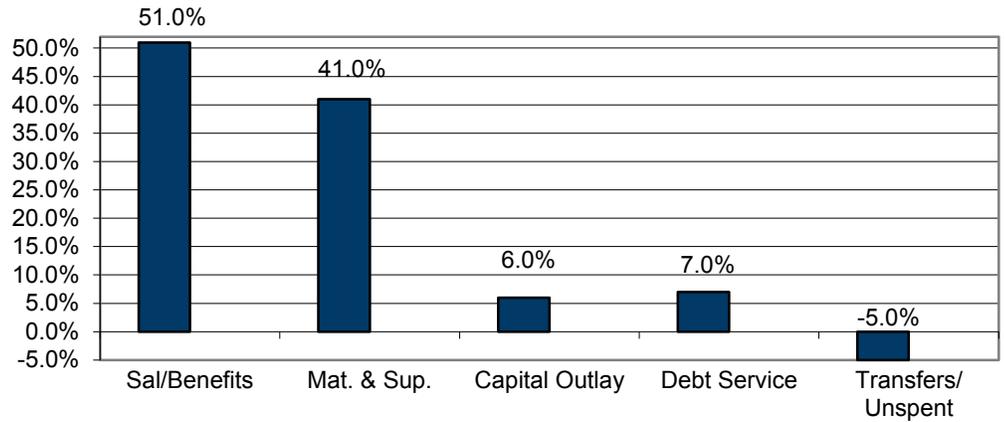


2015 Budgeted Appropriations



Total appropriations for all funds except capital projects equal \$156,274,483. Not including Internal Service Funds, total appropriations equal \$116,798,680. 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 39 percent of the budget before the Estimated Unspent amount is credited.

Tax Base

Market values used to calculate 2015 taxes increased by 5.6 percent from 2014. 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 4.9 percent from 2014 with residential tax capacity increasing and commercial and industrial tax capacity decreasing.

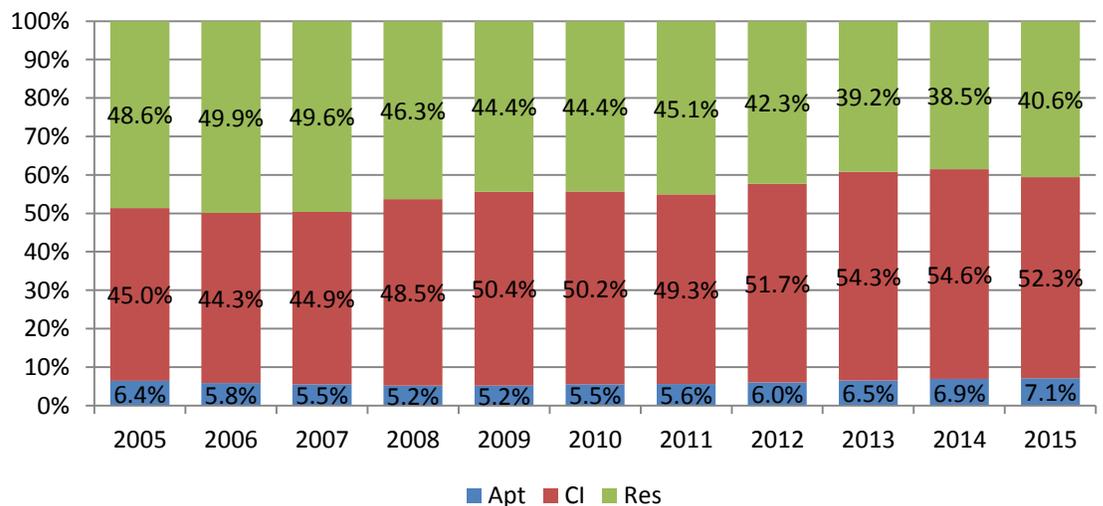
The proportional share of tax burden borne by various property types is constantly changing based on relative changes in market value for each class of property.

Tax Capacity (\$ in billions)



As a result of the 2001 property tax reform that became effective for 2002, a shift of tax base from commercial/industrial to residential property occurred as a result of changes in tax classification rates. The shift continued into 2006 with market value for residential property rising faster than commercial/industrial property. In 2007, the trend 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 \$9.8 billion. For 2015 value increased to \$10.35 billion. Market values are determined according to State statute. Property sales from October 2012 through September 2013 were used as the basis for valuation statements which were issued in early 2014 for property taxes paid in 2015. This process is set out in State statute.

Total City Tax Capacity Comparison



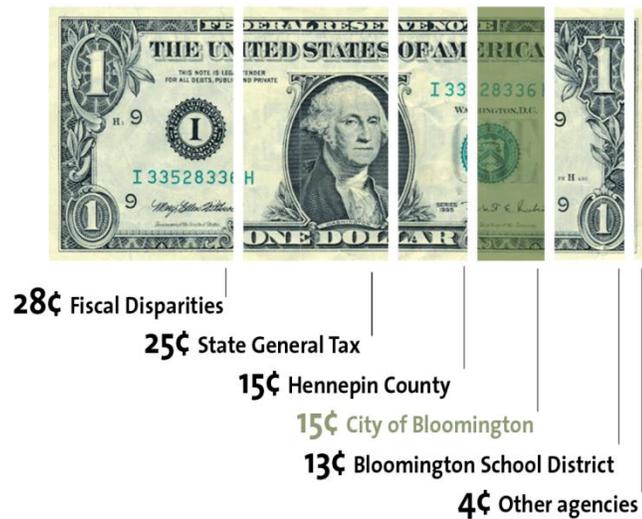
The City of Bloomington is fortunate to have a relatively large commercial and industrial (CI) tax base which illustrates its very competitive business climate. A healthy mixture of residential and commercial property helps to protect the local economy from shifts in tax base the way a well-diversified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

Taxes Payable 2015

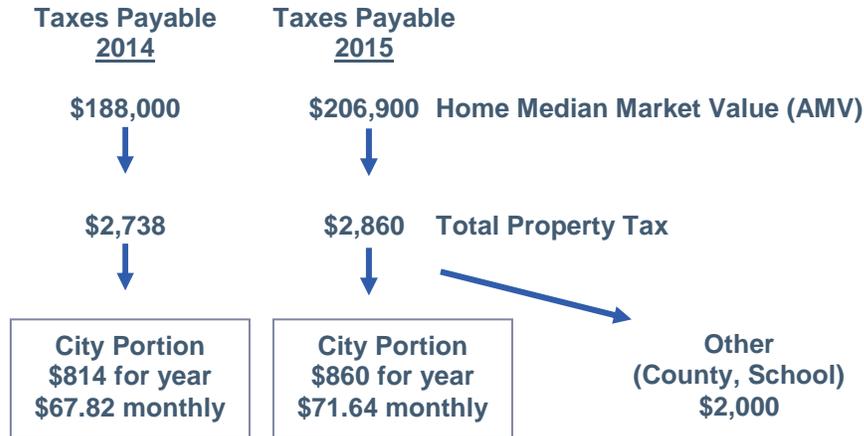
This graphic illustrates the total tax for a residential property as shared by the taxing jurisdictions. Only 30 percent of the total tax is levied for City activities.



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



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 2014 of \$206,900. Homestead properties receive favorable tax treatment with a value exclusion applied before the tax levy is apportioned.

Total taxes of \$2,860 are shared by local governmental agencies based on each taxing district's adopted levy.

The City's share of property taxes of \$860 annually equals \$71.64 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 2013, 2014 and 2015 are as follows:

| <u>City Service</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------|-------------|-------------|-------------|
| Police | \$22.73 | \$23.95 | \$24.67 |
| Public Works | 13.49 | 14.02 | 15.38 |
| Community Services | 13.64 | 13.48 | 14.36 |
| Debt and Capital | 7.35 | 7.95 | 7.56 |
| Fire | 4.56 | 3.92 | 4.98 |
| Strategic Priorities | 0.00 | 0.00 | 0.60 |
| Community Develop. | <u>4.27</u> | <u>4.50</u> | <u>4.09</u> |
| | \$66.04 | \$67.82 | \$71.64 |

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) | \$18.47 | Engineering | \$ 2.52 | General Recreation | \$ 3.35 |
| Street Maintenance | 8.27 | Environmental Health | 2.34 | Public Health | 0.84 |
| Police Investigation | 5.17 | Community Planning | 1.75 | Aquatics | 1.38 |
| Capital/Debt | 7.56 | Emergency Preparedness | 0.19 | Cultural & Special Events | 0.74 |
| Fire Suppression | 4.18 | Crime Prevention | 0.73 | Center for Arts | 0.88 |
| PMP | 1.57 | Parks Maintenance | 4.60 | Animal Control | <u>0.60</u> |
| Bomb Squad | 0.06 | Animal Control | 0.18 | | |
| Building and Inspections | 0.00 | Street and Traffic Lights | 3.02 | | |
| | | Human Services | 2.58 | | |
| Fire Pension | <u>0.00</u> | Fire Marshall/Fire Prevention | <u>0.66</u> | | |
| Total | <u>\$45.28</u> | | <u>\$ 18.57</u> | | <u>\$7.79</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.

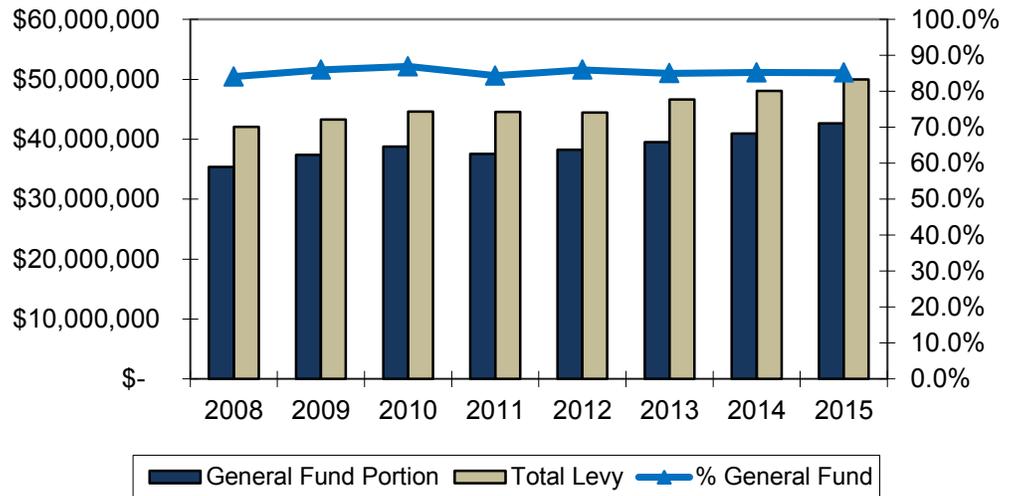
Levy Components

The dollars levied in 2015 by fund as compared to the 2014 levy are illustrated in the following table:

| <u>Fund</u> | <u>2014</u> | <u>2015</u> | <u>Current % Increase (Decrease) Over 2014</u> |
|-----------------------|---------------------|---------------------|--|
| General | \$40,959,024 | \$42,681,276 | 4.20% |
| Debt Service | 4,205,916 | 4,041,425 | (3.91) |
| Tax Abatement | 501,050 | 555,449 | 10.86 |
| Recreation Facilities | 1,301,842 | 1,371,955 | 5.38 |
| Fire Pension | 0 | 0 | -- |
| Strategic Priorities | 210,921 | 363,536 | 72.36 |
| Pavement Management | <u>871,031</u> | <u>958,134</u> | 10.00 |
| Total | <u>\$48,049,784</u> | <u>\$49,971,775</u> | 4.00% |

The City's general fund levy increased from 2014 to 2015 by 4.20 percent or \$1,722,252. The 2015 General Fund budget includes a 4.13 percent increase in spending from 2014.

General Fund Portion of Levy



The average increase in the gross levy over the past fifteen years is 3.91 percent; the past ten years is 3.33 percent; and the past five years is 2.32 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 2014 Fund Balance | 2015 Revenues | 2015 Expenditures | Ending Balance | % Change in Fund Balance | \$ Change in Fund Balance | Reason for Greater than 10 Percent Variance |
|-------------------------------|---------------------------|---------------|-------------------|----------------|--------------------------|---------------------------|---|
| Public Health Special Revenue | \$ 112,801 | \$1,314,302 | \$1,351,560 | \$ 75,543 | (33.3) % | \$ (37,258) | Timing of grants and reimbursements |
| Police Special Revenue | 1,709,938 | 2,428,912 | 2,676,345 | 1,462,505 | (14.5) % | (247,433) | Includes the Pension Residual 20-year utilization for Police expenses and payment of Fire pension obligation. |
| Communications | 217,505 | 1,651,119 | 1,542,338 | 326,286 | 50.0 % | 108,781 | Increase in cable franchise fee |
| South Loop Development | 39,681 | 270,050 | 150,000 | 159,731 | 202.5 % | 120,050 | More activity in project area. |
| Water/Wastewater | 57,371,921 | 23,258,752 | 23,261,146 | 57,479,527 | 0.2 % | 107,606 | |
| Storm Water | 32,836,311 | 5,195,976 | 6,449,545 | 31,582,742 | (3.8) % | (1,253,569) | |
| Solid Waste | 921,759 | 1,704,872 | 1,958,891 | 667,740 | (27.6) % | (120,640) | Budgeting for storm cleanup, solid waste study. |
| Recreational Facilities | 11,226,228 | 4,939,725 | 5,615,511 | 10,550,441 | (6.0) % | (675,787) | |
| Police Contractual | 0 | 600,000 | 600,000 | 0 | 0 % | 0 | |
| Motor Vehicle | 364,760 | 727,030 | 750,726 | 341,064 | (6.5) % | (23,696) | |
| Information Systems | 3,375,652 | 4,727,488 | 4,972,600 | 3,130,540 | (7.3) % | (245,112) | |
| Equipment | 13,899,695 | 6,888,591 | 8,560,511 | 12,227,775 | (12.0) % | (1,671,920) | Increased purchase of fire equipment. |
| Support Services | 251,439 | 485,045 | 534,658 | 201,826 | (19.7) % | (49,613) | Capital purchase in mail room. |
| Public Safety Radio | 2,097,690 | 456,669 | 776,901 | 1,777,458 | (15.3) % | (320,232) | Large capital purchase |
| Self-Insurance | 289,214 | 2,739,423 | 2,006,980 | 1,021,657 | 153.2 % | 732,443 | Infusion of funding to increase fund balance. |
| Insured Benefits | 4,014,358 | 9,192,796 | 10,010,958 | 3,195,196 | (20.4) % | (819,162) | Draw down fund balance for rate hike and transfers out. |
| Accrued Benefits | (1,244,221) | 2,275,316 | 1,793,631 | (762,536) | 38.7 % | 481,685 | Infusion of funding to increase fund balance. |
| Facilities & Parks | 42,891,500 | 10,853,651 | 10,819,564 | 42,925,587 | 0.1 % | 34,087 | |
| General Fund | 22,856,658 | 63,990,682 | 63,990,682 | 22,856,658 | 0 % | 0 | |
| Park Grants | 240,438 | 70,352 | 64,000 | 246,790 | 2.6 % | 6,352 | |
| Fire Grants | 0 | 395,000 | 395,000 | 0 | 0.0 % | 0 | |
| Cemetery | 878,704 | 118,298 | 338,617 | 658,385 | (25.1) % | (220,319) | Capital purchase of columbarium, road construction. |

Working Capital Balances

| Fund Name | Basis | Justification | Formula (if any) | Current Recommended Balance | Estimated 12/31/14 Working Capital | Estimated 12/31/15 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. | $\$63,990,682 \times 35\%$ | \$22,396,739 | \$23,584,626 | \$23,585,626 |
| 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 | \$112,801 | \$75,543 |
| Police Special Revenue Funds | DWI Forfeiture – Enhanced 911 – Drug Forfeiture – Lump Sum Police Grants Police Pension Residual Asset Fund Fire Pension | Emergency Expenditures Emerg. repairs, Emergency Repairs Repair, replace Per 20-year plan Next year obligation | | \$58,000 \$20,000 \$20,000 \$0 \$252,019 <u>\$1,500,000</u> \$1,850,019 | \$262,443 \$253,682 \$57,602 \$0 \$389,315 <u>\$969,174</u> \$1,678,534 | \$238,709 \$0 \$120,762 \$0 \$252,019 <u>\$1,082,293</u> \$1,693,783 |
| Communications | Possible change in regulated services source of funds; a reserve kept to allow budget amendment if necessary. Lump Sum | Cash flow – Franchise fee is distributed quarterly and is subject to significant fluctuations. To avoid borrowing, a substantial balance is needed Capital replacement | 3 month cash flow | \$354,000 <u>\$544,000</u> \$898,000 | \$217,505 | \$326,286 |
| South Loop | Permit surcharges are collected to fund studies that take place prior to project approval. No working capital | Generally Accepted Accounting Principles | | \$0 | \$39,681 | \$159,731 |

| Fund Name | Basis | Justification | Formula (if any) | Current Recommended Balance | Estimated 12/31/14 Working Capital | Estimated 12/31/15 Working Capital |
|------------------------|--|---|------------------------------------|---|------------------------------------|------------------------------------|
| Park Grants | Track grants for regional park maintenance from State of Minnesota via Met Council | GAAP | Lump Sum | \$50,000 | \$240,438 | \$246,790 |
| Water Utility | Two months of customer revenue Lump Sum Tower rehab Long-term capital needs: Lump Sum | Cash flow Emergency repairs Reinvestment for Asset Management | $\$12,097,000 \times \frac{2}{12}$ | \$2,016,000 + \$500,000 + 600,00 + <u>\$2,500,000</u> \$5,616,000 | \$3,013,859 | \$2,995,682 |
| Wastewater Utility | Two months of customer revenue Lump Sum Long-term capital needs: Lump Sum | Cash flow Emergency repairs Reinvestment for Asset Management | $\$10,250,000 \times \frac{2}{12}$ | \$1,708,000 \$500,000 + <u>\$3,920,545</u> \$6,128,545 | \$3,751,922 | \$3,877,705 |
| Storm Water Utility | Two months of customer revenue Lump Sum Lump Sum Lump Sum Lump Sum | Cash flow-maintain Emergency repairs Long-term capital needs: PMP & Maintenance projects Storm water system upgrades NPDES requirements | $\$5,107,000 \times \frac{2}{12}$ | \$851,000 \$1,000,000 + \$2,040,500 + \$629,000 <u>\$100,000</u> \$4,720,500 | \$5,400,959 | \$4,147,390 |
| 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. | $\$598,222 \times 60\%$ | \$359,000 | | |

| Fund Name | Basis | Justification | Formula (if any) | Current Recommended Balance | Estimated 12/31/14 Working Capital | Estimated 12/31/15 Working Capital |
|------------------------------------|--|---|------------------|--------------------------------|------------------------------------|------------------------------------|
| Solid Waste Management (continued) | Reserve for tree disposal, storm clean-up and hazardous waste | | | \$459,817 | | |
| | Tree Replacement | \$500 Per Tree | \$0 | \$123,000 | | |
| | 40% remaining budgeted operating expenses | Reserve for cash flow to draw from rather than raise rates if funding is cut. | \$622,500 x 25% | <u>\$249,000</u> | | |
| | | | | \$1,190,817 | \$825,656 | \$571,637 |
| Motor Vehicle | 4/12 of budgeted operating expenses | Operating expenses | \$720,000 x 4/12 | \$220,000 + | | |
| | Lump sum | Emergency purchase | | <u>\$20,000</u> \$240,000 | \$344,929 | \$321,233 |
| Information Systems | 1 month operating expenses | Cash Flow | | \$289,000 + | | |
| | Lump Sum | Equipment replacement (major components) | | <u>\$574,014</u> \$863,014 | \$859,906 | \$614,794 |
| Support Services | 1 Month's budgeted operating revenues | Cash flow | \$582,000 ÷ 12 | \$48,500 + | | |
| | Lump Sum | Print Shop /Mailroom Equipment Replacement | | <u>\$61,667</u> | | |
| | | | | \$110,167 | \$251,439 | \$196,826 |
| Equipment | Operations & Maintenance One month of charges Lump Sum | Cash flow for operations and inventory replacement Fuel contingency | \$4,450,000 / 12 | \$371,000 + 200,000 + | \$634,768 | \$517,128 |
| | Replacement – Two years of charges | Flexibility to reduce charges in economic downturn | | \$1,589,000 + | \$1,650,007 | \$1,353,115 |
| | Fire Equipment Replacement – 2 years of charges to Fire Dept. for replacement | Build funds for replacement | \$300,000 x 2 | \$600,000 + | \$2,326,945 | \$1,023,026 |
| | Small Fire Equipment | Build funds for replacement | | \$370,590 | \$43,860 | \$122,989 |
| | Small Police Equipment | Build funds for replacement | | <u>\$23,690</u> \$3,047,280 | <u>\$169,144</u> \$4,876,579 | <u>\$188,400</u> \$3,204,658 |

| Fund Name | Basis | Justification | Formula (if any) | Current Recommended Balance | Estimated 12/31/14 Working Capital | Estimated 12/31/15 Working Capital |
|------------------------------------|---|--|-----------------------|--------------------------------|------------------------------------|------------------------------------|
| Radio Fund | One month's budgeted operating revenue | Cash flow – multi-year modeling need | $\$456,000 \div 12$ | \$38,000 + | | |
| | Lump sum | To replace/ purchase additional MDT's/Radios | | \$500,000 + | | |
| | Lump Sum | Fiber Optic Network | | <u>\$180,217</u> \$718,217 | \$1,089,651 | \$769,419 |
| Facility Replacement & Maintenance | Administration & Maintenance 1 months' budgeted operating expenditures | Cash flow – multi-year modeling need | $\$3,468,000 \div 12$ | \$289,000 + | \$701,138 | \$270,333 |
| | Replacement | Minimize future debt of facility replacement cash flow | | <u>\$6,878,850</u> | <u>\$3,694,293</u> | <u>\$4,159,185</u> |
| | | | | \$7,167,850 | \$4,395,431 | \$4,429,518 |
| Insured Benefits Fund | One Month's Premiums | Operating Expenses – multi-year modeling need | $\$7,000,000 \div 12$ | \$584,000 | | |
| | Reserve for Premium Increases | | | <u>\$2,000,000</u> | \$3,699,835 | \$2,881,673 |
| Recreational Facilities Funds | Aquatics facilities (2) | Operations | | \$650,640 + | \$499,299 | \$363,782 |
| | Ice Garden – Lump sum | Capital Improvements | | \$225,000 | \$317,625 | \$125,838 |
| | Art Center – 12 months of selected budgeted operating expenses | Cash Flow | | \$272,200 + | | |
| | Lump Sum | Furniture, fixtures, equipment | | \$50,000 + | \$203,655 | \$121,650 |
| | Golf courses (2) – Lump Sum | Cash flow | | \$372,000 + | | |
| | Capital | Emergency repairs | | \$480,000 + | \$166,163 | \$(100,314) |
| | | | | <u>\$64,500</u> \$2,114,340 | <u>\$1,186,742</u> | <u>\$510,956</u> |
| Self-Insurance Fund | Amount cited in Actuarial Report as minimum to cover losses | Guard against significant impact of large claims | | \$2,311,498 | \$215,751 | \$948,194 |
| Accrued Compensation Fund | Enough assets to offset liability | Generally Accepted Accounting Principles | | \$0 | (\$1,977,002) | (\$1,495,257) |

General Fund Five-Year Budget Projection

The City utilizes a five-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

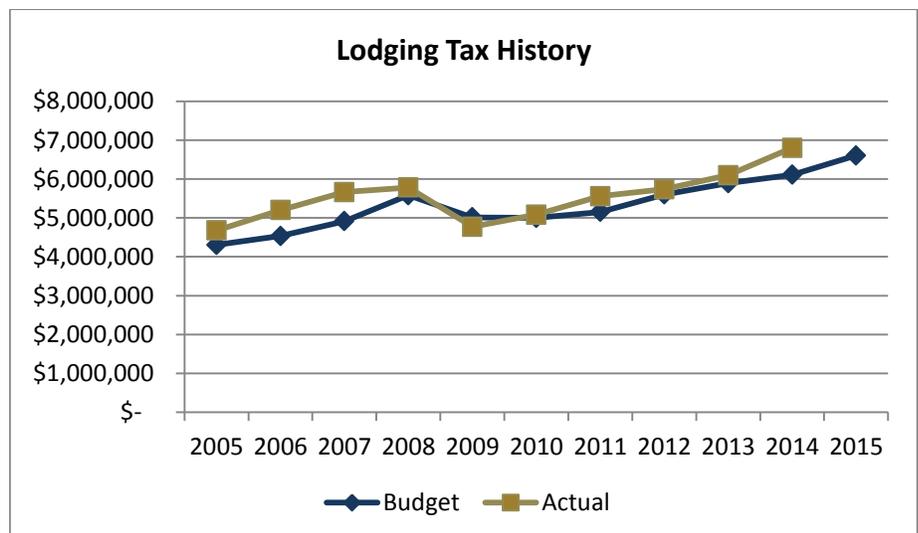
In 2015, revenues are budgeted to increase from the 2014 budget by 4.13 percent. In the five-year model shown on the fourth page of this section, revenues are projected to increase each year from 2016 to 2020 at rates ranging from 2.62 percent to 5.52 percent with an average increase of 3.42 percent.

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 3.2 percent over the past 15 years (since 2000) including a decline in payable years 2010 through 2014 in tax base of 5.7, 7.2, 1.8, 2.1 and 0.7 percent respectively.

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 five 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 increase by 2.0 percent in 2015 and 2016 through 2020.

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. 2013 was the first year of operation for the Radisson Blu hotel. This hotel is showing remarkable occupancy growth. Revenues have also increased for 33 of the other 37 hotels in the City. An 8.1 percent growth rate is expected for 2015 with two more hotels coming on line, remaining flat for 2016 with 2 percent growth carried out to the later years of the model.



Business licenses and permits are fairly consistent in quantity each year. Fees for each license type are generally increased to reflect inflation. Permit and license fees decreased by 1.3% from the 2014 budget, about a 2.5% increase from projected collections in 2013. Even though fees are increased, the following categories have underperformed in revenue collection: animal licenses, food vendors, multiple and single family rentals. Business license revenue is modeled to increase by 2.5% in 2016 and 2% each year after that.

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 few years for larger projects. Permit fee revenue is budgeted in 2015 to increase by 3.3% from the 2014 budget based on the strength of the building market. Permit revenue is budgeted to increase by 4.5% in 2016 and 2.3% through 2020.

Court fines and forfeits are generated from traffic and other violations of the law. A 2.5 percent increase from the 2014 budget is budgeted for 2015. Revenue for this category is budgeted to increase by 2.5 percent per year through 2020 which represents the historical growth rate for this revenue category.

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 2015 shows a 13.6 percent increase from the 2014 budget, which is actually flat when compared to actual revenue. Program revenue is expected to decrease in 2016 and remain flat through 2020.

Intergovernmental revenues increase 1.9 percent in the 2015 budget from the 2014 budget. However, this is a 3.0 percent decrease from the actual amount received in 2014 due mostly to reduced funding for health grants. Funding for 2016 through 2020 is flat because of the uncertainty of this funding source.

Interest is scheduled to increase by 2.5 percent from the 2014 budget. Interest earnings are expected to return to a growth rate of 2.5 percent starting in 2015 based on projections of interest rates and cash balances with a policy change to require more fund balance.

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 70 percent of General Fund service costs.

Overall, appropriations in the model are projected to increase annually at a rate of 3.42 percent.

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 2010, 2011, 2012, 2013 and 2014, wage increases of 0.0, 2.0, 1.0, 2.5 and 2.0 percent were given. In 2015 a 2.5 percent increase was budgeted. The later years of the model include wage increases for modeling purposes only.

Health and dental costs were kept flat for 2012 through 2014. A new carrier was contracted with rates held constant for those three years. The rate increase for 2015 is set at a maximum of 15 percent. The City created the Insured Benefits Internal Service Fund in 2002 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 the anticipated premiums increases in 2015 and beyond. That reserve is tapped in 2015 to cover part of the 15 percent premium increase.

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 Fire Department Equipment Fund. Appropriations for fire equipment replacement were reduced in 2010 after reprioritizing the fire capital replacement schedule to assist in offsetting fire pension contribution increases. Funding to the Fire Department Equipment Fund was increased by \$100,000 every year, starting in 2011, to reach the original amount of \$550,000. In 2015 Fire Equipment replacement costs were again decreased to help the General Fund, the source of funding for this equipment, to remain at a reasonable and prudent increase. Another strategy implemented 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 20 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.

General Fund Model

| REVENUES | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Tax | \$42,681,276 | \$45,647,792 | \$48,158,300 | \$49,943,428 | \$51,759,088 | \$53,332,988 |
| Less Delinq. & Abatements | (622,534) | (634,984) | (647,684) | (660,638) | (673,850) | (687,327) |
| Delinquent Collections | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Admissions Tax | 1,333,905 | 1,360,583 | 1,387,795 | 1,415,551 | 1,443,862 | 1,472,739 |
| Hotel-Motel Tax | 6,603,000 | 6,603,000 | 6,735,060 | 6,869,761 | 7,007,156 | 7,147,300 |
| Business Lic. & Permits | 1,835,800 | 1,881,500 | 1,919,130 | 1,957,513 | 1,996,663 | 2,036,596 |
| Non-Bus. Lic. & Permits | 2,694,000 | 2,814,000 | 2,878,722 | 2,944,933 | 3,012,666 | 3,081,957 |
| Court Fines | 1,178,750 | 1,208,219 | 1,238,424 | 1,269,385 | 1,301,119 | 1,333,647 |
| Program Income | 2,399,493 | 2,372,493 | 2,372,493 | 2,372,493 | 2,372,493 | 2,372,493 |
| Intergovernmental Rev. | 2,228,955 | 2,233,221 | 2,233,221 | 2,233,221 | 2,233,221 | 2,233,221 |
| Interest Earnings | 76,875 | 78,797 | 80,767 | 82,786 | 84,856 | 86,977 |
| Transf. from Other Funds | 1,230,000 | 930,000 | 600,000 | 300,000 | 0 | 0 |
| Police Pension | 108,000 | 73,000 | 38,000 | 28,000 | 24,256 | 0 |
| South Loop Revenue | 1,216,897 | 1,259,488 | 1,290,975 | 1,323,249 | 1,356,331 | 1,390,239 |
| All Other | 826,265 | 834,346 | 863,548 | 893,772 | 925,054 | 957,431 |
| Total Revenues | \$63,990,682 | \$66,861,454 | \$69,348,751 | \$71,173,453 | \$73,042,914 | \$74,958,261 |
| APPROPRIATIONS | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| City Council/Com. | \$575,887 | \$582,921 | \$597,494 | \$612,431 | \$627,742 | \$643,436 |
| City Manager | 359,594 | 365,053 | 374,179 | 383,534 | 393,122 | 402,950 |
| Legal | 1,319,783 | 1,314,637 | 1,347,503 | 1,381,190 | 1,415,720 | 1,451,113 |
| Human Resources | 671,765 | 691,027 | 708,303 | 726,010 | 744,161 | 762,765 |
| Finance | 1,057,734 | 1,075,805 | 1,102,700 | 1,130,268 | 1,158,524 | 1,187,487 |
| Police | 22,920,461 | 23,752,468 | 24,346,280 | 24,954,937 | 25,578,810 | 26,218,280 |
| Fire | 4,113,931 | 4,576,414 | 4,690,824 | 4,808,095 | 4,928,297 | 5,051,505 |
| Community Develop. | 6,712,942 | 6,801,267 | 6,971,299 | 7,145,581 | 7,324,221 | 7,507,326 |
| Community Services | 12,892,096 | 13,471,385 | 13,808,170 | 14,153,374 | 14,507,208 | 14,869,888 |
| Public Works | 10,924,205 | 11,369,659 | 11,653,900 | 11,945,248 | 12,243,879 | 12,549,976 |
| Technical Service Group | 2,786,071 | 2,950,004 | 3,023,754 | 3,099,348 | 3,176,832 | 3,256,252 |
| Offset for Est. Unspent | (2,259,649) | (2,121,702) | (2,101,266) | (2,080,063) | (2,058,066) | (2,035,243) |
| Contingency | 1,615,862 | 1,682,516 | 1,725,610 | 1,768,500 | 1,812,463 | 1,857,524 |
| Transfers to Other Funds | 300,000 | 350,000 | 1,100,000 | 1,145,000 | 1,190,000 | 1,235,000 |
| Total Expenditures | \$63,990,682 | \$66,861,454 | \$69,348,750 | \$71,173,453 | \$73,042,914 | \$74,958,261 |

Note: Years 2016-2020 are estimates.

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 | | | | | | | | |
| Sage Clinic | | | | | X | | | |
| Other Health Grants | | | | | X | | | |
| Drug Forfeiture | X | | | | | | | |
| Enhanced 911 | X | | | | | | | |
| DUI Forfeiture | X | | | | | | | |
| Other Police Grants | X | | | | | | | X |
| Pension Residual | X | X | | | | | | |
| Fire Grants | | X | | | | | | |
| South Loop Revolving Development | | | | X | | | | |
| Communications | | | | | X | | | |
| Parks Grants | | | | | X | | | |
| Cemetery | | | | | | | | X |

Staffing

| | 2010 Authorized Full-Time | 2011 Authorized Full-Time | 2012 Authorized Full-Time | 2013 Authorized Full-Time | 2014 Authorized Full-Time | 2015 Authorized Full-Time |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| City Manager | 3 | 3 | 3 | 3 | 3 | 3 |
| Community Development | 54 | 54 | 54 | 54 | 56 | 51* |
| Community Services | 46 | 44 | 44 | 44 | 44 | 44 |
| Finance | 22 | 22 | 22 | 22 | 22 | 22 |
| Fire Protection | 3 | 3 | 3 | 4 | 4 | 9* |
| General Government/ City Council | 1 | 1 | 1 | 1 | 1 | 1 |
| Human Resources | 6 | 6 | 6 | 6 | 6 | 6 |
| Legal | 12 | 12 | 12 | 12 | 12 | 12 |
| Police | 147 | 148 | 148 | 150 | 150 | 150 |
| Public Works | 93 | 93 | 66** | 63 | 63 | 63 |
| Technical Services Group | 20 | 20 | 20 | 20 | 20 | 20 |
| GENERAL FUND TOTAL | 407 | 406 | 379 | 379 | 381 | 381 |
| Communications | 7 | 8 | 8 | 8 | 8 | 8 |
| Pension Asset Residual | 1 | 0 | 0 | 0 | 0 | 0 |
| Public Health | 8 | 8 | 10 | 9 | 8 | 8 |
| South Loop Revolving Development Svcs. | 5 | 5 | 5 | 5 | 5 | 5 |
| Special Revenue | 21 | 21 | 23 | 22 | 21 | 21 |
| Motor Vehicle | 5 | 5 | 5 | 5 | 5 | 6 |
| Rec Facilities Fund | 16 | 16 | 16 | 17 | 18 | 18 |
| Solid Waste Mgt. | 1 | 1 | 1 | 1 | 1 | 1 |
| Storm Water Utility | 11 | 11 | 11 | 12 | 12 | 12 |
| Water & Wastewater Utilities | 54 | 54 | 54 | 54 | 54 | 54 |
| Enterprise | 87 | 87 | 87 | 89 | 90 | 91 |
| Equipment Pool | 15 | 15 | 15 | 15 | 15 | 15 |
| Facilities and ParksMaintenance | 10 | 10 | 37** | 39 | 39 | 39 |
| Information Systems | 13 | 13 | 13 | 13 | 13 | 13 |
| Radio Operations | 1 | 1 | 1 | 1 | 1 | 1 |
| Support Services | 3 | 3 | 3 | 3 | 3 | 3 |
| Internal Service | 42 | 42 | 69 | 71 | 71 | 71 |
| TOTAL OTHER FUNDS | 150 | 150 | 179 | 183 | 183 | 183 |
| Housing and Redevelopment | 10 | 10 | 10 | 10 | 10 | 10 |
| Port Authority | 3 | 3 | 3 | 3 | 3 | 3 |
| TOTAL ALL | 570 | 569 | 571 | 574 | 576 | 577 |

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

**Public Works moved from the General Fund to Facilities in the Enterprise Fund.

SHAPE^{of} THINGS^{to}COME

GENERAL FUND – FUND 1001

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TOTAL GENERAL FUND BUDGET SUMMARY

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| Revenues | | | | | |
| Property Taxes | \$ 39,346,747 | \$ 40,450,658 | \$ 40,450,658 | \$ 40,481,102 | \$ 42,258,742 |
| Lodging/Admission Taxes | 7,576,443 | 7,416,550 | 7,416,550 | 8,194,941 | 7,936,905 |
| Licenses/Permits | 4,679,513 | 4,468,425 | 4,468,425 | 5,818,718 | 4,589,800 |
| Fines/Forfeitures | 1,192,785 | 1,150,000 | 1,150,000 | 987,785 | 1,178,750 |
| Intergovernmental | 2,312,456 | 2,187,945 | 2,231,645 | 2,366,804 | 2,235,633 |
| Program Income | 2,422,859 | 2,113,091 | 2,190,878 | 2,393,471 | 2,433,415 |
| Interest | (15,226) | 75,000 | 75,000 | 251,277 | 76,875 |
| Transfers In | 2,744,199 | 2,811,570 | 2,811,570 | 2,838,031 | 2,554,897 |
| Other | 642,823 | 778,871 | 791,292 | 1,197,404 | 725,665 |
| TOTAL REVENUES | 60,902,599 | 61,452,110 | 61,586,018 | 64,529,533 | 63,990,682 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 31,096,332 | 31,559,977 | 32,192,835 | 32,048,425 | 33,461,632 |
| Benefits | 11,353,331 | 11,331,432 | 11,549,722 | 11,832,774 | 12,258,696 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 2,707,485 | 1,412,038 | 1,528,871 | 1,578,795 | 1,387,331 |
| Utilities and Maintenance | 2,938,464 | 2,884,701 | 3,002,183 | 2,662,673 | 3,061,434 |
| Operations | 1,804,765 | 1,798,342 | 1,095,450 | 1,061,274 | 2,161,193 |
| City Support Services | 14,833,800 | 15,179,416 | 15,978,289 | 16,060,557 | 16,621,893 |
| Materials and Supplies | 2,695,835 | 2,672,623 | 3,073,930 | 2,457,525 | 2,740,995 |
| Capital Outlay | | | | | |
| Equipment | 165,412 | 312,000 | 204,308 | 154,166 | 79,000 |
| Transfers Out & Contingency | 1,569,285 | 1,899,732 | 1,859,732 | 309,948 | 1,980,862 |
| TOTAL EXPENDITURES | 69,164,709 | 69,050,261 | 70,485,320 | 68,166,137 | 73,753,036 |
| Less Expenses Charged to Others | (8,485,794) | (5,509,185) | (7,185,772) | (6,911,516) | (7,502,705) |
| Less Budgeted Estimated Unspent | - | (2,088,966) | (2,088,966) | - | (2,259,649) |
| NET TOTAL EXPENDITURES | 60,678,915 | 61,452,110 | 61,210,582 | 61,254,621 | 63,990,682 |
| FUND BALANCE SOURCES (USES) | 223,684 | - | 375,436 | 3,274,912 | - |
| Fund Balance Beginning of Year | 20,691,737 | 20,915,421 | 20,915,421 | 20,915,421 | 24,190,333 |
| Fund Balance at Year-End | <u>\$ 20,915,421</u> | <u>\$ 20,915,421</u> | <u>\$ 21,290,857</u> | <u>\$ 24,190,333</u> | <u>\$ 24,190,333</u> |
| Fund Balance goal | \$ 20,479,512 | \$ 21,340,638 | \$ 21,340,638 | \$ 21,340,638 | \$ 21,256,872 |

Public Safety - Police

Divisions

Police Administration

Police Operations

Police Support Division

The Police Department employs 150 people, of which 118 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. Patrol 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 150,000 emergency and non-emergency phone calls are logged into the dispatch center a year. Of these, approximately 50,000 emergency (911) calls each year come in to the Communications Unit (Dispatching). Not all these calls result in a request for police services. Other units include the Mall Unit, Bomb Squad, Hostage Negotiators, Traffic Unit, 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 Mall Unit is paid for through liquor and lodging tax dedicated to South Loop expenses.



87 percent of residents say they feel safe in Bloomington.

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

Expenditures

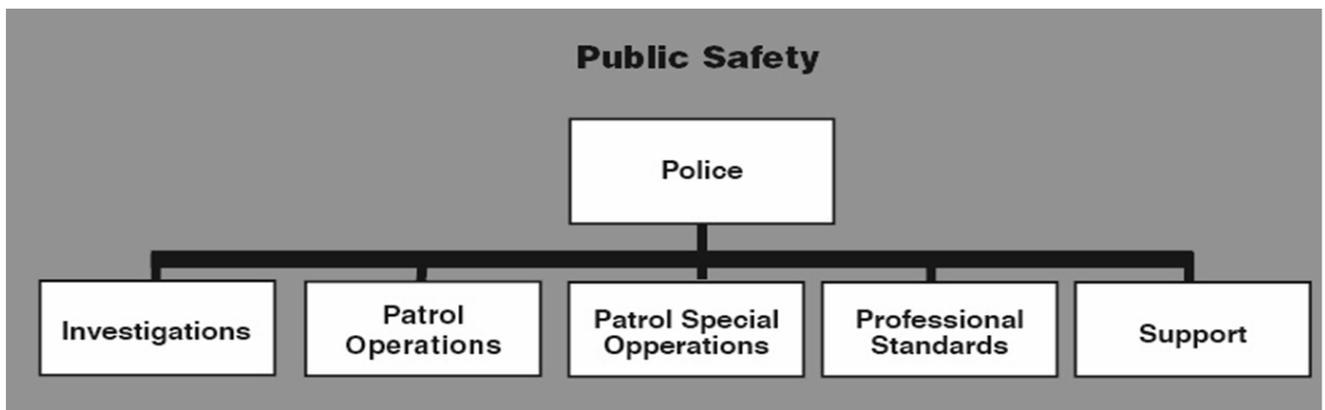
| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$17,651,497 | \$18,003,064 | 2.0% |
| Materials/Supplies/Services | 4,932,741 | 5,201,863 | 5.5% |
| Capital | 198,000 | 0 | 100 |
| Expenses Charged to Others | (278,889) | (284,466) | (2.0) |
| | \$22,503,349 | \$22,920,461 | 1.9% |

Authorized Full-Time Police

| FY2013 | FY2014 | FY2015 |
|--------|--------|--------|
| 150 | 150 | 150 |

| POLICE BUDGET SUMMARY Revenues and Expenditures | | | | | |
|---|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 362,416 | \$ 396,700 | \$ 411,952 | \$ 369,555 | \$ 381,800 |
| Intergovernmental | 147,615 | 80,000 | 87,300 | 135,531 | 80,000 |
| TOTAL REVENUES | 510,031 | 476,700 | 499,252 | 505,086 | 461,800 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 12,494,482 | 12,920,561 | 12,925,007 | 12,836,650 | 13,082,580 |
| Benefits | 4,610,175 | 4,730,936 | 4,730,936 | 4,783,937 | 4,920,484 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 114,588 | 110,653 | 110,653 | 94,144 | 110,653 |
| Utilities and Maintenance | 406,478 | 345,603 | 345,603 | 314,700 | 359,039 |
| Operations | 405,711 | 446,878 | 454,878 | 210,113 | 573,551 |
| City Support Services | 3,252,461 | 3,477,807 | 3,477,807 | 3,683,052 | 3,716,734 |
| Materials and Supplies | 472,484 | 551,800 | 620,316 | 484,988 | 441,886 |
| Capital Outlay | | | | | |
| Equipment | - | 198,000 | 198,000 | 142,366 | - |
| TOTAL EXPENDITURES | 21,756,379 | 22,782,238 | 22,863,200 | 22,549,950 | 23,204,927 |
| Less Expenses Charged to Other Funds | (400,596) | (278,889) | (278,889) | (278,880) | (284,466) |
| NET TOTAL EXPENDITURES | 21,355,783 | 22,503,349 | 22,584,311 | 22,271,070 | 22,920,461 |

| | 2013 | 2014 | 2015 |
|--|----------------|----------------|----------------|
| Property tax cost of service for median value home per month: | | | |
| Police | \$22.73 | \$23.95 | \$24.67 |



211b (02/12)

Police - Administration

Police Administration provides overall administrative support to the Police Department and comprehensive emergency management support for the City.

2015 Objectives

- S** Plan and coordinate the provision of high quality public safety services to the community at an affordable price.
- S** Seek grant opportunities to assist with traffic safety issues such as seat belt use, speeding and impaired driving to increase enforcement efforts, enhance public safety, deter crime and reduce crashes.
- S** Identify problem addresses through the PROTECT program and utilize collaborative efforts with other City departments to resolve issues associated with these properties.
- OS** Develop staff by providing leadership, management and emergency management training to supervisors and mid-managers within the Police Department with at least one-tenth of those people participating in a major training class.

2014 Results

- Oversaw the Police Department budget.
- Participated in State level emergency management training.
- Attended Executive Management Leadership Training.
- Continued to monitor measurable goals and objectives for the Police Department using Police Department’s Strategic Plan that focuses in areas of youth, community outreach, training and technology. These objectives include directing patrols based on statistics showing problems areas; conducting 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 leadership and management training.
- Directed resources to develop Emergency Planning and Site Vulnerability Assessments for critical infrastructure including Civic Plaza, Critical Infrastructure and Bloomington Public Schools.

| Expenditures | FY2014 | FY2015 | Percent Change |
|-----------------------------|-------------------|-------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$ 721,950 | \$ 753,895 | 4.4% |
| Materials/Supplies/Services | 117,002 | 120,528 | 3.0 |
| Expenses Charged to Others | (2,635) | (2,687) | 2.0 |
| | \$ 836,317 | \$ 871,736 | 4.2% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|--------------------------|--------|--------|--------|
| | 5 | 5 | 5 |
| Administrative Assistant | 1 | 1 | 1 |
| Chief of Police | 1 | 1 | 1 |
| Deputy Chief of Police | 2 | 2 | 2 |
| Police Officer | 1 | 1 | 1 |

POLICE ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Intergovernmental | \$ 96,688 | \$ 40,000 | \$ 40,000 | \$ 35,399 | \$ 40,000 |
| TOTAL REVENUES | 96,688 | 40,000 | 40,000 | 35,399 | 40,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 511,804 | 541,399 | 541,399 | 492,831 | 560,787 |
| Benefits | 157,249 | 180,551 | 180,551 | 170,306 | 193,108 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 3,073 | - | - | - | - |
| Utilities and Maintenance | - | 202 | 202 | - | 202 |
| Operations | 11,063 | 11,149 | 11,149 | 6,511 | 10,882 |
| City Support Services | 98,368 | 101,999 | 101,999 | 103,599 | 105,792 |
| Materials and Supplies | 9,172 | 3,652 | 33,652 | 14,990 | 3,652 |
| TOTAL EXPENDITURES | 790,729 | 838,952 | 868,952 | 788,237 | 874,423 |
| Less Expenses Charged to Other Funds | (15,420) | (2,635) | (2,635) | (2,628) | (2,687) |
| NET TOTAL EXPENDITURES | 775,309 | 836,317 | 866,317 | 785,609 | 871,736 |

Police - Operations

Activities

Patrol

Investigations

Special Operations

The Patrol activity provides twenty-four hour, seven-day a week response to 46,000 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. Four K-9 teams and Crime Scene Technicians are also part of the Patrol response resources.

2015 Objectives

- S Work with neighborhoods and businesses to identify and solve problems such as repeat calls for service.
- S Reduce number of stolen vehicles by 10 percent in 2015.
- S Conduct a multi-discipline emergency exercise in 2015.
- S Maintain the number of recovered stolen vehicles at or above 70 percent in 2014.
- S Decrease the number of traffic fatalities by ten percent in 2015 by operating speed patrols and DUI enforcement.
- S Continue to provide the public with scheduled Investigative Division personnel on duty 73 hours per week including Saturdays.
- S Focus ten percent of directed patrols to identified problem properties.
- S Increase traffic enforcement, focusing on an increase in traffic stops by 10 percent in 2015.

2014 Results

- Used technology to increase stolen vehicle recovery by 7% in 2014, resulting in 80 recoveries .
- Currently 14,586 homes, 394 watch groups, 702 Block Captains in the Neighborhood Watch group.
- Received 156,218 calls to the dispatch center in 2014; 46,812 of these were 911 calls.
- Responded to 71,602 requests for Police services in 2014.
- Worked 4,713 traffic enforcement details that resulted from citizen complaints and traffic crash data.
- Cited 319 drivers for School Stop Arm Violations.
- Conducted 361 Hit and Run Investigations.
- Maintained a proactive mall unit, reducing the assignment of regular patrol units to that site.
- Conducted alcohol and tobacco compliance checks of licensed establishments, done twice each year.
- Continued to work with Mall of America staff to enhance a Critical Incident Lockdown Procedure.
- Continued the PROTECT (Proactive Objectives Targeting Emerging Crime Trends) Program to respond efficiently to problem addresses in the City.
- Bomb Squad responded to 48 calls for service and conducted 18 training sessions for citizens, students and other agencies that improved safety awareness.
- SWAT Team responded to 17 high-risk warrants and callouts..
- Purchased a new Bearcat armored vehicle for critical incident response.
- Investigations was assigned 4,597 cases to follow-up on in 2014, many that involved detailed work with computer forensics, financial records, interviews and evidence processing.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 13,316,605 | \$ 13,576,967 | 2.0% |
| Materials/Supplies/Services | 3,119,348 | 3,405,238 | 9.2 |
| Capital | 145,000 | 0 | 100 |
| Expenses Charged to Others | 0 | 0 | (0.0) |
| | \$ 16,580,953 | \$ 16,982,205 | 2.4% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|-------------------|------------|------------|------------|
| | 108 | 108 | 108 |
| Police Lieutenant | 3 | 3 | 3 |
| Police Officer | 89 | 89 | 89 |
| Police Sergeant | 16 | 16 | 16 |

Part I Crimes

| | 2012 | 2013 | 2014 | 5 Year Average |
|--------------------|-------|-------|-------|----------------|
| Homicide | 0 | 1 | 1 | 1 |
| Rape | 25 | 19 | 26 | 28 |
| Robbery | 59 | 54 | 77 | 50 |
| Aggravated Assault | 62 | 60 | 59 | 61 |
| Burglary | 234 | 197 | 207 | 240 |
| Theft | 2,957 | 3,059 | 2,919 | 2,926 |
| Vehicle Theft | 86 | 119 | 128 | 108 |
| Arson | 20 | 16 | 6 | 16 |



2014 Police Operations:

- 425 DWI Arrests
- 11,726 Traffic Citations
- 17,257 Traffic Stops
- 5,567 Directed Patrols

Over 90 Percent of Police Officers serve in Operations.

123 Commercial Vehicle Inspections conducted in 2014.

325 National Night Out Parties held in 2014.

| POLICE OPERATIONS BUDGET SUMMARY Revenues and Expenditures | | | | | |
|--|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 253,062 | \$ 272,200 | \$ 272,200 | \$ 233,451 | \$ 281,200 |
| Intergovernmental | 50,927 | 40,000 | 47,300 | 65,128 | 40,000 |
| TOTAL REVENUES | 303,989 | 312,200 | 319,500 | 298,579 | 321,200 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 9,491,699 | 9,758,307 | 9,805,253 | 9,954,540 | 9,874,191 |
| Benefits | 3,490,915 | 3,558,298 | 3,565,798 | 3,650,713 | 3,702,776 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 93,071 | 94,167 | 94,167 | 84,037 | 97,167 |
| Utilities and Maintenance | 91,005 | 113,474 | 113,474 | 83,414 | 113,474 |
| Operations | 203,456 | 218,999 | 226,999 | 68,039 | 341,784 |
| City Support Services | 2,208,542 | 2,353,706 | 2,353,706 | 2,494,270 | 2,546,569 |
| Materials and Supplies | 337,779 | 339,002 | 353,777 | 353,269 | 306,244 |
| Capital Outlay | | | | | |
| Equipment | - | 145,000 | 145,000 | 142,366 | - |
| TOTAL EXPENDITURES | 15,916,467 | 16,580,953 | 16,658,174 | 16,830,648 | 16,982,205 |
| Less Expenses Charged to Other Funds | (46,272) | - | - | - | - |
| NET TOTAL EXPENDITURES | 15,870,195 | 16,580,953 | 16,658,174 | 16,830,648 | 16,982,205 |

| | 2013 | 2014 | 2015 |
|--|----------------|----------------|----------------|
| Property tax cost of service for median value home per month: | | | |
| Police Investigations | \$4.80 | \$5.02 | \$5.17 |
| Police Patrol | \$16.97 | \$17.86 | \$18.47 |
| 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.

2015 Objectives

- OS** Partner with Bloomington Chamber of Commerce to enhance the Police Business Academy in 2015.
- OS** Prepare for a new Computer Aided Dispatch and Records Management System in 2015.
- 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 and increase participants, currently at 900, by five percent.
- 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.
- OS** Continue to work on creating an on-line version of updated Policy Manual.
- OS** Continue to enhance the Police Citizens Academy which takes place annually.

2014 Results

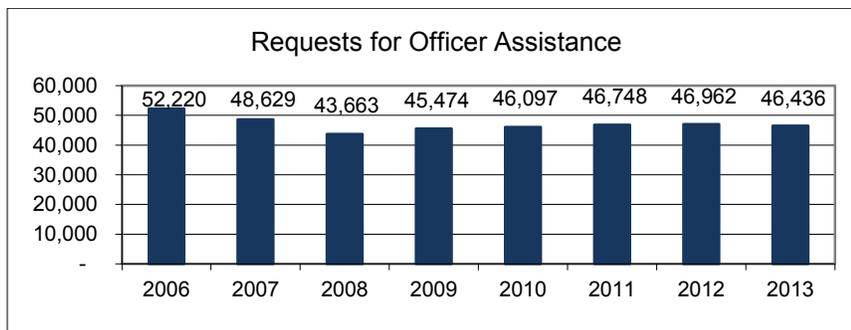
- Completed 490 Animal Impounds for lost and stray animals in 2014.
- Entered 13,526 police reports into the record management system (RMS) in 2014.
- Met state-mandated training objectives for all personnel:
 - 45 continuing law enforcement credits every three years.
 - Other mandated training, such as Use of Force, Pursuit Driving and Community Policing
- Implemented information systems which support the department's problem solving approach to police services.
- Conducted a large scale training exercise at the MOA, involving over 170 role players and almost over 150 personnel from 5 law enforcement agencies, as well as BFD, Allina and MOA security.
- Completed Physical Fitness Assessments on all sworn personnel.
- Continued to review and update Department Policy Manual.
- Partnered with Hennepin County to secure funding for a Community Liaison position that has enhanced communications and understanding between law enforcement and multi-cultural residents.
- Participated in a New Americans Academy and a Multi-Cultural Advisory Board for multi-cultural residents.
- Property and Evidence room received 9,173 property items that were held as evidence. This room currently holds over 20,000 pieces of evidence and averages 35 pieces received each day.



- 308 employee training requests for classes were approved;
- 409 audio statements transcribed;
- Responded to 525 requests for video evidence for Prosecutors.
- Hired 11 new Police Officers who completed a 5 week training academy;
- Expanded active shooter response training and equipment for department personnel.
- BPD Police Dispatchers have a combined 183 years of experience.

| Expenditures | FY2014 | FY2015 | Percent Change |
|-----------------------------|---------------------|---------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$ 3,612,942 | \$ 3,672,202 | 1.6% |
| Materials/Supplies/Services | 1,696,391 | 1,676,097 | (1.2) |
| Capital | 53,000 | 0 | 100.0 |
| Expenses Charged to Others | (276,254) | (281,779) | 2.0 |
| | \$ 5,086,079 | \$ 5,066,520 | (0.38)% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|------------------------------|--------|--------|--------|
| | 37 | 37 | 37 |
| Accounting Assistant | 1 | 1 | 1 |
| Animal Control Officer | 2 | 2 | 2 |
| Civilian Police Dispatcher | 14 | 14 | 14 |
| Crime Analyst | 1 | 1 | 1 |
| Crime Prevention Coordinator | 1 | 1 | 1 |
| Office Supervisor | 1 | 1 | 1 |
| Police Lieutenant | 3 | 3 | 3 |
| Police Officer | 2 | 2 | 2 |
| Police Records Assistant | 10 | 10 | 10 |
| Police Sergeant | 2 | 2 | 2 |
| Property Control Assistant | 1 | 1 | 1 |



POLICE SUPPORT
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 109,354 | \$ 124,500 | \$ 139,752 | \$ 136,104 | \$ 100,600 |
| Intergovernmental | - | - | - | 35,004 | - |
| TOTAL REVENUES | 109,354 | 124,500 | 139,752 | 171,108 | 100,600 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 2,490,979 | 2,620,855 | 2,578,355 | 2,389,279 | 2,647,602 |
| Benefits | 962,011 | 992,087 | 984,587 | 962,918 | 1,024,600 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 18,444 | 16,486 | 16,486 | 10,107 | 13,486 |
| Utilities and Maintenance | 315,473 | 231,927 | 231,927 | 231,286 | 245,363 |
| Operations | 191,192 | 216,730 | 216,730 | 135,563 | 220,885 |
| City Support Services | 945,551 | 1,022,102 | 1,022,102 | 1,085,183 | 1,064,373 |
| Materials and Supplies | 125,533 | 209,146 | 232,887 | 116,729 | 131,990 |
| Capital Outlay | | | | | |
| Equipment | - | 53,000 | 53,000 | - | - |
| TOTAL EXPENDITURES | 5,049,183 | 5,362,333 | 5,336,074 | 4,931,065 | 5,348,299 |
| Less Expenses Charged to Other Funds | (338,904) | (276,254) | (276,254) | (276,252) | (281,779) |
| NET TOTAL EXPENDITURES | 4,710,279 | 5,086,079 | 5,059,820 | 4,654,813 | 5,066,520 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Crime Prevention | \$0.63 | \$0.68 | \$0.73 |
| Animal Control | \$0.24 | \$0.24 | \$0.18 |

Activities

Operations and Training

Fire Prevention

Emergency Management

Public Safety - Fire

The Fire Department responds to an average of 1,200 calls per year. These range from water rescues and vehicle extrications to structural fires and hazardous materials emergencies. The average response time, from the dispatch of the fire call until the first fire unit reaches the scene, is approximately 4.5 minutes. To accomplish this, volunteers located near the City's fire stations are actively recruited. All firefighters are required to meet training standards throughout the year.

The volunteer/paid on call Fire Department operates out of six fire stations and utilizes the latest in firefighting equipment including engines, ladders, and other specialty units. The Fire Prevention activity is moved here from Community Development. Firefighters will install battery operated smoke detectors for homes that need them or replace batteries upon request.

2015 Objectives

- S** Provide fire prevention and education.
- S** Respond to fires, hazardous materials incidents, and rescues.
- S** Preservation and protection of 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** Respond on average within 4 minutes 30 seconds of the dispatched call.

2014 Results

- Averaged a 4 minute 16 second response time in 2014 from the time the call was dispatched until the first fire department unit (ladder or engine company or Fire Chief) was on scene.
- Averaged a 5 minute 30 second response time in 2014 from the time the call is received at 911 until the first fire department unit arrived on scene.

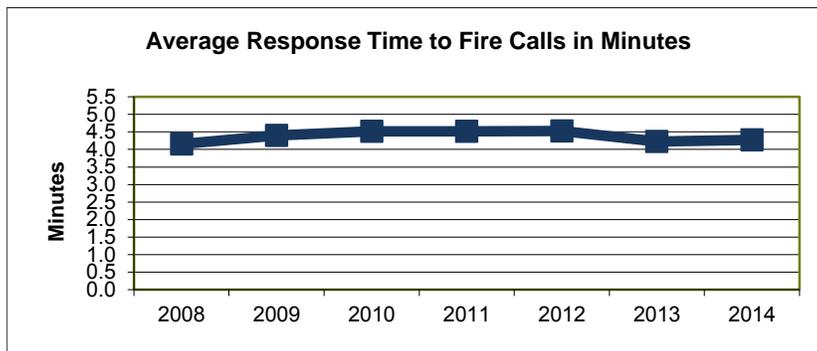


95 percent of residents surveyed rated fire service in Bloomington excellent or good, much above others in a national comparison.

96 percent of residents rated their most recent contact with the Fire Department excellent or good.

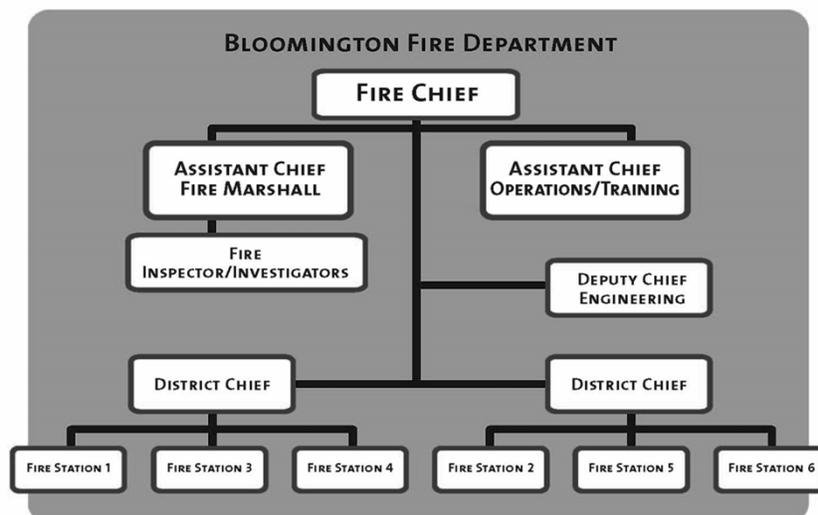
| Expenditures | FY2013 | FY2014 | Percent Change |
|-----------------------------|---------------------|---------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$ 559,322 | \$ 1,155,959 | 106.7% |
| Materials/Supplies/Services | 2,549,936 | 2,937,972 | 15.2 |
| Capital Outlay | 20,000 | 20,000 | 0.0 |
| | \$ 3,129,258 | \$ 4,113,931 | 31.5% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|--------------------------|--------|----------|----------|
| | | 4 | 4 |
| Administrative Assistant | 2 | 2 | 2 |
| Assistant Fire Chief | 1 | 1 | 2 |
| Fire Chief | 1 | 1 | 1 |
| Fire Inspector I | - | - | 1 |
| Fire Inspector II | - | - | 3 |
| Volunteers | 111 | 124 | 124 |



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 | | | | | |
|---|------------------|----------------------------|---------------------------|-------------------|------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 15,937 | \$ 7,000 | \$ 8,300 | \$ 930 | \$ - |
| Intergovernmental | 59,393 | - | - | 132,872 | - |
| TOTAL REVENUES | 75,330 | 7,000 | 8,300 | 133,802 | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 700,987 | 739,180 | 739,180 | 745,092 | 787,766 |
| Benefits | 288,093 | 333,931 | 333,931 | 338,707 | 368,193 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 740,208 | 785,550 | 785,550 | 758,483 | 785,500 |
| Utilities and Maintenance | 318,182 | 254,350 | 254,350 | 247,626 | 269,350 |
| Operations | 120,510 | 90,396 | 90,396 | 106,713 | 100,811 |
| City Support Services | 1,351,577 | 1,356,902 | 1,356,902 | 1,376,099 | 1,618,766 |
| Materials and Supplies | 187,108 | 171,250 | 171,550 | 142,208 | 163,545 |
| Capital Outlay | | | | | |
| Buildings and Improvements | - | - | - | - | - |
| Equipment | 106,499 | 20,000 | 20,000 | 21,400 | 20,000 |
| TOTAL EXPENDITURES | 3,813,164 | 3,751,559 | 3,751,859 | 3,736,328 | 4,113,931 |
| Less Expenses Charged to Other Funds | - | - | - | - | - |
| NET TOTAL EXPENDITURES | 3,813,164 | 3,751,559 | 3,751,859 | 3,736,328 | 4,113,931 |



Public Safety - 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.

2015 Objectives

- S** Respond to all emergency calls for service in 4 minutes 30 seconds or less.
- S** Respond with 15 firefighters within 9 minutes to structure fires where attack 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 of less than 1 minute from receipt of 911 call to dispatch of resources.
- S** Continue to maintain and improve when necessary equipment for fire response.

2014 Results

- Responded to 936 emergency calls for service in an average of 4 minutes, 16 seconds
- Responded with 15 or more firefighters within 9 minutes 50% of the time to all structure fires where attack lines were deployed
- Responded to 291 non-emergency calls for service.
- Provided 9264 hours of training for current firefighters to meet Federal and State requirements
- Provided 1356 hours of live fire training to meet Federal and State requirements.
- Recruited and trained 9 firefighters to address departmental attrition
- Coordinated and trained with auto-aid and mutual aid partners to maintain competency and capability for large incident response
- Maintained and updated the fire box alarm assignments to ensure the appropriate rapid response to calls for service.
- Represented the Fire Department in implementing the new Computer Aided Dispatch (CAD) system.
- Developed pumper specifications for three new pumpers to be delivered in 2015.

Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 555,822 | \$ 573,404 | 3.2% |
| Materials/Supplies/Services | 2,509,286 | 2,976,172 | 18.6 |
| | \$ 3,065,108 | \$ 3,350,686 | 9.3% |

| | FY2013 | FY2014 | FY2015 |
|--------------------------------|----------|----------|----------|
| Authorized Full-Time | 4 | 4 | 4 |
| Administrative Assistant | 2 | 2 | 2 |
| Assistant Fire Chief | 1 | 1 | 1 |
| Fire Chief | 1 | 1 | 1 |
| Authorized Paid on Call | | | |
| Deputy Chief | 2 | 2 | 1 |
| District Chief | 2 | 2 | 2 |
| Captains | 19 | 19 | 21 |
| Firefighters | 88 | 101 | 100 |
| Total | 111 | 124 | 124 |

| FIRE OPERATIONS AND TRAINING BUDGET SUMMARY Revenues and Expenditures | | | | | |
|---|------------------|----------------------------|---------------------------|-------------------|------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 15,328 | \$ 7,000 | \$ 8,300 | \$ 930 | - |
| Intergovernmental | 59,393 | - | - | 132,872 | - |
| TOTAL REVENUES | 74,721 | 7,000 | 8,300 | 133,802 | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 341,455 | 363,569 | 363,569 | 361,008 | 374,514 |
| Benefits | 154,529 | 192,253 | 192,253 | 195,538 | 198,890 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 729,162 | 765,550 | 765,550 | 747,161 | 765,500 |
| Utilities and Maintenance | 309,932 | 250,000 | 250,000 | 239,376 | 261,000 |
| Operations | 105,874 | 74,572 | 74,572 | 94,881 | 81,744 |
| City Support Services | 1,267,726 | 1,267,264 | 1,267,264 | 1,286,426 | 1,524,638 |
| Materials and Supplies | 166,753 | 151,900 | 152,200 | 134,336 | 144,400 |
| Capital Outlay | | | | | |
| Buildings and Improvements | | | | | |
| Equipment | 106,499 | - | - | - | - |
| TOTAL EXPENDITURES | 3,181,930 | 3,065,108 | 3,065,408 | 3,058,726 | 3,350,686 |
| Less Expenses Charged to Other Funds | - | - | - | - | - |
| NET TOTAL EXPENDITURES | 3,181,930 | 3,065,108 | 3,065,408 | 3,058,726 | 3,350,686 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Fire Suppression | \$3.81 | \$3.76 | \$4.18 |

Public Safety – 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.

2015 Objectives

- OS** 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** Follow up on requests by Fire Operations as a result of a fire call response
- 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** Conduct fire education programs for business and resident groups upon request:
 - Assist and monitor fire education and fire drills at all schools.
 - Expand fire education program to include persons over age 55.
 - Develop fire education programs and materials in multiple languages.
 - Assist and monitor the Fire Department open house.

2014 Results

- Performed 2,724 inspections (annual, building final, fire alarm testing, rough-in, tanks)
- Annual inspections done at 699 buildings out of approximately 1,225 properties, 57%.
- Reviewed 276 plans
- Conducted 117 cause and origin fire investigations including follow-ups with a 61% clearance rate (not including cases pending). 15% of these investigations were a result of arson.
- Made 432 follow-ups on orders written, inspections, and non-fire calls
- Followed up on requests by Fire Operations as a result of a fire call response.



87 percent of residents surveyed rated fire prevention and education services excellent or good. Fire Prevention had an 88 percent positive rating in a recent community survey of residents.

Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 513,789 | \$ 579,555 | 12.8% |
| Materials/Supplies/Services | 121,512 | 129,190 | 6.3 |
| | \$ 635,301 | \$ 708,745 | 19.1% |

| | FY2013 | FY2014 | FY2015 |
|------------------------------|----------|----------|----------|
| Authorized Full-Time | 5 | 5 | 5 |
| Assistant Chief/Fire Marshal | 1 | 1 | 1 |
| Fire Inspectors | 4 | 4 | 4 |

| FIRE PREVENTION BUDGET SUMMARY Revenues and Expenditures | | | | | |
|--|----------------|----------------------------|---------------------------|-------------------|----------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 609 | | | | \$ - |
| Intergovernmental | | - | - | | |
| TOTAL REVENUES | 609 | - | - | - | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 358,994 | 372,611 | 372,611 | 383,371 | 410,252 |
| Benefits | 133,262 | 141,178 | 141,178 | 142,748 | 169,303 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | | | | |
| Utilities and Maintenance | - | 350 | 350 | - | 350 |
| Operations | 14,481 | 15,324 | 15,324 | 11,350 | 18,567 |
| City Support Services | 83,851 | 89,638 | 89,638 | 89,673 | 94,128 |
| Materials and Supplies | 18,518 | 16,200 | 16,200 | 5,658 | 16,145 |
| Capital Outlay | | | | | |
| Buildings and Improvements | | | | | |
| Equipment | | | | | |
| TOTAL EXPENDITURES | 609,106 | 635,301 | 635,301 | 632,800 | 708,745 |
| Less Expenses Charged to Other Funds | - | | | | |
| NET TOTAL EXPENDITURES | 609,106 | 635,301 | 635,301 | 632,800 | 708,745 |

Fire Prevention Division moved here from Community Development.

| | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Fire Prevention | \$0.03 | \$0.03 | \$0.66 |

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

Public Safety – 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 as needed.

The City's emergency early warning capability is also a multi-department effort with Fire, Police, Public Works and Information Services all working to implement the Everbridge notification system. The implementation of the Everbridge alerting system was completed in 2014.

2015 Objectives

- S** Review and revise as needed the City's Emergency Operations Plan.
- S** Review and revise as needed 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.

2014 Results

- Performed monthly checks on the City's 22 emergency warning sirens
- Replaced one of the existing warning sirens that was beyond its useful life.
- Implemented the Everbridge emergency notification system for residents to sign up for alerts.
- Implemented senior staff alert notifications as part of the Everbridge implementation
- Maintained and exercised communication capabilities for use during disasters

| Expenditures | FY2014 | FY2015 | Percent Change |
|-----------------------------|------------------|------------------|----------------|
| | Approved Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$ 3,500 | \$ 3,000 | 15.4% |
| Materials/Supplies/Services | \$ 27,650 | \$ 31,500 | 13.0 |
| Capital Outlay | \$ 20,000 | \$ 20,000 | - |
| | \$ 51,150 | \$ 54,500 | 6.3% |



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.

| EMERGENCY MANAGEMENT BUDGET SUMMARY Revenues and Expenditures | | | | | |
|---|----------------|----------------------------|---------------------------|-------------------|----------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | | | | | |
| Intergovernmental | | | | | |
| TOTAL REVENUES | - | - | - | - | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 538 | 3,000 | 3,000 | 713 | 3,000 |
| Benefits | 302 | 500 | 500 | 421 | - |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 11,046 | 20,000 | 20,000 | 11,322 | 20,000 |
| Utilities and Maintenance | 8,250 | 4,000 | 4,000 | 8,250 | 8,000 |
| Operations | 155 | 500 | 500 | 482 | 500 |
| City Support Services | - | - | - | - | - |
| Materials and Supplies | 1,837 | 3,150 | 3,150 | 2,214 | 3,000 |
| Capital Outlay | | | | | |
| Buildings and Improvements | | | | | |
| Equipment | - | 20,000 | 20,000 | 21,400 | 20,000 |
| TOTAL EXPENDITURES | 22,128 | 51,150 | 51,150 | 44,802 | 54,500 |
| Less Expenses Charged to Other Funds | - | | | | |
| NET TOTAL EXPENDITURES | 22,128 | 51,150 | 51,150 | 44,802 | 54,500 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Emergency Management | \$0.17 | \$0.22 | \$0.19 |

Community Development

Divisions

- Administration
- Planning & Economic Development
- Building & Inspection
- Environmental Health

2015 Objectives

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

- LU, T, H** Define future City directions through long-range planning and zoning requirements.
- LU, T, H** Review development proposals for compliance with City standards.
- S** Protect public health and safety by ensuring compliance with State and City codes.
- LU, T, H** Prepare and implement housing and redevelopment plans.
- OS** Educate customers and encourage voluntary compliance with codes.
- OS** Coordinate services with other government units.
- OS** Offer user-friendly documents, processes and customer contacts.
- LU, T, H** Define and implement the City's economic development strategy.

Expenditures

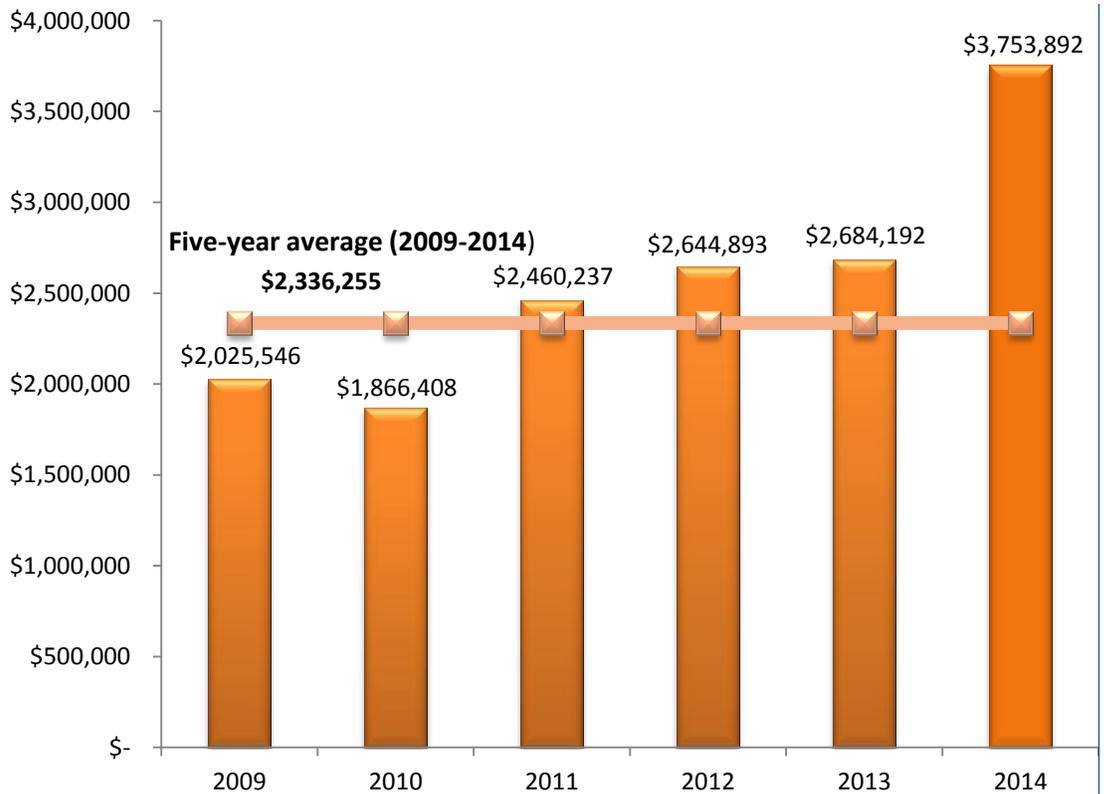
| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$5,308,802 | \$5,539,958 | 4.4% |
| Materials/Supplies/Services | 1,034,770 | 1,172,984 | 13.4 |
| Expense Charge to Others | 20,000 | 0 | (100.0) |
| | \$6,363,572 | \$6,712,942 | 5.5% |

Authorized Full-Time

| FY2012 | FY2013 | FY2014 |
|--------|--------|--------|
| 54* | 56* | 51 |

*includes Fire Prevention

ANNUAL PERMIT REVENUE



65 percent of residents surveyed ranked land use, planning and zoning services excellent or good, much above others in national and peer rankings.

60 percent of residents ranked code enforcement (weeds, abandoned buildings, etc.) excellent or good.

| COMMUNITY DEVELOPMENT BUDGET SUMMARY Revenues and Expenditures | | | | | |
|--|------------------|----------------------------|---------------------------|-------------------|------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 247,557 | \$ 238,900 | \$ 243,300 | \$ 231,418 | \$ 287,950 |
| Intergovernmental | 11,221 | 10,000 | 10,000 | 11,223 | 10,000 |
| TOTAL REVENUES | 258,778 | 248,900 | 253,300 | 242,641 | 297,950 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 3,558,564 | 3,889,277 | 3,889,277 | 3,651,075 | 4,048,693 |
| Benefits | 1,344,909 | 1,419,525 | 1,419,525 | 1,397,304 | 1,491,265 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 5,056 | 9,500 | 9,500 | 7,657 | 7,500 |
| Utilities and Maintenance | 13,301 | 10,200 | 10,200 | 7,298 | 7,200 |
| Operations | 179,244 | 181,206 | 181,206 | 171,883 | 289,987 |
| City Support Services | 718,682 | 783,299 | 783,299 | 779,228 | 817,732 |
| Materials and Supplies | 64,629 | 50,565 | 50,565 | 43,730 | 50,565 |
| Transfers Out | - | 20,000 | 20,000 | - | - |
| TOTAL EXPENDITURES | 5,884,385 | 6,363,572 | 6,363,572 | 6,058,175 | 6,712,942 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Community Development | \$4.27 | \$4.50 | \$4.09 |



Community Development – Management & Services

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

The Office Supervisor and a seven person staff handles customer-contacts, maintains records, issues permits and schedules inspections for the Building Inspection, Environmental Health and Fire Prevention Divisions.

2015 Objectives

- OS Provide department staff with team resources they need to achieve their objectives.
- OS Facilitate communication between department staff, the public, the City Council and the City Manager.
- OS Assure that resources are used to provide high quality work products and effective customer service.
- OS Implement new permitting and inspection software; improving processes.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$844,743 | \$915,588 | 8.4% |
| Materials/Supplies/Services | 261,742 | 369,270 | 41.1 |
| | \$1,106,485 | \$1,284,858 | 16.1% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|--------------------------------|----------|----------|----------|
| | 9 | 9 | 9 |
| Administrative Assistant | 1 | 1 | 1 |
| Director-Community Development | 1 | 1 | 1 |
| Office Assistant | 4 | 3 | 1 |
| Office Supervisor | 1 | 1 | 1 |
| Office Support Specialist | 2 | 3 | 5 |



COMMUNITY DEVELOPMENT - MANAGEMENT & SERVICES
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 9,020 | \$ 5,000 | \$ 8,000 | \$ 6,455 | \$ 9,000 |
| TOTAL REVENUES | 9,020 | 5,000 | 8,000 | 6,455 | 9,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 577,364 | 607,032 | 607,032 | 577,812 | 661,880 |
| Benefits | 233,251 | 237,711 | 237,711 | 247,829 | 253,708 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 3,806 | 7,000 | 7,000 | 6,756 | 5,000 |
| Utilities and Maintenance | 13,301 | 10,100 | 10,100 | 7,114 | 7,100 |
| Operations | 82,161 | 71,466 | 71,466 | 76,295 | 172,584 |
| City Support Services | 145,755 | 155,486 | 155,486 | 150,224 | 164,896 |
| Materials and Supplies | 31,883 | 17,690 | 17,690 | 14,242 | 19,690 |
| TOTAL EXPENDITURES | 1,087,521 | 1,106,485 | 1,106,485 | 1,080,272 | 1,284,858 |

Community Development - Planning

Activities

Development Review

Long Range Planning

Customer Services

The Planning Division focuses on and defines future directions for the City through planning studies and zoning controls. This Division also reviews and prepares action recommendations on applications for development, rezoning, use permits and variances, and conducts special studies for the City.

2015 Objectives

LU, T, H Promote renewal and guide growth to maximize benefits for Bloomington and Bloomington property owners.

S Review development proposals to ensure Code compliance.

LU, T, H Complete rezonings to implement the South Loop and Penn American Plans

LU, T, H Update the Zoning Ordinance as described in the Planning Commission's 2015 Work Plan.

OS, LU, Negotiate and administer City wireless and fiber leases.

OS Implement electronic plan review software.

2014 Results

- Implemented District Plans
- Reviewed numerous development proposals.
- Prepared new residential districts and standards.
- Implemented an electronic agenda management system for the Planning Commission.
- Negotiated and administered City wireless and fiber leases, with 2014 revenue in excess of \$520,000.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$993,562 | \$1,025,567 | 3.2% |
| Materials/Supplies/Services | 132,881 | 134,830 | 1.5 |
| | \$1,126,443 | \$1,160,397 | 3.0% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|---------------------------|-----------|-----------|-----------|
| | 10 | 10 | 10 |
| Office Assistant | 1 | 1 | 1 |
| Office Support Specialist | 1 | 1 | 1 |
| Planner | 5 | 5 | 5 |
| Planning Manager | 1 | 1 | 1 |
| Senior Planner | 2 | 2 | 2 |



As of January, 2015, 1,013 individuals have signed up for electronic notices for Planning Commission agendas and information packets.

COMMUNITY DEVELOPMENT - PLANNING
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 5,164 | \$ 3,700 | \$ 5,100 | \$ 7,667 | \$ 4,100 |
| TOTAL REVENUES | 5,164 | 3,700 | 5,100 | 7,667 | 4,100 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 678,166 | 735,153 | 735,153 | 618,188 | 746,106 |
| Benefits | 254,562 | 258,409 | 258,409 | 238,726 | 279,461 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 1,250 | 2,500 | 2,500 | 750 | 2,500 |
| Operations | 27,248 | 32,135 | 32,135 | 27,731 | 32,369 |
| City Support Services | 86,987 | 88,291 | 88,291 | 86,560 | 92,006 |
| Materials and Supplies | 3,592 | 9,955 | 9,955 | 4,167 | 7,955 |
| TOTAL EXPENDITURES | 1,051,805 | 1,126,443 | 1,126,443 | 976,122 | 1,160,397 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Planning | \$1.49 | \$1.67 | \$1.75 |

Activities

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

Community Development – Building & Inspections

Building and Inspection 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. This division also administers the City's time-of-sale inspection program for owner-occupied housing.

2015 Objectives

- OS** Issue residential remodeling, plumbing, electrical and mechanical permits on the same day as application.
- OS** Issue 95 percent of other building permits within five days of application.
- S** Complete 80 percent of inspections within 24 hours of request.
- S** Complete 98 percent of inspections within 48 hours of request.

2014 Results

- Met all objectives in 2014.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$1,638,873 | \$1,710,736 | 4.4% |
| Materials/Supplies/Services | 292,856 | 308,786 | 5.4 |
| | \$1,931,729 | \$2,019,522 | 4.5% |

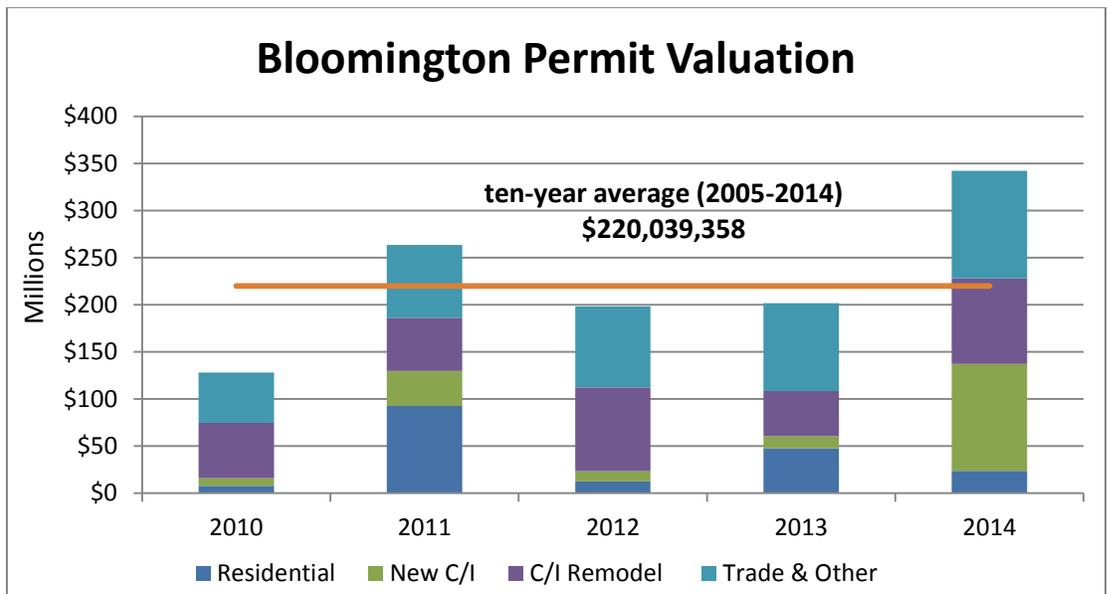
Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|---------------------------------|-----------|-----------|-----------|
| | 15 | 15 | 15 |
| Building Inspector | 2 | 2 | 2 |
| Building & Inspection Manager | 1 | 1 | 1 |
| Electrical Inspector | 3 | 2 | 2 |
| General Inspector | 3 | 4 | 4 |
| Heating & Ventilating Inspector | 1 | 1 | 1 |
| Plan Check Engineer | 2 | 2 | 2 |
| Plumbing Inspector | 2 | 2 | 1 |
| Program Coordinator | 1 | 1 | 2 |



Over \$2 million is collected in permit fees each year covering the cost of this Division, and also other City costs of new development. The B&I Division's services are paid by permit fees.

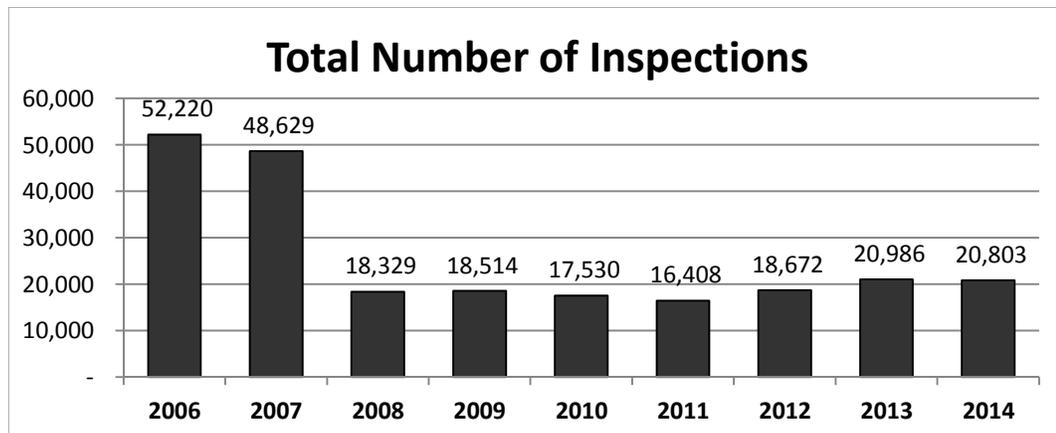
Bloomington Permit Valuation



COMMUNITY DEVELOPMENT - BUILDING & INSPECTIONS
BUDGET SUMMARY
 Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 92,473 | \$ 80,000 | \$ 80,000 | \$ 83,339 | \$ 80,000 |
| TOTAL REVENUES | 92,473 | 80,000 | 80,000 | 83,339 | 80,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,147,121 | 1,212,611 | 1,212,611 | 1,186,354 | 1,264,955 |
| Benefits | 409,401 | 426,262 | 426,262 | 423,779 | 445,781 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | - | - | 152 | - |
| Operations | 29,246 | 34,834 | 34,834 | 30,121 | 39,882 |
| City Support Services | 222,278 | 239,202 | 239,202 | 241,769 | 250,084 |
| Materials and Supplies | 23,237 | 18,820 | 18,820 | 20,977 | 18,820 |
| TOTAL EXPENDITURES | 1,831,283 | 1,931,729 | 1,931,729 | 1,903,151 | 2,019,522 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Building & Inspections | \$0.00 | \$0.00 | \$0.00 |



Community Development – Environmental Health

Activities

- Residential and Commercial Property Inspections
- Zoning Enforcement
- Rental Property Inspection
- Food Establishment Inspections
- Food Safety Education
- Hotel and Pool Inspections
- Well and Septic Inspections

Environmental Health handles a variety of inspection and enforcement activities in three main program areas:

- Minnesota Departments of Health and Agriculture delegated inspection and plan review of food and lodging establishments, public pools, manufactured home parks and wells; as well as investigate lead poisoning, and food and waterborne illness outbreaks to protect the public's health in Bloomington and Richfield (contract for services). Respond to complaints of spills, excessive noise, and air and water pollution.
- Residential and commercial property complaint and systematic inspections including zoning enforcement to maintain the City's residential and commercial properties, which in turn improves property values for those living and working in Bloomington.
- Rental property inspection and enforcement to provide safe and well-maintained rental housing.

2015 Objectives

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

2014 Results

- Three confirmed outbreaks of foodborne illness investigated in 2014
- 1,373 food safety inspections, 73 illness complaints investigated and 52 food and hotel establishment plan reviews
- 187 temporary food and 30 farmers' market stands inspected
- 510 inspections completed at 177 licensed public pools
- 38 hotels with 8,309 rooms; all hotels inspected, including 5 percent of rooms
- 431 multiple-family licensed rental buildings inspected
- 1,679 single-family and duplex rental dwelling units licensed and inspected
- 3,419 residential, rental and commercial complaints investigated
- 137 of 166 well permits (83%) inspected
- Two children with elevated blood lead levels; environment assessed and source resolved
- 329 food safety, 82 pool, and 4 lodging inspections; 11 plan reviews, 28 temporary food inspections and 1 lead assessment in Richfield completed in 2014



86% of residents rate their neighborhood excellent or good as a place to live. 79% of residents rate the overall appearance of Bloomington as excellent or good. Only 5% say that rundown buildings, weed lots or junk vehicles are a problem. 60% of residents rate code enforcement as excellent or good, much above others in a national comparison.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$1,831,624 | \$1,888,067 | 3.1% |
| Materials/Supplies/Services | 347,291 | 360,098 | 3.7 |
| Transfers Out | 20,000 | 0 | (100.0) |
| | \$2,198,915 | \$2,248,165 | 2.2% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|-----------------------------------|-----------|-----------|-----------|
| | 15 | 17 | 17 |
| Environmental Health Aide | 1 | 0 | 0 |
| Environmental Health Manager | 1 | 1 | 1 |
| Environmental Health Prog. Coord. | 4 | 4 | 4 |
| Environmental Health Specialist | 8 | 10 | 10 |
| Office Support Specialist | 1 | 2 | 2 |

COMMUNITY DEVELOPMENT - ENVIRONMENTAL HEALTH
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 140,900 | \$ 150,200 | \$ 150,200 | \$ 133,957 | \$ 194,850 |
| Intergovernmental | 11,221 | 10,000 | 10,000 | 11,223 | 10,000 |
| TOTAL REVENUES | 152,121 | 160,200 | 160,200 | 145,180 | 204,850 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,155,913 | 1,334,481 | 1,334,481 | 1,268,720 | 1,375,752 |
| Benefits | 447,695 | 497,143 | 497,143 | 486,970 | 512,315 |
| Operating Expenditures | | | | | |
| Utilities and Maintenance | - | 100 | 100 | 184 | 100 |
| Operations | 40,589 | 42,771 | 42,771 | 37,736 | 45,152 |
| City Support Services | 263,662 | 300,320 | 300,320 | 300,675 | 310,746 |
| Materials and Supplies | 5,917 | 4,100 | 4,100 | 4,345 | 4,100 |
| Transfers Out | - | 20,000 | 20,000 | - | - |
| TOTAL EXPENDITURES | 1,913,776 | 2,198,915 | 2,198,915 | 2,098,630 | 2,248,165 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Environmental Health | \$1.50 | \$2.06 | \$2.34 |

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 and other activities of the Communications Division are paid for through a Special Revenue fund.

Community Services has a total of 77 full-time positions (included in the General Fund, Special Revenue Fund and Enterprise Fund) and more than 350 part time positions.

2015 Objectives

- OS** Preserve and enhance Bloomington's 3,700 acres of parks and open spaces.
- S** 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 programs.
- OS** Support Bloomington's changing diversity as it becomes more racially, ethnically and culturally distinct.
- OS** Educate the community about the City's programs, services and activities through a variety of communication vehicles.



According to a survey of residents in 2014, 75% reported that opportunities to attend cultural, arts and music activities in Bloomington were "excellent" or "good", ranking Bloomington higher than the national benchmark.

The National Citizen Survey™, City of Bloomington, MN 2014

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 5,147,283 | \$ 5,263,087 | 2.3% |
| Materials/Supplies/Services | 7,203,138 | 7,683,401 | 6.7 |
| Capital | 50,000 | 15,000 | (70.00) |
| Expenses Charged to Others | (68,541) | (69,392) | 1.2 |
| | \$ 12,331,880 | \$ 12,892,096 | 4.5% |

Authorized Full-Time

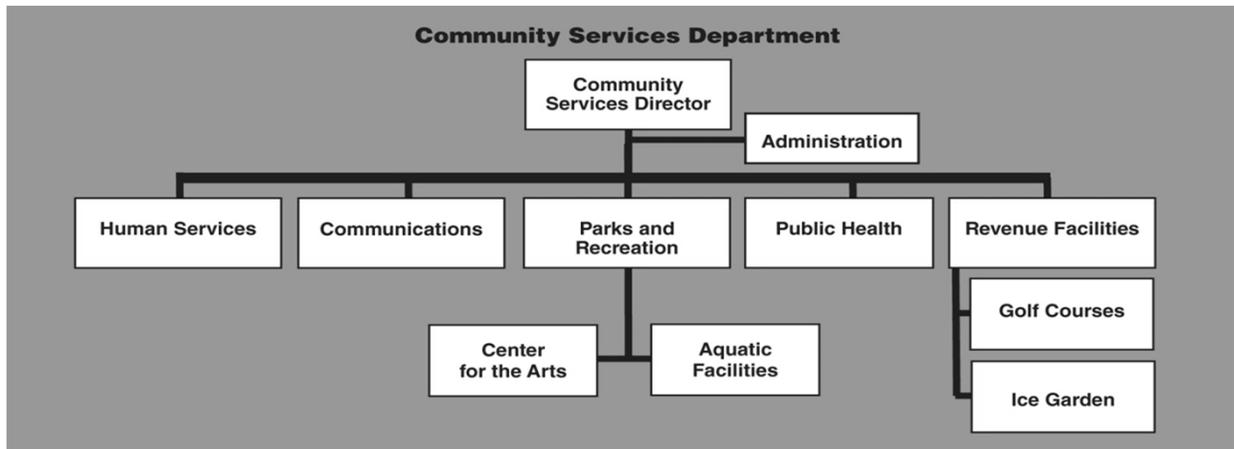
| FY2013 | FY2014 | FY2015 |
|--------|--------|--------|
| 43 | 43 | 43 |



**COMMUNITY SERVICES
BUDGET SUMMARY
Revenues and Expenditures**

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| Revenues | | | | | |
| Program Income | \$ 2,172,533 | \$ 2,088,365 | \$ 2,155,688 | \$ 2,317,123 | \$ 2,173,765 |
| Intergovernmental | 1,170,744 | 1,254,187 | 1,274,587 | 1,170,000 | 1,199,028 |
| TOTAL REVENUES | 3,343,277 | 3,342,552 | 3,430,275 | 3,487,123 | 3,372,793 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 3,770,043 | 3,939,251 | 3,982,607 | 3,796,247 | 3,991,764 |
| Benefits | 1,192,473 | 1,208,032 | 1,217,936 | 1,212,320 | 1,271,323 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 68,133 | 43,927 | 57,807 | 45,988 | 38,641 |
| Utilities and Maintenance | 974,529 | 995,223 | 1,074,118 | 879,705 | 984,851 |
| Operations | 235,241 | 240,047 | 240,047 | 187,476 | 247,159 |
| City Support Services | 5,541,549 | 5,652,023 | 5,652,023 | 5,677,060 | 6,137,183 |
| Materials and Supplies | 261,083 | 271,918 | 289,301 | 262,621 | 275,567 |
| Capital Outlay | | | | | |
| Equipment | 58,913 | 50,000 | 111,225 | 89,197 | 15,000 |
| TOTAL EXPENDITURES | 12,101,964 | 12,400,421 | 12,625,064 | 12,150,614 | 12,961,488 |
| Less Expenses Charged to Other Funds | (66,778) | (68,541) | (68,541) | (68,767) | (69,392) |
| NET TOTAL EXPENDITURES | 12,035,186 | 12,331,880 | 12,556,523 | 12,081,847 | 12,892,096 |

| | 2013 | 2014 | 2015 |
|--|----------------|----------------|----------------|
| Property tax cost of service for median value home per month: | | | |
| Community Services | \$13.64 | \$13.48 | \$14.36 |



207b (2/2013)

Community Services – Administration

The Community Services Administration provides managerial support to its divisions.

2015 Objectives

- S** Complete the community center needs assessment and determine next steps for providing more effective recreational and gathering places in Bloomington by June 2015.
- OS** Conduct a follow-up to the 2014 National Citizen Survey™ of residents by July 2015 to measure resident satisfaction with City programs and services.
- OS** Launch The National Business Survey™ of Bloomington businesses to create a benchmark for businesses' satisfaction with City services and activities by July 2015.
- OS** Complete negotiations on a new cable television franchise agreement with Comcast and transfer the cable system to Midwest Cable by March 2015.
- OS, T** Finish the update to the seven-year old Alternative Transportation Plan by April 2015.
- OS, T** Complete the Minnesota River Valley Master Plan by June 2015.
- OS** Complete the study of the alternatives for Hyland Greens Golf and Learning Center and implement an agreement with a private management company for the 2015 season while a lease agreement for an indoor facility and due diligence by an outside company is being explored.

2014 Results

- Launched a needs assessment study with architectural and engineering firm HGA to perform a comprehensive needs, programming, space, physical and operational appraisal of the current community center and evaluate what is currently available in the community for recreational, programming, public gathering and meeting spaces.
- Initiated exploration of a public-private venture for a year-round golf facility at Hyland Greens Golf and Learning Center to eliminate ongoing operating losses at the course.
- Conducted the National Citizen Survey of Bloomington residents for the third year in a row, achieving a best-ever response rate of 40% with 1,172 surveys completed and scoring high marks for the City's services when compared with more than 500 jurisdictions across the U.S.
- Initiated the planning process for the Alternative Transportation Plan Update as well as the Minnesota River Valley Master Plan.
- Implemented a street, road and highway survey as a follow-up to The National Citizen Survey for use in decision-making regarding maintenance of City streets.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 223,755 | \$ 232,733 | 4.0% |
| Materials/Supplies/Services | 67,848 | 70,273 | 3.6 |
| Expenses Charged to Others | (67,541) | (68,892) | 2.0 |
| | \$ 224,062 | \$ 234,114 | 4.5% |

Authorized Full-Time

| | FY2012 | FY2013 | FY2014 |
|-----------------------------|----------|----------|----------|
| | 2 | 2 | 2 |
| Administrative Assistant | 1 | 1 | 1 |
| Director Community Services | 1 | 1 | 1 |



Originally opened as an elementary school in 1960, Creekside was purchased by the City in the mid-1970s for use as a community center; it now serves an estimated 180,000 visitors annually.

COMMUNITY SERVICES - ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | | | | | |
| Intergovernmental | \$ 1,500 | \$ - | \$ - | \$ - | \$ - |
| TOTAL REVENUES | 1,500 | - | - | - | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 169,488 | 171,130 | 171,130 | 178,279 | 176,708 |
| Benefits | 51,851 | 52,625 | 52,625 | 55,570 | 56,025 |
| Operating Expenditures | | | | | |
| Utilities and Maintenance | 894 | 1,040 | 1,040 | - | 1,040 |
| Operations | 16,999 | 12,363 | 12,363 | 8,358 | 13,992 |
| City Support Services | 43,476 | 45,407 | 45,407 | 45,409 | 46,203 |
| Materials and Supplies | 5,347 | 9,038 | 9,038 | 7,598 | 9,038 |
| TOTAL EXPENDITURES | 288,055 | 291,603 | 291,603 | 295,214 | 303,006 |
| Less Expenses Charged to Other Funds | (65,892) | (67,541) | (67,541) | (67,536) | (68,892) |
| NET TOTAL EXPENDITURES | 222,163 | 224,062 | 224,062 | 227,678 | 234,114 |

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 Nurses assess behavioral, growth and developmental concerns and help parents access resources to help children be more ready for school through a joint collaborative with four school districts — Bloomington, Edina, Richfield and Eden Prairie.

Community Services – Public Health

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

2015 Objectives

- S** At least 80% of at-risk seniors receiving follow-up services will improve their ability to live safely at home.
- S** Continue to exceed the state average for breastfeeding initiation in the WIC Program and increase the duration of breastfeeding rates by 3%.
- S** Continue to follow up on vaccine-preventable disease reports within 24 hours in order to prevent the spread of infectious diseases.
- S** 85% of children referred to Help Me Grow will receive a developmental screening.
- OS** Implement the Division’s Quality Improvement Plan by June 2015.
- OS** By November 25, 2015, submit all required documentation for Public Health Accreditation to advance the quality and performance of the division.

2014 Results

- Kept 99 young children safe while riding in cars by providing car seats to families that are unable to purchase them and giving instruction on proper use.
- Conducted 603 calls and visits to assess physical, psychological and environmental risk factors to help at-risk seniors live safely and independently in their homes.
- Reduced the likelihood of infectious diseases by providing 156 children and 120 adults with 775 immunizations, including tetanus, measles, Hepatitis A and B, polio, mumps and others.
- Promoted breastfeeding to pregnant moms in WIC to give their babies the best start for optimal growth and development.
- Vaccinated 3,851 people for seasonal influenza.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|---------------------------------------|---------------------------------------|---------------------------|
| Salaries/Wages/Benefits | \$2,341,907 | \$2,339,526 | (0.10)% |
| Materials/Supplies/Services | 504,603 | 517,614 | 2.6 |
| | \$2,846,510 | \$2,857,140 | 0.37% |

Authorized Full-Time

| | FY2013 23 | FY2014 23 | FY2015 23 |
|--------------------------------|----------------------|----------------------|----------------------|
| Accountant | 1 | 1 | 1 |
| Accounting Assistant | 1 | 1 | 1 |
| Assistant Health Administrator | 1 | 1 | 1 |
| Health Activity Supervisor | 1 | 1 | 1 |
| Health Administrator | 1 | 1 | 1 |
| Health Program Manager | 3 | 3 | 3 |
| Health Specialist | 3 | 3 | 3 |
| Office Assistant | 1 | 1 | 1 |
| Office Supervisor | 1 | 1 | 1 |
| Office Support Specialist | 1 | 1 | 1 |
| Public Health Nurse | 9 | 9 | 9 |

COMMUNITY SERVICES - PUBLIC HEALTH
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 995,085 | \$ 926,587 | \$ 976,916 | \$ 1,080,447 | \$ 981,329 |
| Intergovernmental | 1,169,244 | 1,254,187 | 1,274,587 | 1,162,000 | 1,199,028 |
| TOTAL REVENUES | 2,164,329 | 2,180,774 | 2,251,503 | 2,242,447 | 2,180,357 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,714,964 | 1,754,759 | 1,792,815 | 1,646,057 | 1,760,021 |
| Benefits | 585,978 | 587,148 | 597,052 | 587,230 | 579,505 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 66,843 | 35,115 | 48,995 | 40,217 | 30,829 |
| Utilities and Maintenance | 5,220 | 1,720 | 1,720 | 4,480 | 2,977 |
| Operations | 93,285 | 92,879 | 92,879 | 88,254 | 97,221 |
| City Support Services | 301,050 | 293,277 | 293,277 | 295,606 | 305,914 |
| Materials and Supplies | 96,192 | 81,612 | 90,501 | 98,707 | 80,673 |
| TOTAL EXPENDITURES | 2,863,532 | 2,846,510 | 2,917,239 | 2,760,551 | 2,857,140 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Public Health Services | \$1.07 | \$0.82 | \$0.84 |

Community Services – Human Services

Target Populations

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

Activities

- Contractual Agencies
- Community Support Services
- Volunteer Services
- Meal Programs
- 50+Programs
- Programs and Events
- Creekside Community Center
- Food Resource Programs
- Americans with Disabilities Compliance Program
- Human Rights Commission



Human Services provided assistance and support to 16,000 individuals and families in 2014.

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 involvement of Bloomington residents.

2015 Objectives

- S** Continue to offer older adults, health, wellness, educational programs/activities, and field trips as well as provide Bloomington Academy for Safe Elders and Evolve Leadership Program.
- S** Partner to deliver services to low-income and homeless individuals and families through the holiday meal programs, winter clothing drive, homeless supply closet, and emergency meals and continue to meet quarterly with the faith community via “At the Table” to coordinate services.
- S** Supply ongoing support for at-risk individuals and families referred by Environmental Health, Police, Parks and Recreation and Public Health and provide representation on the City’s Nuisance Committee.
- S** Support the Human Rights Commission to carry out a series of events during Diversity Day and on the 25th anniversary of the Americans with Disabilities Act and offer educational activities and exhibits on the topics of peace, the Holocaust, and the Muslim experience in Minnesota.
- OS** Assist in a study regarding the development of a new community center and continue to provide ongoing maintenance and facility improvements at Creekside Community Center.

2014 Results

- Transitioned to an express Fare For All collaborative food buying program, serving 1,300 people in 7 months.
- Recruited 350 volunteers to provide 30,419 hours totaling \$740,000 in value-added service.
- Collected over 1,000 winter clothing items for Bloomington school children.
- Received approximately \$32,300 in cash and in-kind donations in 2014.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 1,183,798 | \$ 1,258,703 | 6.3% |
| Materials/Supplies/Services | 871,584 | 861,083 | (1.2) |
| Capital | 50,000 | 15,000 | (70.00) |
| Expenses Charged to Others | (1,000) | (500) | (50.00) |
| | \$ 2,104,382 | \$ 2,134,286 | 1.4% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|--------------------------------------|--------|--------|--------|
| | 11 | 11 | 11 |
| 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 | 4 |
| Maintenance Worker | 1 | 1 | 1 |
| Office Assistant | 2 | 2 | 2 |

COMMUNITY SERVICES - HUMAN SERVICES
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 181,841 | \$ 161,143 | \$ 171,237 | \$ 194,657 | \$ 163,236 |
| TOTAL REVENUES | 181,841 | 161,143 | 171,237 | 194,657 | 163,236 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 875,952 | 908,304 | 908,304 | 895,221 | 923,091 |
| Benefits | 296,507 | 275,494 | 275,494 | 291,855 | 335,612 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 1,284 | 6,812 | 6,812 | 5,371 | 6,812 |
| Utilities and Maintenance | 220,598 | 213,758 | 225,733 | 220,134 | 202,753 |
| Operations | 37,170 | 43,987 | 43,987 | 31,622 | 45,006 |
| City Support Services | 513,731 | 537,187 | 537,187 | 536,437 | 534,774 |
| Materials and Supplies | 67,983 | 69,840 | 77,334 | 75,958 | 71,738 |
| Capital Outlay | | | | | |
| Equipment | 58,913 | 50,000 | 111,225 | 89,197 | 15,000 |
| TOTAL EXPENDITURES | 2,072,138 | 2,105,382 | 2,186,076 | 2,145,795 | 2,134,786 |
| Less Expenses Charged to Other Funds | (886) | (1,000) | (1,000) | (1,231) | (500) |
| NET TOTAL EXPENDITURES | 2,071,252 | 2,104,382 | 2,185,076 | 2,144,564 | 2,134,286 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Human Services | \$2.62 | \$2.51 | \$2.58 |

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.

2015 Objectives

- OS** Expand marketing of Normandale Lake Bandshell rental opportunities to non-profit organizations to increase revenue.
- OS** Create enhanced curriculum information for use in marketing River Rendezvous to schools to increase attendance by 10%.
- S** Cultivate funding through grants or other means to conduct Dakota language oral history project as part of the Dakota interpretive program at Pond Dakota Mission Park.
- S** Implement new corporate sponsor program for Arts in the Parks, and Summer Fete.
- S** Expand the Movies in the Park series to include movies every Friday during the summer to increase movie attendance by 25%.
- S** Create an additional Blockbuster music event at the Normandale Lake Bandshell to change all Thursday performances into Blockbuster concept shows.
- S** Develop enhance volunteer program at Pond Dakota Mission Park to enable additional events and increase open hours for the Pond House.
- S** Identify projects and funding sources for additional invasive species projects in the Minnesota River Valley
- OS** Solicit cultural arts support applications from 1-2 additional organizations.

2014 Results

- Increased the rental uses and revenues at Normandale Lake Bandshell by marketing to more non-profit groups and wedding clients.
- Increased attendance at River Rendezvous by more than 1,000 students from 2013, and saw increased Bloomington school attendance.
- Developed framework for Dakota oral history and interpretive project for Pond Dakota Mission Park
- Implemented new sponsorship package for Summer Fete, resulting in highest revenue for the event in five years.
- Added additional movies to the Movie in the Park series, increasing movie attendance by 10-15%.
- Successfully undertook invasive species removal at numerous locations throughout Bloomington, including Ike's Creek, Normandale Lake, Pond Dakota Mission Park, and areas along Nine Mile Creek.
- Attracted 70,000 visitors to the Farmers Market in 2014.
- Instituted a zero-waste program for Farmers Market for recycling, organics collection and trash.
- Successfully completed the first year of distributing cultural arts support funding through a competitive grant process.
- Developed and implemented a partnership with the Gibbs Farm Museum to share and promote historical programming, including a joint, large-scale successful Dakota Day program.



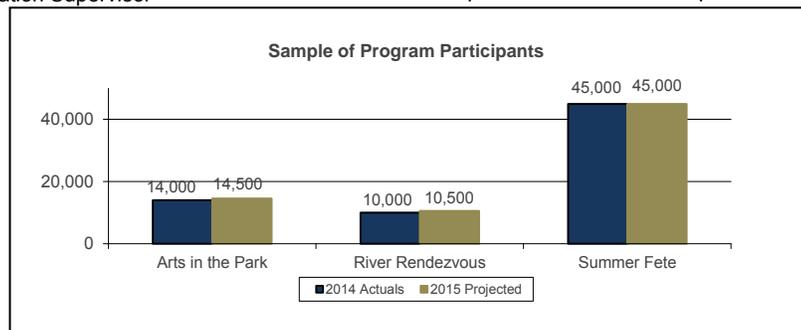
Attracting more than 10,000 participants in 2014, the River Rendezvous living history festival at Pond-Dakota Mission Park is the largest event of its kind in the upper Midwest.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 188,224 | \$ 191,866 | 1.9% |
| Materials/Supplies/Services | 492,525 | 500,191 | 1.6 |
| | \$ 680,749 | \$ 692,057 | 1.7% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|-----------------------|--------|--------|--------|
| Recreation Supervisor | 1 | 1 | 1 |



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

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ 121,182 | \$ 127,709 | \$ 127,709 | \$ 143,874 | \$ 128,400 |
| TOTAL REVENUES | 121,182 | 127,709 | 127,709 | 143,874 | 128,400 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 131,131 | 142,722 | 142,722 | 148,584 | 146,797 |
| Benefits | 42,184 | 45,502 | 45,502 | 47,809 | 45,069 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | 2,000 | 2,000 | 400 | 1,000 |
| Utilities and Maintenance | 308,103 | 311,788 | 311,788 | 312,673 | 312,288 |
| Operations | 23,223 | 28,799 | 28,799 | 28,518 | 29,724 |
| City Support Services | 130,202 | 137,026 | 137,026 | 137,000 | 143,392 |
| Materials and Supplies | 16,031 | 12,912 | 12,912 | 14,202 | 13,787 |
| TOTAL EXPENDITURES | 650,874 | 680,749 | 680,749 | 689,186 | 692,057 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Cultural/Special Events | \$0.70 | \$0.71 | \$0.74 |

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.

Activities

Skating

Playgrounds

Adaptive Recreation & Learning

Exchange (AR&LE)

Youth Events

Adult Sports

Junior Tennis Program

Administration

Youth Athletics

Galaxy Youth Center

Armory

Volunteer Services

2015 Objectives

- OS** Expand volunteerism by continuing relationships with community service groups and businesses.
- S** Enhance Adaptive Recreation program offerings to meet the needs of people with disabilities in Bloomington, Richfield, Edina and Eden Prairie.
- S** Work with Bloomington Community Education, Bloomington Theatre and Art Center and other community partners to provide high quality summer recreational opportunities for youth preschool through ninth grade.
- S** Provide a summer playground program at eight sites for elementary-school aged youth.
- S** Provide four, one-week camp sessions for children in preschool through 7th grade to promote social interaction, opportunities for leadership and fun while teaching basic camping skills.
- S** Provide a positive and safe environment for middle-school aged youth that promotes healthy choices.
- S** Provide teen volunteer opportunities for youth ages 13+ to learn and practice leadership skills.
- S** Enhance youth and family events, such as Spring Egg Hunt, Halloween Party, and Safety Boot Camp, by creating new activities to complement the traditional event programs.
- S** Provide athletic facilities for recognized Bloomington Youth Athletic Associations programming.
- S** Expand the adult athletic league offerings through the growth of the Adult Sports League Collaborative of Bloomington, Edina, Richfield, and St. Louis Park, while maintaining participation levels for Bloomington's traditional sports league offerings.
- S** Offer a variety of programming and facility use for the leased space at the Bloomington Armory.
- S** Enhance outdoor skating opportunities by adding the Polar Passport Program and hosting a warming house family friendly winter event.
- OS** Continue to undertake data collection for the park asset inventory.

2014 Results

- Advertised and accepted seasonal job applications through an online application system called NEOGOV.
- Continued to work with the AR&LE partners to provide a variety of programs to meet the diverse needs of youth and adults with disabilities.
- Provided the highest quality recreation programs for the residents of Bloomington and enhanced programming by involving volunteers with program specific skills and expertise:
 - Summer Adventure Playgrounds served over 400 participants.
 - Camp Kota served over 650 participants.
 - Adaptive Softball served over 20 youth and 70 adults.
 - Playground Partnership served over 200 participants.
 - Adult Recreation had over 500 teams participate in 7 different sports.
 - Over 70 teen volunteers assisted with year-round programming.
 - Approximately 400 community volunteers participated in park clean up's and invasive species removals.
- Increased warming house hours during weekend and non-school days by two hours per day.
- 460 teams participated in 50 different men's, women's and co-rec adult sports leagues.
- Created Adult Sports League Collaborative with Edina, Richfield and St. Louis Park to offer alternative adult sports leagues.
- Open gym pickleball play at the Bloomington Armory produced \$5,000 in revenue.
- Worked in partnership with 7 recognized Bloomington youth athletic organizations and 6 Bloomington schools to create a comprehensive schedule for use of Bloomington athletic facilities.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 1,209,599 | \$ 1,240,259 | 2.5% |
| Materials/Supplies/Services | 5,266,578 | 5,734,240 | 8.9 |
| | \$ 6,476,177 | \$ 6,974,499 | 7.7% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|--------------------------------------|----------|----------|----------|
| | 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 |



74 percent of residents surveyed rated the availability of paths and walking trails good or excellent, much above a national comparison of cities.

The National Citizen Survey™, City of Bloomington, MN 2014

COMMUNITY SERVICES - GENERAL RECREATION
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 874,425 | \$ 872,926 | \$ 879,826 | \$ 898,145 | \$ 900,800 |
| Intergovernmental | - | - | - | 8,000 | - |
| TOTAL REVENUES | 874,425 | 872,926 | 879,826 | 906,145 | 900,800 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 878,508 | 962,336 | 967,636 | 928,106 | 985,147 |
| Benefits | 215,953 | 247,263 | 247,263 | 229,856 | 255,112 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 6 | - | - | - | - |
| Utilities and Maintenance | 439,714 | 466,917 | 533,837 | 342,418 | 465,793 |
| Operations | 64,564 | 62,019 | 62,019 | 30,724 | 61,216 |
| City Support Services | 4,553,090 | 4,639,126 | 4,639,126 | 4,662,608 | 5,106,900 |
| Materials and Supplies | 75,530 | 98,516 | 99,516 | 66,156 | 100,331 |
| TOTAL EXPENDITURES | 6,227,365 | 6,476,177 | 6,549,397 | 6,259,868 | 6,974,499 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| General Recreation | \$7.12 | \$7.24 | \$7.95 |

Divisions

- Administration**
- Engineering/Traffic**
- Maintenance**
- Administration**
- Street Maintenance**

Public Works

The Public Works Department provides well-maintained streets, efficient transportation, and provides street and development engineering. 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

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 6,597,889 | \$ 7,033,282 | 6.6% |
| Materials/Supplies/Services | 5,869,408 | 6,392,013 | 8.9 |
| Capital | 44,000 | 44,000 | -- |
| Expenses Charged to Others | (2,437,051) | (2,545,090) | 4.4 |
| | \$ 10,074,246 | \$ 10,924,205 | 8.44% |

Authorized Full-Time

| FY2013 | FY2014 | FY2015 |
|-----------|-----------|-----------|
| 63 | 63 | 63 |



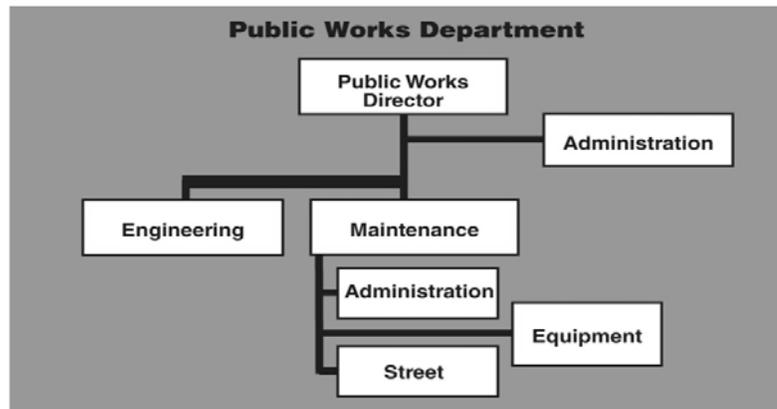
Long Meadow Lake Bridge, now on the National Register of Historic Places, will be restored in 2015 – 2016. The rehabilitated bridge will provide a commuter connection between Hennepin and Dakota Counties as well as provide access to the scenic Minnesota River Valley. The restored bridge will also connect regional trails to and through the Minnesota River Valley.



Long Meadow Lake/Old Cedar Avenue Bridge

| PUBLIC WORKS BUDGET SUMMARY Revenues and Expenditures | | | | | |
|---|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 107,446 | \$ 78,300 | \$ 78,300 | \$ 93,535 | \$ 85,500 |
| Permits | 10,427 | 7,200 | 7,200 | 11,609 | 10,000 |
| TOTAL REVENUES | 117,873 | 85,500 | 85,500 | 105,144 | 95,500 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 4,810,434 | 4,812,333 | 4,812,333 | 4,926,058 | 5,127,583 |
| Benefits | 1,792,854 | 1,785,556 | 1,785,556 | 1,876,288 | 1,905,699 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 130,745 | 242,367 | 284,347 | 98,830 | 197,030 |
| Utilities and Maintenance | 1,124,870 | 1,180,875 | 1,224,960 | 1,128,674 | 1,344,782 |
| Operations | 211,380 | 220,412 | 220,893 | 207,393 | 267,182 |
| City Support Services | 2,609,547 | 2,778,033 | 2,778,033 | 2,777,191 | 2,945,362 |
| Materials and Supplies | 1,540,258 | 1,447,721 | 1,834,022 | 1,408,928 | 1,637,657 |
| Capital Outlay | | | | | |
| Equipment | - | 44,000 | 73,083 | 43,569 | 44,000 |
| TOTAL EXPENDITURES | 12,220,088 | 12,511,297 | 13,013,227 | 12,466,931 | 13,469,295 |
| Less Expenses Charged to Other Funds | (2,390,747) | (2,437,051) | (2,437,051) | (2,560,602) | (2,545,090) |
| NET TOTAL EXPENDITURES | 9,829,341 | 10,074,246 | 10,576,176 | 9,906,329 | 10,924,205 |

| | 2013 | 2014 | 2015 |
|--|----------------|----------------|----------------|
| Property tax cost of service for median value home per month: | | | |
| Public Works | \$13.49 | \$14.02 | \$13.81 |



209b (02/13)

Public Works - Administration

The administration component provides administrative support to its divisions.

2015 Objectives

- OS Provide supervision, planning, budgeting, computer assistance, safety training and general services to the entire Public Works Department at a cost of less than two percent of total Public Works budget.

2014 Results

- Provide administrative assistance for 1.7 percent of the Public Works budget.
- Moved toward implementing an enhanced Safety Program.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 658,993 | \$ 652,371 | (1.0)% |
| Materials/Supplies/Services | 182,043 | 140,351 | (22.9) |
| Expenses Charged to Others | (621,629) | (593,545) | (4.5) |
| | \$ 219,407 | \$ 199,177 | (9.22)% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|------------------------------------|----------|----------|----------|
| | 6 | 6 | 6 |
| Accountant | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 0 |
| Office Supervisor | 0 | 0 | 1 |
| Analyst | 1 | 1 | 1 |
| Deputy Director of Public Works | 1 | 1 | 1 |
| Director of Public Works | 1 | 1 | 1 |
| Safety & Compliance Coordinator | 1 | 1 | 1 |



In the 2014 Citizen Survey, at least 75% of the respondents indicated that the overall ease of getting around, ease of travel by car, street cleaning and snow removal were excellent or good. Street repair received positive ratings from slightly over half of the respondents.

PUBLIC WORKS - ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ 3,064 | \$ - | \$ - | \$ 3,570 | \$ 2,000 |
| TOTAL REVENUES | 3,064 | - | - | 3,570 | 2,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | \$ 467,495 | \$ 488,887 | \$ 488,887 | \$ 477,488 | \$ 488,476 |
| Benefits | 161,059 | 170,106 | 170,106 | 175,742 | 163,895 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 3,026 | 96,424 | 127,109 | 28,176 | 51,000 |
| Utilities and Maintenance | | | | | |
| Operations | 22,386 | 26,880 | 27,361 | 21,977 | 30,180 |
| City Support Services | 50,590 | 54,839 | 54,839 | 53,804 | 56,721 |
| Materials and Supplies | 3,510 | 3,900 | 3,900 | 3,718 | 2,450 |
| TOTAL EXPENDITURES | 708,066 | 841,036 | 872,202 | 760,905 | 792,722 |
| Less Expenses Charged to Other Funds | (598,752) | (621,629) | (621,629) | (621,624) | (593,545) |
| NET TOTAL EXPENDITURES | 109,314 | 219,407 | 250,573 | 139,281 | 199,177 |

Public Works – Engineering

Activities

- Administration
- Infrastructure
- Construction & Design
- Engineering Services
- Traffic and Transportation Engineering

The Engineering Division provides design and construction inspection for the City’s water supply, sanitary and storm sewer drainage systems, streets, sidewalks/bikeways, water resource projects, traffic signal systems and municipal facilities. 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.

2015 Objectives

- T,U** Provide City property owners with safe, high quality, economical infrastructure.
- T,U** Provide high-quality construction projects that are competitive with industry costs
- OS** Provide engineering services to construction projects at an annual average cost not to exceed 22 percent of construction cost.
- T** Provide City property owners, developers and visitors with accurate information about land parcels and city infrastructure in a cost-efficient manner and facilitate development and public improvements.
- LU,T,U** Provide comprehensive long-range planning, design and construction for local and regional transportation systems and public infrastructure within Bloomington.

2014 Results

- Constructed 11.53 miles of pavement management streets in 2014.
- Installed 60 new accessible pedestrian ramps and upgraded 145 accessible pedestrian ramps.
- Held 24 neighborhood meetings and 3 virtual web open houses; sent out 11 informational mailings.
- Installed 790 lineal feet of new sidewalk and replaced 11,050 lineal feet of existing sidewalk, 4,400 lineal feet of multi-modal trail and 4,100 lineal feet of replaced multi-modal trail.
- Installed 100 new street and pedestrian lights.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$2,761,627 | \$2,852,362 | 3.3% |
| Materials/Supplies/Services | 749,430 | 821,523 | 9.6 |
| Capital | 16,000 | 16,000 | -- |
| Expenses Charged to Others | (1,665,212) | (1,732,530) | 4.0 |
| | \$1,861,845 | \$1,957,355 | 5.1% |

Authorized Full-Time

| | FY2013 26 | FY2014 26 | FY2015 26 |
|-----------------------------------|--------------|--------------|--------------|
| Assistant Traffic Engineer | 1 | 1 | 1 |
| City Engineer | 1 | 1 | 1 |
| Civil Engineer | 3 | 3 | 3 |
| Engineering Technician | 9 | 9 | 9 |
| Computer Specialist | 1 | 1 | 1 |
| Office Assistant | 1 | 1 | 1 |
| Office Support Specialist | 1 | 1 | 1 |
| Registered Land Surveyor | 1 | 1 | 1 |
| Senior Civil Engineer | 1 | 1 | 1 |
| Sr. Engineering Technician | 6 | 6 | 6 |
| Traffic & Transportation Engineer | 1 | 1 | 1 |



Using a complete streets approach in the City’s Pavement Management Program, the City has added on-street bicycle lanes and shoulders throughout the city, implementing goals identified in the Alternative Transportation Plan.

Since 2005, we’ve added over 29 miles of bicycle lanes.

About 70% of residents felt that the pavement condition of major city streets and streets in their neighborhood was excellent or good.

PUBLIC WORKS - ENGINEERING
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 17,892 | \$ 600 | \$ 600 | \$ 300 | \$ 5,200 |
| Permits | 10,427 | 7,200 | 7,200 | 11,609 | 10,000 |
| TOTAL REVENUES | 28,319 | 7,800 | 7,800 | 11,909 | 15,200 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,955,274 | 2,050,386 | 2,050,386 | 2,082,099 | 2,120,822 |
| Benefits | 664,601 | 711,241 | 711,241 | 711,886 | 731,540 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 125,501 | 144,330 | 155,625 | 55,287 | 144,330 |
| Utilities and Maintenance | 10,735 | 14,564 | 14,564 | 7,700 | 14,564 |
| Operations | 67,586 | 92,364 | 92,364 | 75,759 | 118,692 |
| City Support Services | 357,671 | 379,738 | 379,738 | 379,840 | 424,957 |
| Materials and Supplies | 93,148 | 118,434 | 118,434 | 56,775 | 118,980 |
| Capital Outlay | | | | | |
| Equipment | - | 16,000 | 45,083 | 17,363 | 16,000 |
| TOTAL EXPENDITURES | 3,274,516 | 3,527,057 | 3,567,435 | 3,386,709 | 3,689,885 |
| Less Expenses Charged to Other Funds | (1,501,794) | (1,665,212) | (1,665,212) | (1,648,278) | (1,732,530) |
| NET TOTAL EXPENDITURES | 1,772,722 | 1,861,845 | 1,902,223 | 1,738,431 | 1,957,355 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Engineering | \$2.35 | \$2.38 | \$2.52 |

Activities

Street Lighting
Traffic Operation and Maintenance



Traffic Maintenance staff paints 500 crosswalks, 300 traffic arrows, 50 railroad crossing symbols, 245 lineal miles of road lines (100 percent of inventory) every year and maintains 70 signal systems and 1175 street lights. 57 percent of citizens surveyed rated traffic signal timing excellent or good, similar to other cities included in a nationwide data base.

Public Works – Maintenance Administration

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

2015 Objectives

- T Provide functional and informative signage and traffic markings on City roadways.
- T Provide street light services for the safety of the public.
- T Provide maintenance of traffic signal systems for the safety of the public.

| Expenditures | FY2014 | FY2015 | Percent Change |
|-----------------------------|--------------------|--------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$ 924,319 | \$962,889 | 4.2% |
| Materials/Supplies/Services | 1,334,652 | 1,379,933 | 3.4 |
| Capital | \$ 280,000 | \$ 280,000 | - |
| | \$2,286,971 | \$2,370,822 | 3.67% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|----------------------------|--------|----------|----------|
| | | 9 | 9 |
| Analyst | 1 | 1 | 1 |
| Equipment Operator I | 2 | 2 | 2 |
| Maintenance Superintendent | 1 | 1 | 1 |
| Office Assistant | 1 | 1 | 1 |
| Office Support Specialist | 1 | 1 | 1 |
| Senior Signal/Inst. Tech. | 1 | 1 | 1 |
| Signal/Inst. Tech. | 1 | 1 | 1 |
| Traffic Supervisor | 1 | 1 | 1 |



PUBLIC WORKS - MAINTENANCE ADMINISTRATION
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 62,109 | \$ 47,700 | \$ 47,700 | \$ 56,504 | \$ 48,300 |
| TOTAL REVENUES | 62,109 | 47,700 | 47,700 | 56,504 | 48,300 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 612,910 | 651,475 | 651,475 | 614,926 | 678,491 |
| Benefits | 257,231 | 272,844 | 272,844 | 263,469 | 284,398 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 792 | 300 | 300 | 256 | 300 |
| Utilities and Maintenance | 986,941 | 940,589 | 971,020 | 935,751 | 973,952 |
| Operations | 43,814 | 43,291 | 43,291 | 44,488 | 47,376 |
| City Support Services | 235,643 | 250,065 | 250,065 | 250,115 | 259,748 |
| Materials and Supplies | 112,674 | 100,407 | 101,663 | 92,547 | 98,557 |
| Capital Outlay | | | | | |
| Equipment | - | 28,000 | 28,000 | 26,206 | 28,000 |
| TOTAL EXPENDITURES | 2,250,005 | 2,286,971 | 2,318,658 | 2,227,758 | 2,370,822 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Traffic Control and Street Lights | \$2.83 | \$2.88 | \$3.02 |

Activities

- Administration
- General Pavement Maintenance
- Sealcoating
- Public Right-of-Way
- Snow and Ice



In 2014, 341 miles of streets were maintained, including approximately 27 miles of sealcoating and over 112,000 feet of cracks sealed.

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

78 percent of citizens surveyed rated snow removal excellent or good, higher than most peer cities in a nationwide data base.

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.

2015 Objectives

- T Maintain roadways such that at least 90 percent are rated above problem condition status, per the City’s Pavement Management Program condition rating system.

2014 Results

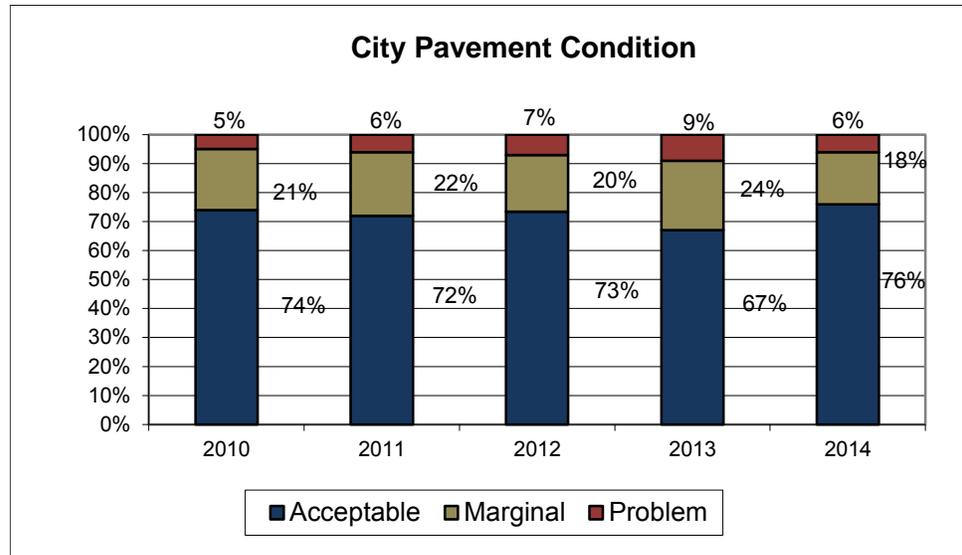
- For 2014, 94 percent of roadways are above problem condition.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$2,252,950 | \$2,565,660 | 13.2% |
| Materials/Supplies/Services | 3,603,283 | 4,050,206 | 12.4 |
| Expenses Charged to Others | (150,210) | (219,015) | 45.8 |
| | \$5,706,023 | \$6,396,851 | 12.11% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|-------------------------------|-----------|-----------|-----------|
| | 22 | 22 | 22 |
| Equipment Operator I | 12 | 12 | 12 |
| Equipment Operator II | 8 | 8 | 8 |
| Street Maintenance Supervisor | 2 | 2 | 2 |



PUBLIC WORKS - STREET MAINTENANCE
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 24,381 | \$ 30,000 | \$ 30,000 | \$ 33,161 | \$ 30,000 |
| TOTAL REVENUES | 24,381 | 30,000 | 30,000 | 33,161 | 30,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,774,755 | 1,621,585 | 1,621,585 | 1,751,545 | 1,839,794 |
| Benefits | 709,963 | 631,365 | 631,365 | 725,191 | 725,866 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 1,426 | 1,313 | 1,313 | 15,111 | 1,400 |
| Utilities and Maintenance | 127,194 | 225,722 | 239,376 | 185,223 | 356,266 |
| Operations | 77,594 | 57,877 | 57,877 | 65,169 | 70,934 |
| City Support Services | 1,965,643 | 2,093,391 | 2,093,391 | 2,093,432 | 2,203,936 |
| Materials and Supplies | 1,330,926 | 1,224,980 | 1,610,025 | 1,255,888 | 1,417,670 |
| TOTAL EXPENDITURES | 5,987,501 | 5,856,233 | 6,254,932 | 6,091,559 | 6,615,866 |
| Less Expenses Charged to Other Funds | (290,201) | (150,210) | (150,210) | (290,700) | (219,015) |
| NET TOTAL EXPENDITURES | 5,697,300 | 5,706,023 | 6,104,722 | 5,800,859 | 6,396,851 |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Street Maintenance | \$6.97 | \$7.29 | \$8.27 |

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 voter registration, election administration, Bloomington Cemetery administration, business licensing, passports, and records management and oversight of the Deputy Registrar/Motor Vehicle enterprise. During election years, like 2014, approximately 400 election judges are hired to staff all the polling places.

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

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$2,239,239 | \$2,291,199 | 2.3% |
| Materials/Supplies/Services | 570,955 | 613,986 | 7.5 |
| Reimbursed Expenditures | (115,672) | (119,114) | 3.0 |
| | \$2,694,522 | \$2,786,071 | 3.4% |

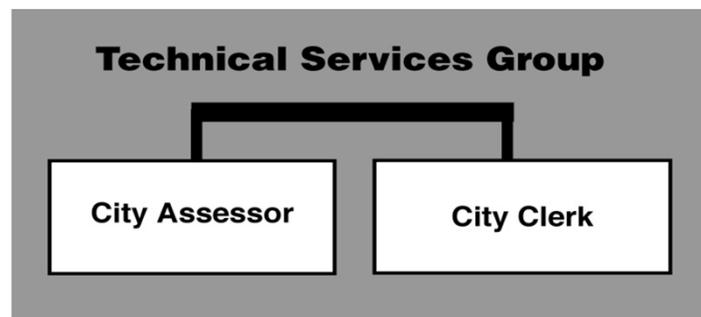
Authorized Full-Time

| FY2013 | FY2014 | FY2015 |
|--------|--------|--------|
| 20 | 20 | 20 |



**TECHNICAL SERVICES
BUDGET SUMMARY**
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 89,209 | \$ 725 | \$ 725 | \$ 39,178 | \$ 114,300 |
| TOTAL REVENUES | 89,209 | 725 | 725 | 39,178 | 114,300 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,524,368 | 1,669,351 | 1,669,351 | 1,632,254 | 1,692,921 |
| Benefits | 540,076 | 569,888 | 569,888 | 562,285 | 598,278 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 12,254 | - | 7,700 | 20 | 14,800 |
| Utilities and Maintenance | 60,724 | 89,300 | 89,300 | 67,239 | 87,162 |
| Operations | 70,220 | 76,833 | 76,833 | 77,971 | 94,985 |
| City Support Services | 463,720 | 371,202 | 371,202 | 375,020 | 386,649 |
| Materials and Supplies | 28,457 | 33,620 | 33,620 | 27,659 | 30,390 |
| TOTAL EXPENDITURES | 2,699,819 | 2,810,194 | 2,817,894 | 2,742,448 | 2,905,185 |
| Less Expenses Charged to Other Funds | (76,635) | (115,672) | (115,672) | (105,372) | (119,114) |
| NET TOTAL EXPENDITURES | 2,623,184 | 2,694,522 | 2,702,222 | 2,637,076 | 2,786,071 |



204b (01/10)

Technical Services Group – City Assessor

Activities

- Industrial/Comm. Appraisals
- Residential Appraisals
- Homestead Records
- Property Owner Notice
- Special Assessment Records
- New Legislation Compliance
- Administration and Records
- Interdepartmental Services

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.

2015 Objectives

- OS Complete field review and revaluation of required number of residential and commercial-industrial parcels annually per State Statute.
- OS Track improvements and changes to properties completed during the year.
- OS 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.

2014 Results

- Reviewed more than the 20 percent of parcels required – more than 6,710 out of approximately 32,000 parcels.

Expenditures

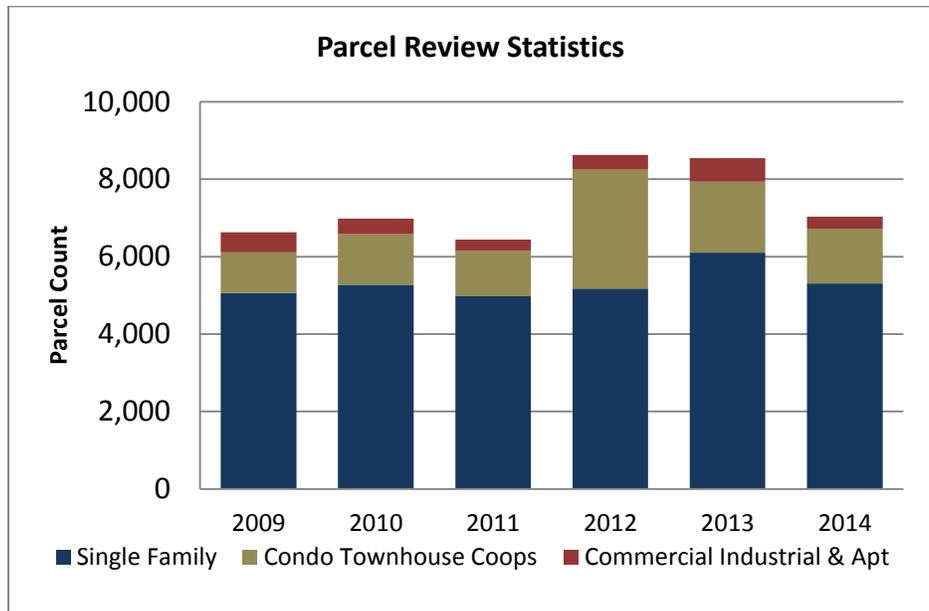
| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$1,404,497 | \$1,465,081 | 4.3% |
| Materials/Supplies/Services | 320,525 | 333,384 | 4.0 |
| Reimbursed Expenditures | (64,298) | (65,584) | 2.0 |
| | \$1,660,724 | \$1,732,881 | 4.3% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|--------------------------------|-----------|-----------|-----------|
| | 13 | 13 | 13 |
| Assessment Assistant | 2 | 2 | 2 |
| Assessment Specialist | 1 | 1 | 1 |
| Chief Commercial Appraiser | 1 | 1 | 1 |
| Chief Residential Appraiser | 1 | 1 | 1 |
| City Assessor | 1 | 1 | 1 |
| Commercial Property Appraiser | 4 | 4 | 4 |
| Residential Property Appraiser | 3 | 3 | 3 |

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

Parcel Review Statistics



TECHNICAL SERVICES - ASSESSING
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 1,253 | \$ 400 | \$ 400 | \$ 1,598 | \$ 1,400 |
| TOTAL REVENUES | 1,253 | 400 | 400 | 1,598 | 1,400 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 983,533 | 1,033,637 | 1,033,637 | 1,011,946 | 1,073,015 |
| Benefits | 353,674 | 370,860 | 370,860 | 374,146 | 392,066 |
| Operating Expenditures | | | | | |
| Utilities and Maintenance | 22,200 | 43,150 | 43,150 | 22,877 | 43,000 |
| Operations | 39,962 | 45,358 | 45,358 | 46,571 | 48,363 |
| City Support Services | 213,550 | 225,257 | 225,257 | 223,724 | 236,181 |
| Materials and Supplies | 8,835 | 6,760 | 6,760 | 7,609 | 5,840 |
| TOTAL EXPENDITURES | 1,621,754 | 1,725,022 | 1,725,022 | 1,686,873 | 1,798,465 |
| Less Expenses Charged to Other Funds | (35,235) | (64,298) | (64,298) | (54,000) | (65,584) |
| NET TOTAL EXPENDITURES | 1,586,519 | 1,660,724 | 1,660,724 | 1,632,873 | 1,732,881 |

Technical Services Group – City Clerk

Activities

- Administration
- Cemetery
- Elections
- Licensing
- Passports
- Records Management



Passport applications processed:

| Year | Number |
|------|--------|
| 2014 | 2,914 |
| 2013 | 1,582 |
| 2012 | 1,233 |
| 2011 | 923 |

The City Clerk Division conducts federal, state, and county elections during the even-numbered years and city and school district elections in the odd-numbered years. The Division manages business licensing and passports, maintains the records for the City cemetery, and oversees an off-site local Deputy Registrar Office. This Division provides Records Management Services for the City's records, manages off-site storage, and develops the Citywide Electronic Document Management System (EDMS) program. Lastly, the Division coordinates large, multi-departmental public data requests.

2015 Objectives

- OS** Ensure that eligible voters are able to exercise their right to vote in an environment where elections are efficiently administered according to law
- S** Operate effective licensing programs to promote the health and welfare of citizens and customers
- OS** Direct effective management of records to minimize the costs of storage and retrieval and to maximize accessibility
- OS** Coordinate multi-departmental data requests under the Minnesota Government Data Practices Act

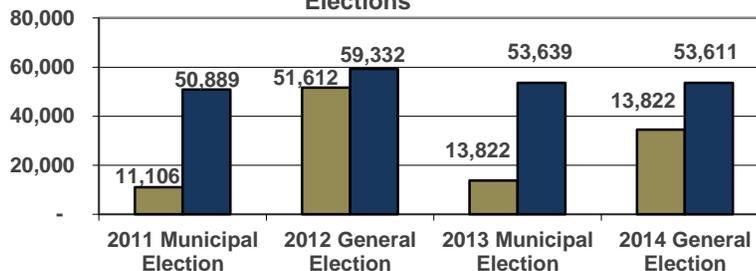
2014 Results

- Issued 8,469 licenses including but not limited to the following types:
 - 130 liquor licenses
 - 471 restaurant licenses
 - 553 taxi cab drivers
 - 3,967 pet license tags
- Implemented scanning processes for City divisions to minimize the costs of storage and retrieval, maximized accessibility while keeping records in accordance to retention requirements.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 834,742 | \$ 826,118 | (1.0)% |
| Materials/Supplies/Services | 250,430 | 280,602 | 12.1 |
| Reimbursed Expenditures | (51,374) | (53,530) | 4.2 |
| | \$ 1,033,798 | \$ 1,053,190 | 1.9% |

| Authorized Full Time | FY2013 | FY2014 | FY2015 |
|------------------------------------|----------|----------|----------|
| | 7 | 7 | 7 |
| City Clerk | 1 | 1 | 1 |
| Deputy City Clerk | | | |
| Elections/Administration | 1 | 1 | 1 |
| License Examiner/Deputy City Clerk | 1 | 1 | 1 |
| Office Assistant | 2 | 2 | 2 |
| Office Support Specialist | 1 | 1 | 1 |
| Records Management Analyst | 1 | 1 | 1 |

Number of Registered Voters Turnout for General Elections



TECHNICAL SERVICES - CITY CLERK
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 87,956 | \$ 325 | \$ 325 | \$ 37,580 | \$ 112,900 |
| TOTAL REVENUES | 87,956 | 325 | 325 | 37,580 | 112,900 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 540,835 | 635,714 | 635,714 | 620,308 | 619,906 |
| Benefits | 186,402 | 199,028 | 199,028 | 188,139 | 206,212 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 12,254 | - | 7,700 | 20 | 14,800 |
| Utilities and Maintenance | 38,524 | 46,150 | 46,150 | 44,362 | 44,162 |
| Operations | 30,258 | 31,475 | 31,475 | 31,400 | 46,622 |
| City Support Services | 250,170 | 145,945 | 145,945 | 151,296 | 150,468 |
| Materials and Supplies | 19,622 | 26,860 | 26,860 | 20,050 | 24,550 |
| TOTAL EXPENDITURES | 1,078,065 | 1,085,172 | 1,092,872 | 1,055,575 | 1,106,720 |
| Less Expenses Charged to Other Funds | (41,400) | (51,374) | (51,374) | (51,372) | (53,530) |
| NET TOTAL EXPENDITURES | 1,036,665 | 1,033,798 | 1,041,498 | 1,004,203 | 1,053,190 |

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.

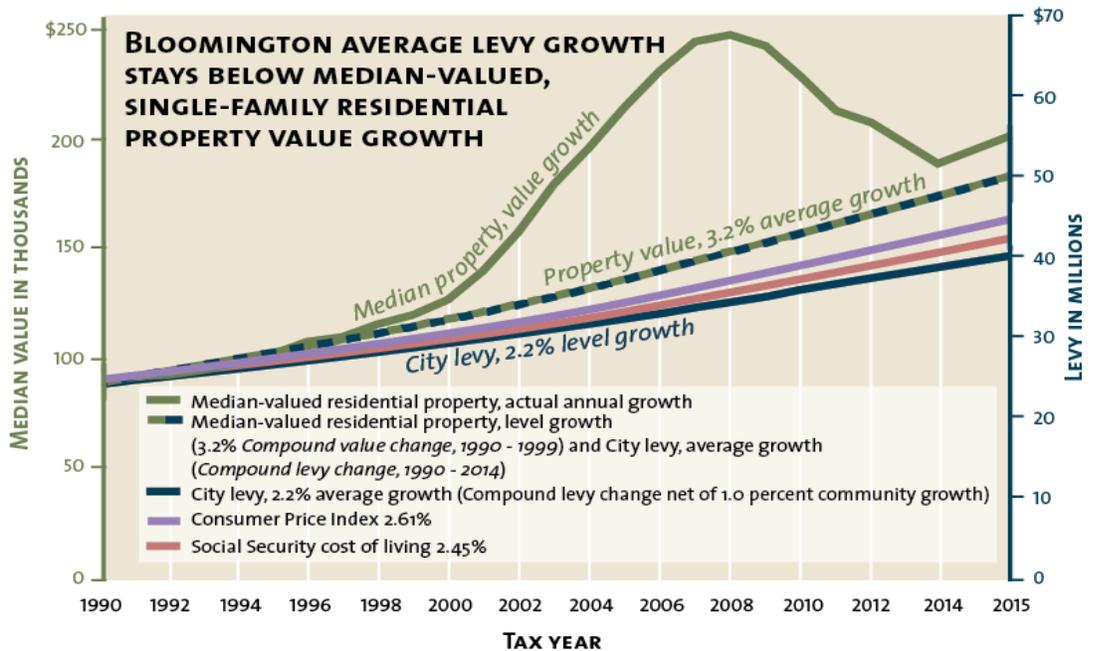


94 percent of residents surveyed rated Bloomington as either excellent or good as a place to live.

88 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

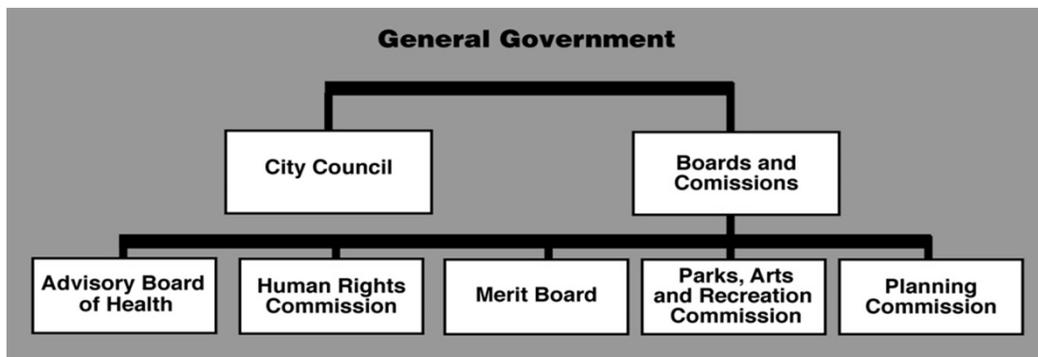
| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$391,804 | \$401,993 | 2.6% |
| Materials/Supplies/Services | 389,041 | 387,998 | (0.27) |
| Expenses Charged to Others | (210,297) | (214,104) | 0.98 |
| | \$570,548 | \$575,887 | 0.94% |



This graph shows single-family residential property values since 1990. The City did not increase its property taxes during the past decade at nearly the rate that market values of homes increased even with the downturn.

**GENERAL GOVERNMENT
BUDGET SUMMARY**
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ 1,201 | \$ - | \$ 500 | \$ 777 | \$ 500 |
| TOTAL REVENUES | 1,201 | - | 500 | 777 | 500 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 231,537 | 237,067 | 237,067 | 242,667 | 250,780 |
| Benefits | 142,007 | 154,737 | 154,737 | 160,045 | 151,213 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 38,694 | 59,775 | 59,775 | 44,205 | 55,976 |
| Utilities and Maintenance | 4,110 | 4,000 | 4,500 | 3,193 | 3,800 |
| Operations | 205,506 | 196,597 | 196,597 | 192,075 | 197,097 |
| City Support Services | 96,747 | 109,102 | 109,102 | 98,768 | 111,072 |
| Materials and Supplies | 13,542 | 19,567 | 19,567 | 11,841 | 20,053 |
| TOTAL EXPENDITURES | 732,143 | 780,845 | 781,345 | 752,794 | 789,991 |
| Less Expenses Charged to Other Funds | (205,164) | (210,297) | (210,297) | (210,300) | (214,104) |
| NET TOTAL EXPENDITURES | 526,979 | 570,548 | 571,048 | 542,494 | 575,887 |



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General Government – City Council

Activities

- General Government
- General Promotion
- Special Projects



In a random citizen survey conducted in 2014, 85 percent of respondents rated “government services overall” as excellent or good.

The City is governed by an elected, part-time City Council consisting of a Mayor who is elected at-large and six Council members, two of whom are elected at-large and four of whom are 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. The Council also appoints citizens to various advisory commissions.

2014 Objectives

- OS** As a major partner, provide leadership to building and renewing the community.
- OS** Provide strategic direction to the City organization.
- OS** Provide policy direction and organization governance, through budget, ordinances and other policy body decisions.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 314,391 | \$ 326,494 | 3.9% |
| Materials/Supplies/Services | 342,009 | 349,016 | 2.1 |
| Expenses Charged to Others | (210,297) | (214,104) | 1.8 |
| | \$ 446,103 | \$ 461,406 | 3.4% |

Authorized Full-Time

| | FY2012 | FY2013 | FY2014 |
|--------------------------|--------|--------|--------|
| | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 |

Total City Market Value and Tax Capacity by Tax Year (\$ in billions)



GENERAL GOVERNMENT - CITY COUNCIL
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ 1,201 | \$ - | \$ - | \$ 277 | \$ - |
| TOTAL REVENUES | 1,201 | - | - | 277 | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 177,991 | 178,705 | 178,705 | 184,355 | 194,207 |
| Benefits | 121,193 | 135,686 | 135,686 | 139,427 | 132,287 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 38,694 | 51,493 | 51,493 | 44,205 | 54,668 |
| Utilities and Maintenance | 1,833 | 1,200 | 1,200 | 693 | 1,200 |
| Operations | 182,789 | 167,055 | 167,055 | 166,427 | 168,889 |
| City Support Services | 94,767 | 106,661 | 106,661 | 96,459 | 108,659 |
| Materials and Supplies | 10,471 | 15,600 | 15,600 | 6,992 | 15,600 |
| TOTAL EXPENDITURES | 627,738 | 656,400 | 656,400 | 638,558 | 675,510 |
| Less Expenses Charged to Other Funds | (205,164) | (210,297) | (210,297) | (210,300) | (214,104) |
| NET TOTAL EXPENDITURES | 422,574 | 446,103 | 446,103 | 428,258 | 461,406 |

Boards and Commissions

Advisory Board of Health

Charter Commission

Human Rights Commission

Merit Board

Parks, Arts and Recreation Commission

Planning Commission

General Government – Boards and Commissions

Six 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.

2015 Objectives

- OS** Ensure a fair and equitable process for reviewing development applications in the best interests of the City. (Planning Commission).
- LU** Maintain land development ordinances to reflect best practices for managing land use and implementing the *Comprehensive Plan*. (Planning Commission)
- OS** Recognize individuals in the community for contributions to the Bloomington parks system. (Parks, Arts and Recreation Commission)
- OS** Continue work on the GIS-based asset inventory of the Bloomington parks system. (Parks, Arts and Recreation Commission)
- OS** Study issues affecting the health of the residents and make recommendations to the City Council as they perform their duties as a Community Health Board. (Advisory Board of Health)
- OS** Provide a series of events during Diversity Day and on the 25th anniversary of the Americans with Disabilities Act and offer educational activities and exhibits on the topics of peace, the Holocaust, and the Muslim experience in Minnesota. (Human Rights Commission)
- OS** Foster a welcoming community by sponsoring a Naturalization Ceremony for immigrants during the 2015 International Day of Peace activities. (Human Rights Commission)

2014 Results

- Made recommendations for revisions on an ordinance to restrict e-cigarette use in workplaces, restaurants and bars and their outdoor spaces as well as City-owned parks and recreational areas. The ordinance, which also restricts the sale of single cigars for less than \$2.60 apiece, was adopted by the City Council in November. (Advisory Board of Health).
- Presented Ruth Evangelista with the Health Promotion Award for helping new community members find the resources they need and improving health and wellness in the Latino community. (Advisory Board of Health)
- Presented six awards to food establishments, recognizing their achievement and commitment to food safety. (Advisory Board of Health)
- Reviewed plans for undertaking GIS-based park system asset management. (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)
- Sponsored activities focusing on the areas of race and diversity such as an International Day of Peace project with Joan Steffend, cultural entertainment at Bloomington Heritage Days, and presentation of the Omar Bonderud Award. (Human Rights Commission)

Expenditures

| | FY2014 | FY2015 | |
|-----------------------------|-------------------|-------------------|----------------|
| | Original Budget | Approved Budget | Percent Change |
| Salaries/Wages/Benefits* | \$ 77,413 | \$ 75,499 | (2.5)% |
| Materials/Supplies/Services | 47,032 | 38,982 | (17.1) |
| | \$ 124,445 | \$ 114,481 | (8.0)% |

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



The City Council adopted the Penn American District plan in January 2014. Construction of the Phase II redevelopment includes a 107-room Home2Suites by Hilton, 37,700 square feet of retail including a Fresh Thyme grocery store, a 200-seat restaurant and one level of underground parking.

GENERAL GOVERNMENT - BOARDS AND COMMISSIONS
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ - | \$ - | \$ 500 | \$ 500 | \$ 500 |
| TOTAL REVENUES | - | - | 500 | 500 | 500 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 53,546 | 58,362 | 58,362 | 58,312 | 56,573 |
| Benefits | 20,814 | 19,051 | 19,051 | 20,618 | 18,926 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | 8,282 | 8,282 | - | 1,308 |
| Utilities and Maintenance | 2,277 | 2,800 | 3,300 | 2,500 | 2,600 |
| Operations | 22,717 | 29,542 | 29,542 | 25,648 | 28,208 |
| City Support Services | 1,980 | 2,441 | 2,441 | 2,309 | 2,413 |
| Materials and Supplies | 3,071 | 3,967 | 3,967 | 4,849 | 4,453 |
| TOTAL EXPENDITURES | 104,405 | 124,445 | 124,945 | 114,236 | 114,481 |

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 the citizens and for efficient administration. The City Manager also appoints all other employees of the City and performs other duties required by the Council.

2015 Objectives

- OS** Provide executive leadership and direction to the organization to provide quality services at an affordable price.
- OS** Assist the City Council in development of policy and strategic direction to build and renew the community.
- OS** Communicate with the City Council and public on issues of City importance in the manner acceptable to the Council.
- OS** Represent the City in appropriate forums to advance City interests.

2014 Results

- Promoted growth in the overall market value of the community at least equal to inflation over the long term.
- Provided quality services at an affordable price with the net monthly tax supported cost of services remaining below the average home valuation increase (net of legislative changes).
- Provided positive operational financial results on a long-term basis.



65 percent of citizens surveyed rated the value of City services for the taxes paid to Bloomington excellent to good, about the same as peer cities in a national comparison.

Expenditures

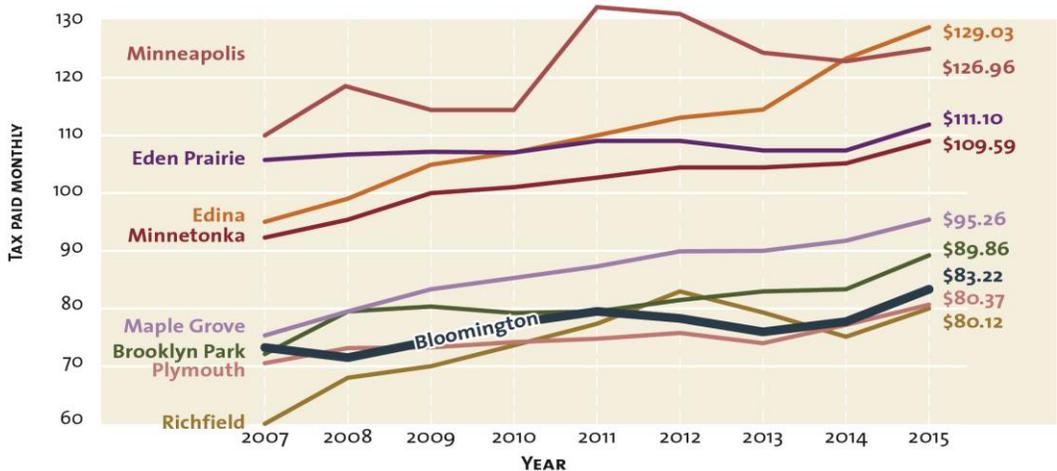
| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------|------------------------|----------------|
| Salaries/Wages/Benefits | \$ 395,742 | \$ 403,639 | 2.0% |
| Materials/Supplies/Services | 110,252 | 106,272 | (3.6) |
| Expenses Charged to Others | (157,630) | (150,317) | (4.6) |
| | \$ 348,364 | \$ 359,594 | 3.2% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|--------------------------|----------|----------|----------|
| | 3 | 3 | 3 |
| Assistant City Manager | 1 | 1 | 1 |
| City Manager | 1 | 1 | 1 |
| City Manager's Secretary | 1 | 1 | 1 |

PROPERTY TAX AND AIDS COSTS PER AVERAGE SINGLE-FAMILY LOT

Not adjusted for property tax aids and Fiscal Disparities.



CITY MANAGER
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | \$ 220,882 | \$ 321,262 | \$ 321,262 | \$ 248,588 | \$ 325,638 |
| Benefits | 65,375 | 74,480 | 74,480 | 71,578 | 78,001 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | 25,000 | 25,000 | 41,546 | 25,000 |
| Utilities and Maintenance | 1,833 | 1,200 | 1,200 | 693 | 1,200 |
| Operations | 27,028 | 29,027 | 29,027 | 20,211 | 25,026 |
| City Support Services | 46,790 | 51,825 | 51,825 | 50,517 | 51,846 |
| Materials and Supplies | 1,862 | 3,200 | 3,200 | 5,238 | 3,200 |
| TOTAL EXPENDITURES | 363,770 | 505,994 | 505,994 | 438,371 | 509,911 |
| Less Expenses Charged to Other Funds | (153,780) | (157,630) | (157,630) | (157,632) | (150,317) |
| NET TOTAL EXPENDITURES | 209,990 | 348,364 | 348,364 | 280,739 | 359,594 |

Legal

The Legal Department provides legal counsel to the City, City Council, Advisory Boards and Commissions, the City Manager and other City departments. The City Attorney's Office is responsible for the prosecution of non-felony criminal offenses occurring within the City. The Legal Department provides the City's general Counsel civil legal work negotiating and drafting complex redevelopment agreements, real estate acquisitions, leases, condemnations, defense of employments actions, mediation of employment disputes, ordinance drafting, contract negotiation, litigation management and inter-governmental relations.

Divisions

Prosecution

Ordinance,
Legislation &
Legal Support



**Our attorneys
made over
16,000 court
appearances in
2014.**

2015 Objectives

- OS** Provide locally accountable, fair and effective criminal justice services to the community and protect local access to justice for Bloomington residents;
- OS** To deliver timely, high quality, accessible and cost-effective legal counsel to the City;
- OS** Negotiate, draft and review contracts that promote the City's interests and protect its assets;
- OS** With Human Resources develop employment policies that promote employee development;
- OS** With City Clerk, improve public access to City documents;
- OS** Expand legal services handled in-house and minimize the expense of outside legal counsel;
- OS** To promote justice and enhance public safety by aggressively prosecuting livability crimes, participating in the improvement of the criminal justice system and collaborating with the City's community justice partners.
- OS** To create and maintain a highly collaborative focused, positive and professional work environment.

2014 Results

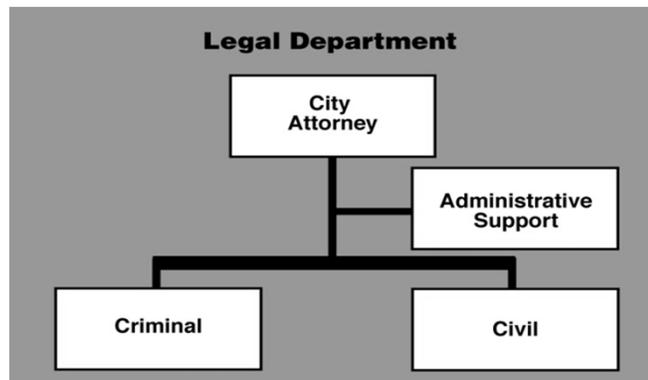
- Provided in-house litigation services for employment discharge and contested unemployment compensation cases resulting in an estimated cost savings to the City of \$20,000.
- With Public Health drafted an electronic cigarette ordinance which provides that electronic cigarettes be regulated in the same manner as tobacco products.
- With Planning and the Port Authority, negotiated agreements with private developers for the construction of multi-family residential housing and two hotels in Bloomington Central Station.
- With Planning, drafted a moratorium ordinance allowing staff to study the zoning in the Penn American district to facilitate the growth of a transit-oriented development.
- Handled more land use cases in-house, including special assessment appeals and condemnation proceedings resulting in cost savings to the City of over \$100,000.
- Negotiated, drafted and reviewed over 620 liability waivers, releases, agreements and contracts.
- Litigated 5 criminal cases at the Appellate Court level, and secured decisions favorable to the City.
- Worked with Police and Licensing to seek both civil and criminal sanctions for licensing violations.
- Implemented four major technology initiatives including integration of the Department's case management system (LENS) and MNCIS (Court record management system); the creation of the LENS/BCA adapter project; an electronic contract review system; and the LENS civil module.
- Opened over 4,000 new criminal cases, each requiring an average of four court appearances.
- Pursued 71 vehicle forfeiture cases involving drivers defined as a distinct threat to the public.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 1,382,855 | \$1,399,681 | 1.2% |
| Materials/Supplies/Services | 275,229 | 288,429 | 4.8 |
| Expenses Charged to Others | (372,153) | (368,327) | (1.0) |
| | \$ 1,285,931 | \$1,319,783 | 2.6% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|--------------------------------|--------|--------|--------|
| | 12 | 12 | 12 |
| Assistant Attorney | 7 | 6 | 6 |
| City Attorney | 1 | 1 | 1 |
| Legal Administrative Assistant | 1 | 2 | 2 |
| Office Assistant | 2 | 1 | 1 |
| Paralegal/Legal Assistant | 1 | 2 | 2 |

**LEGAL
BUDGET SUMMARY
Revenues and Expenditures**

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 20,501 | \$ 5,750 | \$ 5,750 | \$ 27,142 | \$ 20,750 |
| TOTAL REVENUES | 20,501 | 5,750 | 5,750 | 27,142 | 20,750 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 954,171 | 1,041,855 | 1,041,855 | 1,010,872 | 1,042,156 |
| Benefits | 317,959 | 341,000 | 341,000 | 350,061 | 357,525 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 2,526 | 2,074 | 2,074 | 1,529 | 1,774 |
| Utilities and Maintenance | 2,045 | 2,150 | 2,150 | 1,510 | 2,250 |
| Operations | 78,974 | 78,567 | 78,567 | 73,448 | 69,100 |
| City Support Services | 164,694 | 180,998 | 180,998 | 181,019 | 200,965 |
| Materials and Supplies | 5,869 | 11,440 | 11,440 | 9,901 | 14,340 |
| TOTAL EXPENDITURES | 1,526,238 | 1,658,084 | 1,658,084 | 1,628,340 | 1,688,110 |
| Less Expenses Charged to Other Funds | (322,307) | (372,153) | (372,153) | (372,144) | (368,327) |
| NET TOTAL EXPENDITURES | 1,203,931 | 1,285,931 | 1,285,931 | 1,256,196 | 1,319,783 |



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. This department provides service to internal City departments for staffing by utilizing a fair and legal employee selection process. The Human Resources Department administers the City's job classification systems as approved by the Bloomington Merit Board and the City Council, and is the coordinating department for all job recruiting.

2015 Objectives

- OS** Attract and retain qualified, competent, service oriented employees.
- OS** Prepare and administer fair and reasonable employment policies and procedures.
- OS** Maintain reasonable compensation and benefit levels to attract and retain City staff.

2014 Results

- Recruited and hired 44 full-time employees in 2014 and hired more than 400 part-time employees.
- Promoted 17 full-time employees.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$702,917 | \$ 726,642 | 3.4% |
| Materials/Supplies/Services | 258,558 | 252,795 | (2.2)% |
| Expenses Charged to Others | (291,314) | (307,672) | 5.6% |
| | \$670,161 | \$671,765 | 0.24% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|--------------------------------|----------|----------|----------|
| | 6 | 6 | 6 |
| Administrative Assistant | 2 | 1 | 1 |
| Director Human Resources | 1 | 1 | 1 |
| Human Resources Representative | 2 | 3 | 3 |
| Office Assistant | 1 | 1 | 1 |

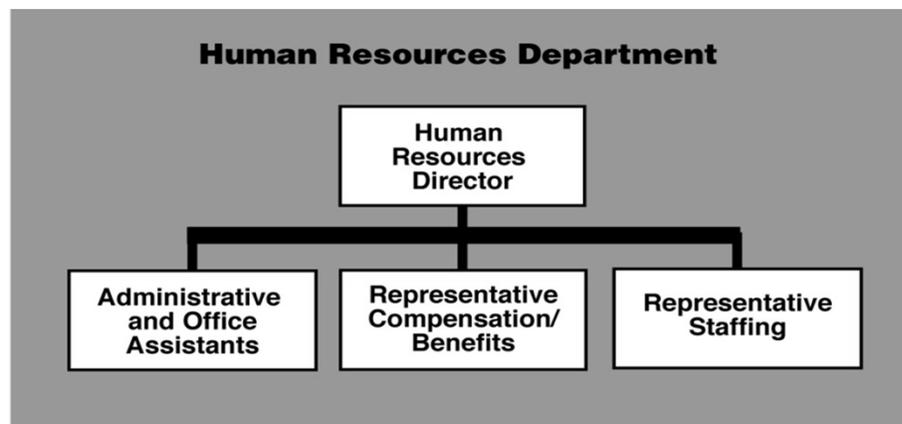


Full-time employees may participate in a Healthy Rewards Program with Medica. Employees who participate will complete a health assessment, review eight healthy topics and receive a biometrics screening.



**HUMAN RESOURCES
BUDGET SUMMARY
Revenues and Expenditures**

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ - | \$ - | \$ - | \$ 32 | \$ - |
| TOTAL REVENUES | - | - | - | 32 | - |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | \$ 465,849 | \$ 530,854 | \$ 530,854 | \$ 521,883 | \$ 538,208 |
| Benefits | 174,018 | 172,063 | 172,063 | 179,722 | 188,434 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 101,173 | 105,000 | 135,000 | 38,246 | 107,600 |
| Utilities and Maintenance | 1,928 | 500 | 500 | 693 | 500 |
| Operations | 24,124 | 35,251 | 35,251 | 19,830 | 29,874 |
| City Support Services | 83,707 | 98,007 | 98,007 | 93,563 | 95,121 |
| Materials and Supplies | 11,905 | 19,800 | 19,800 | 12,807 | 19,700 |
| TOTAL EXPENDITURES | 862,704 | 961,475 | 991,475 | 866,744 | 979,437 |
| Less Expenses Charged to Other Funds | (284,209) | (291,314) | (291,314) | (291,312) | (307,672) |
| NET TOTAL EXPENDITURES | 578,495 | 670,161 | 700,161 | 575,432 | 671,765 |



203b (01/10)

Finance

Divisions

Administration

Accounting

Risk Management

The Finance Department provides financial management for the City, Port Authority, Housing and Redevelopment Authority and support services to other departments. 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.

2015 Objectives

- OS** Publish a Comprehensive Annual Financial Report (CAFR), a Budget document, a Five Year Community Investment Program (CIP) and a Popular Report each year.
- OS** Provide monthly financial reports to City Council, staff and management by the 30th of the following month.
- OS** Revenue and expense projections will be within 0.5 percent of actual by year end.
- OS** 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.
- OS** Take all appropriated budgets to City Council for approval by year end.

2014 Results

- Reviewed all departmental submissions to City Council agendas for financial matters.
- Coordinated, analyzed, and reviewed 2015 and conceptual 2016 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 (2014-2018) for submittal to the City Council.
- Received the Government Finance Officers Association highest awards in Budget (18 years), CAFR (42 years) and Popular Report (14 years).
- Continually updated financial information on the City's website including Budget, Property Tax, Risk Management and the CAFR.
- Continued financial and debt modeling for major development projects within Bloomington including Mall of America multi-phases, Bloomington Central Station and Normandale Lake Area Plan.
- Continued oversight of a private/public partnership to finance and build the Radisson Blu four star hotel at the Mall of America.

Expenditures

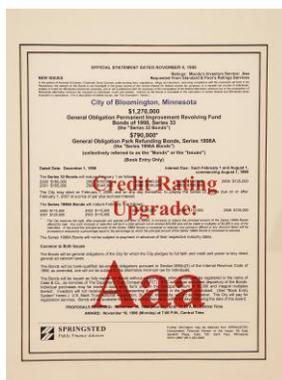
| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 2,000,270 | \$ 2,077,422 | 3.9% |
| Materials/Supplies/Services | 624,580 | 655,134 | 4.9 |
| Expenses Charged to Others | (1,537,638) | (1,674,822) | 8.9 |
| | \$ 1,087,212 | \$ 1,057,734 | (2.7)% |

Personnel

| FY2013 | FY2014 | FY2015 |
|-----------|-----------|-----------|
| 22 | 22 | 22 |



Standard & Poor's



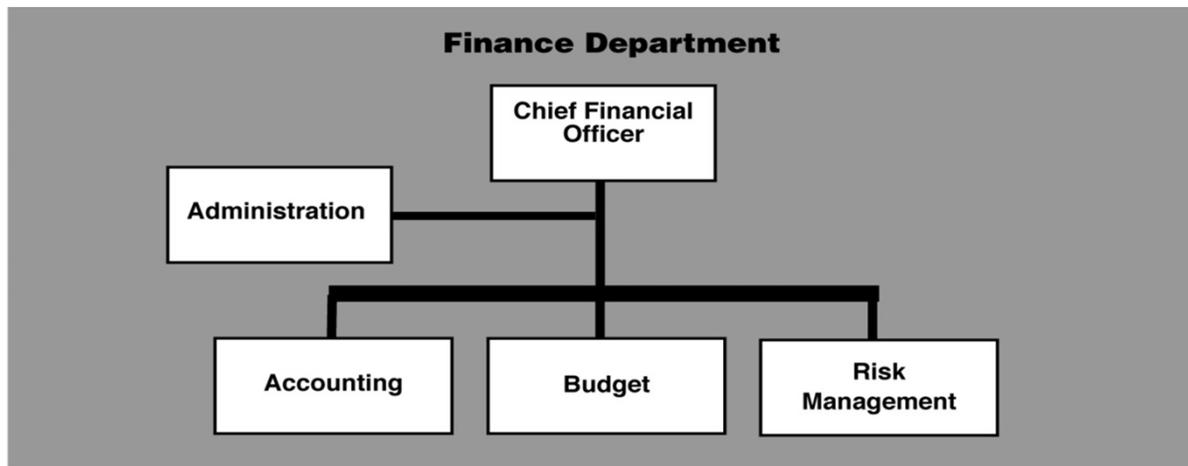
Moody's



Fitch

FINANCE
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 108,317 | \$ 143,000 | \$ 143,000 | \$ 512,390 | \$ 148,000 |
| TOTAL REVENUES | 121,033 | 154,605 | 154,605 | 523,995 | 159,605 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,414,878 | 1,458,986 | 1,458,986 | 1,484,857 | 1,512,286 |
| Benefits | 550,126 | 541,284 | 541,284 | 551,218 | 565,136 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 37,917 | 28,192 | 37,892 | 12,755 | 27,030 |
| Utilities and Maintenance | 1,185 | 1,300 | 1,300 | 1,119 | 1,300 |
| Operations | 185,529 | 203,128 | 203,128 | 176,628 | 209,149 |
| City Support Services | 299,313 | 320,218 | 320,218 | 311,044 | 334,513 |
| Materials and Supplies | 48,680 | 71,742 | 101,742 | 50,308 | 83,142 |
| TOTAL EXPENDITURES | 2,537,628 | 2,624,850 | 2,664,550 | 2,587,929 | 2,732,556 |
| Less Expenses Charged to Other Funds | (1,529,977) | (1,537,638) | (1,537,638) | (1,426,063) | (1,674,822) |
| NET TOTAL EXPENDITURES | 1,007,651 | 1,087,212 | 1,126,912 | 1,161,866 | 1,057,734 |



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 Five-Year Community Investment Program, 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.

2015 Objectives

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

2014 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
- Department has been the recipient of the GFOA annual award for Excellence in Financial Reporting for 42 years.
- Received the GFOA Distinguished Budget Award for the 18th consecutive year.
- Received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the 14th year.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$374,573 | \$401,821 | 7.3% |
| Materials/Supplies/Services | 142,121 | 160,999 | 13.3 |
| Expenses Charged to Others | (185,401) | (234,559) | 26.51 |
| | \$331,293 | \$ 328,261 | (0.92)% |

Personnel

| | FY2013 | FY2014 | FY2015 |
|--------------------------|----------|----------|----------|
| | 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

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Revenues | | | | | |
| Program Income | \$ - | \$ - | \$ - | \$ 22,280 | \$ - |
| Intergovernmental | 12,716 | 11,605 | 11,605 | 11,605 | 11,605 |
| TOTAL REVENUES | 12,716 | 11,605 | 11,605 | 33,885 | 11,605 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 294,075 | 284,509 | 284,509 | 300,288 | 298,172 |
| Benefits | 96,105 | 90,064 | 90,064 | 102,453 | 103,649 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 19,888 | 19,092 | 28,792 | 10,475 | 18,030 |
| Operations | 28,602 | 28,624 | 28,624 | 17,594 | 30,957 |
| City Support Services | 49,601 | 53,880 | 53,880 | 50,401 | 55,437 |
| Materials and Supplies | 33,892 | 40,525 | 65,525 | 38,095 | 56,575 |
| TOTAL EXPENDITURES | 522,163 | 516,694 | 551,394 | 519,306 | 562,820 |
| Less Expenses Charged to Other Funds | (218,812) | (185,401) | (185,401) | (185,400) | (234,559) |
| NET TOTAL EXPENDITURES | 303,351 | 331,293 | 365,993 | 333,906 | 328,261 |

Finance - Accounting

Activities

- Accounts Payable
- Accounts Receivable
- Audit
- Cash Management
- Customer Billing
- General Accounting
- Payroll
- Purchasing

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.

2015 Objectives

Provide quality accounting and related financial services to all City departments efficiently and effectively to meet the following criteria:

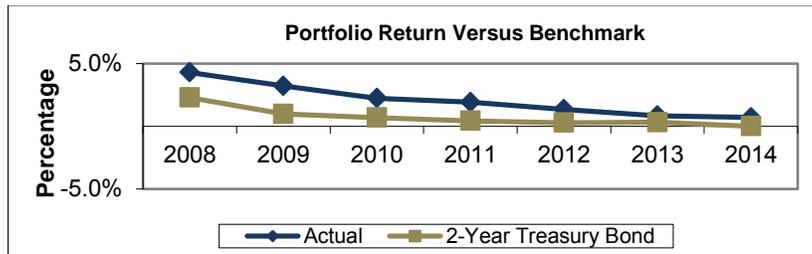
- OS** Accurate, timely and transparent financial statements in an easily understood format to both internal and external users.
- OS** Investment of public funds in such a manner that all daily cash flow needs are met and the portfolio yield will not fall below 25 basis points of a U.S. Treasury obligation of comparable duration.
- OS** Produce checks and purchase orders in a timely manner, keep accurate records, monitor grants and capital assets for compliance with internal and external policies and provide financial system assistance to our users.
- OS** Implement an electronic vendor payment system to streamline payment processes, reduce costs by year-end.
- OS** Implement the ERP modules for Employee Expense Reimbursement, Bid Management, Contract Management, and Vendor Self Service in 2015.
- OS** Update City Ordinances and Sales Tax Audit procedures in order for the City to collect lodging taxes from online travel companies beginning January 1, 2016.

2014 Results

- Received Certificate of Achievement for Excellence in Financial Reporting for last 43 years.
- Enhanced monthly reports for City Council and internal users were prepared and distributed timely.
- Received Popular Annual Financial Reporting Award for last 15 years.
- Implemented a web based utility payment option for residents and businesses.
- Implemented the core Financial, Human Resources and Payroll modules of a new ERP (Enterprise Resource Planning) software system going live January 1, 2015.

| Expenditures | FY2014 | FY2015 | Percent Change |
|-----------------------------|-------------------|-------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$ 1,559,749 | \$ 1,608,446 | 3.1% |
| Materials/Supplies/Services | 442,246 | 450,576 | 1.9 |
| Expenses Charged to Others | (1,246,076) | (1,331,608) | 6.9 |
| | \$ 755,919 | \$ 727,414 | (3.8)% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|-----------------------------|--------|--------|--------|
| | 18 | 18 | 18 |
| Accountant | 3 | 3 | 3 |
| Accounting Assistant | 3 | 3 | 4 |
| Assistant Finance Manager | 1 | 1 | 1 |
| Auditor | 1 | 1 | 1 |
| Customer Billing Supervisor | 1 | 1 | 1 |
| Finance Manager | 1 | 1 | 1 |
| Office Assistant | 4 | 4 | 3 |
| Office Support Specialist | 2 | 2 | 2 |
| Payroll Specialist | 1 | 1 | 1 |
| Purchasing Agent | 1 | 1 | 1 |



FINANCE - ACCOUNTING
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Program Income | \$ 108,317 | \$ 143,000 | \$ 143,000 | \$ 490,110 | \$ 148,000 |
| TOTAL REVENUES | 108,317 | 143,000 | 143,000 | 490,110 | 148,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,065,617 | 1,122,650 | 1,122,650 | 1,138,309 | 1,161,612 |
| Benefits | 435,856 | 437,099 | 437,099 | 434,664 | 446,834 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 18,029 | 8,100 | 8,100 | 2,280 | 8,000 |
| Utilities and Maintenance | 1,185 | 1,300 | 1,300 | 1,119 | 1,300 |
| Operations | 147,351 | 162,845 | 162,845 | 149,670 | 164,631 |
| City Support Services | 224,608 | 239,359 | 239,359 | 233,647 | 250,653 |
| Materials and Supplies | 14,503 | 30,642 | 35,642 | 12,109 | 25,992 |
| TOTAL EXPENDITURES | 1,907,149 | 2,001,995 | 2,006,995 | 1,971,798 | 2,059,022 |
| Less Expenses Charged to Other Funds | (1,197,667) | (1,246,076) | (1,246,076) | (1,142,563) | (1,331,608) |
| NET TOTAL EXPENDITURES | 709,482 | 755,919 | 760,919 | 829,235 | 727,414 |

Finance – Risk Management

Activities

Risk Management

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

2015 Objectives

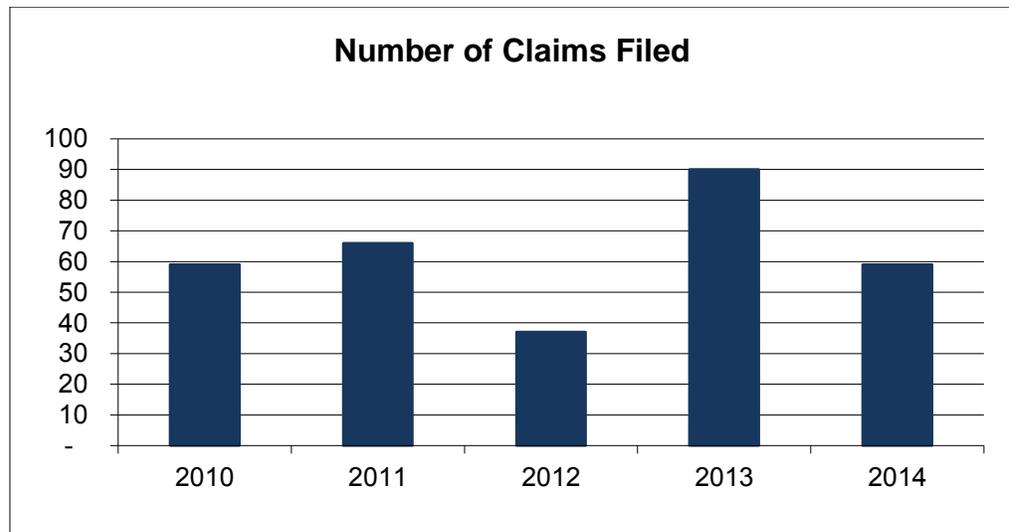
- OS Complete required insurance renewals by June 2015 and provide necessary reports to City Council.
- OS Re-establish a working City-wide Safety Committee to augment work of department committees.
- OS Work with other departments to evaluate/revise City policies relating to safety.

2014 Results

- Renewed insurance policies for 2014.
- Changed insurance brokers based on RFP responses.
- Reviewed over 650 contracts and requests for proposals.
- Worked with Legal to implement electronic contract review and tracking system.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 65,948 | \$ 67,155 | 1.8% |
| Materials/Supplies/Services | 40,213 | 43,559 | 8.3 |
| Expenses Charged to Others | (106,161) | (108,655) | 2.4 |
| | \$ 0 | \$ 2,059 | -- |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|---------------------------|--------|--------|--------|
| Risk & Litigation Manager | 1 | 1 | 1 |



FINANCE - RISK MANAGEMENT
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|--------------------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | \$ 55,186 | \$ 51,827 | \$ 51,827 | \$ 46,260 | \$ 52,502 |
| Benefits | 18,165 | 14,121 | 14,121 | 14,101 | 14,653 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | 1,000 | 1,000 | - | 1,000 |
| Operations | 9,576 | 11,659 | 11,659 | 9,364 | 13,561 |
| City Support Services | 25,104 | 26,979 | 26,979 | 26,996 | 28,423 |
| Materials and Supplies | 285 | 575 | 575 | 104 | 575 |
| TOTAL EXPENDITURES | 108,316 | 106,161 | 106,161 | 96,825 | 110,714 |
| Less Expenses Charged to Other Funds | (113,498) | (106,161) | (106,161) | (98,100) | (108,655) |
| NET TOTAL EXPENDITURES | (5,182) | - | - | (1,275) | 2,059 |

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.

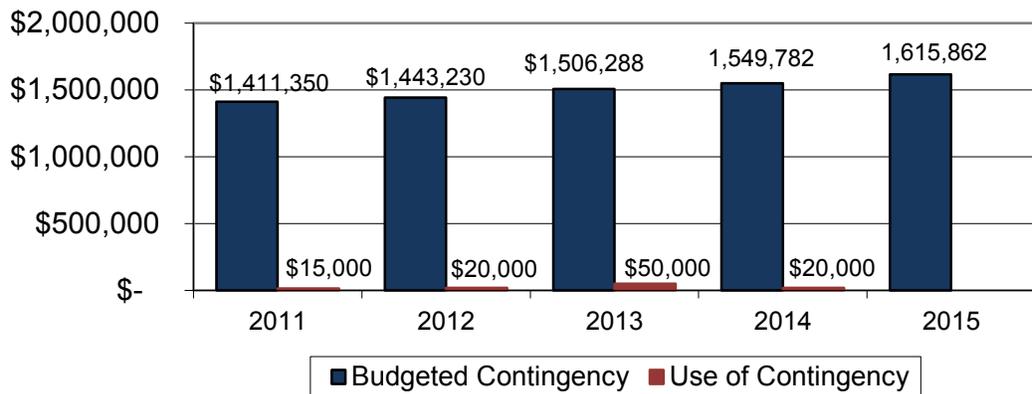
2015 Objectives

- OS 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.

2014 Results

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

| Expenditures | FY2013 | FY2014 | Percent Change |
|--------------------------|--------------------|--------------------|----------------|
| | Original Budget | Approved Budget | |
| Transfers to Other Funds | \$1,549,782 | \$1,615,862 | 4.3% |
| | \$1,549,782 | \$1,615,862 | 4.3% |



CONTINGENCY
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|------------------------|----------------|----------------------------|---------------------------|-------------------|----------------|
| Expenditures | | | | | |
| TOTAL EXPENDITURES | | | | | |
| Transfers Out | \$ 50,000 | \$ 1,549,782 | \$ 1,288,782 | \$ 20,000 | \$ 1,615,862 |
| NET TOTAL EXPENDITURES | 50,000 | 1,549,782 | 1,288,782 | 20,000 | 1,615,862 |

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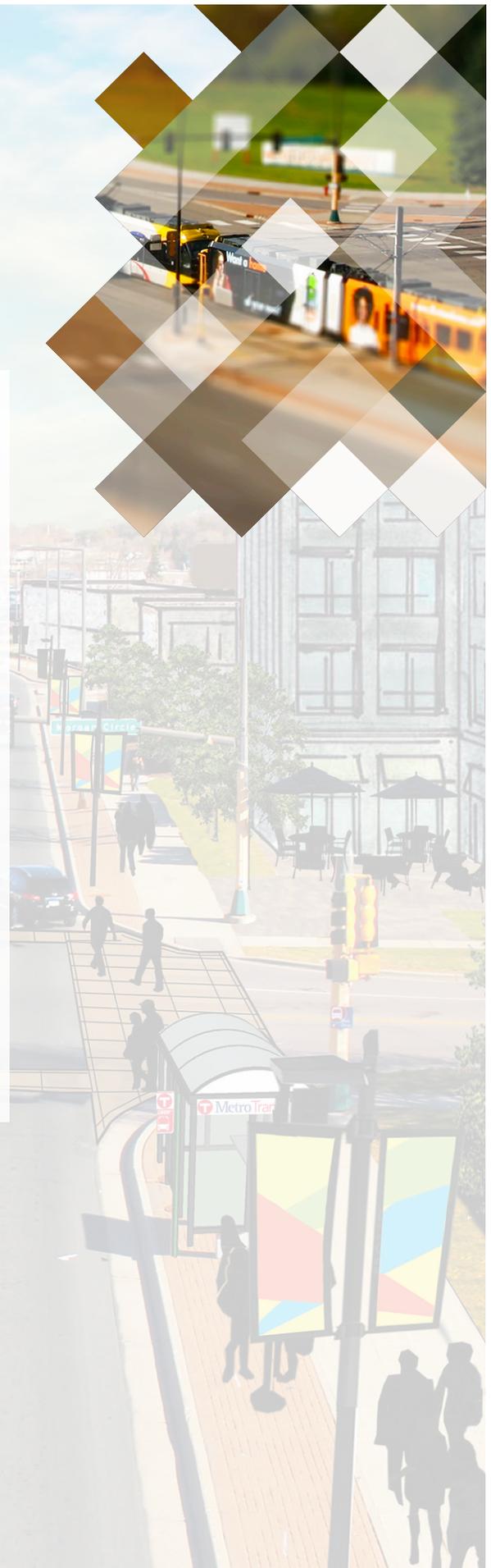


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SPECIAL REVENUE FUNDS

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2015 Budget Summary – Special Revenue Funds

| REVENUES | | | | |
|---------------------|------------------------|------------------------|--------------------------|------------------------|
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Health Grants | \$ 1,683,304 | \$1,416,916 | \$ 1,237,297 | \$ 1,314,302 |
| DWI Forfeiture | 104,045 | 104,200 | 97,475 | 93,050 |
| Enhanced 911 | 112,050 | 112,620 | 96,467 | 202,439 |
| Drug Forfeiture | 197,231 | 135,000 | 26,223 | 100,100 |
| Police Grants | 815,806 | 298,615 | 119,459 | 199,000 |
| Pension Residual | 761,613 | 440,289 | 669,823 | 1,834,323 |
| Communications | 1,393,252 | 1,563,746 | 1,105,334 | 1,651,119 |
| South Loop | 271 | 270,500 | 166,859 | 270,050 |
| Park Grants | 11,466 | 222,514 | 230,197 | 70,352 |
| Fire Grants | 146,408 | 44,770 | 41,029 | 395,000 |
| Cemetery | 71,131 | 115,273 | 105,412 | 118,298 |
| | \$ 5,296,577 | \$4,724,443 | \$3,895,575 | \$ 6,248,033 |
| EXPENDITURES | | | | |
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Health Grants | \$ 1,661,740 | \$1,727,613 | \$ 1,282,313 | \$ 1,350,560 |
| DWI Forfeiture | 91,036 | 155,572 | 76,856 | 116,784 |
| Enhanced 911 | 68,482 | 70,137 | 83,910 | 456,121 |
| Drug Forfeiture | 180,105 | 12,300 | 11,635 | 36,940 |
| Police Grants | 747,368 | 442,889 | 212,396 | 199,000 |
| Pension Residual | 2,546,830 | 3,353,755 | 3,323,255 | 1,858,500 |
| Communications | 1,421,586 | 1,559,319 | 1,509,860 | 1,542,338 |
| South Loop | 7,697 | 354,261 | 240,000 | 150,000 |
| Park Grants | 11,254 | 113,000 | 8,881 | 64,000 |
| Fire Grants | 159,308 | 0 | 41,029 | 395,000 |
| Cemetery | 2,547 | 535,536 | 442,747 | 338,617 |
| | \$ 6,897,953 | \$ 8,324,382 | \$7,232,882 | \$ 6,508,860 |

Public Safety – Special Revenue

Activities

- Police Grants**
- DWI Forfeiture Fund**
- Enhanced 911**
- Drug Forfeiture**
- Pension Residual**
- Fire Grants**

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.

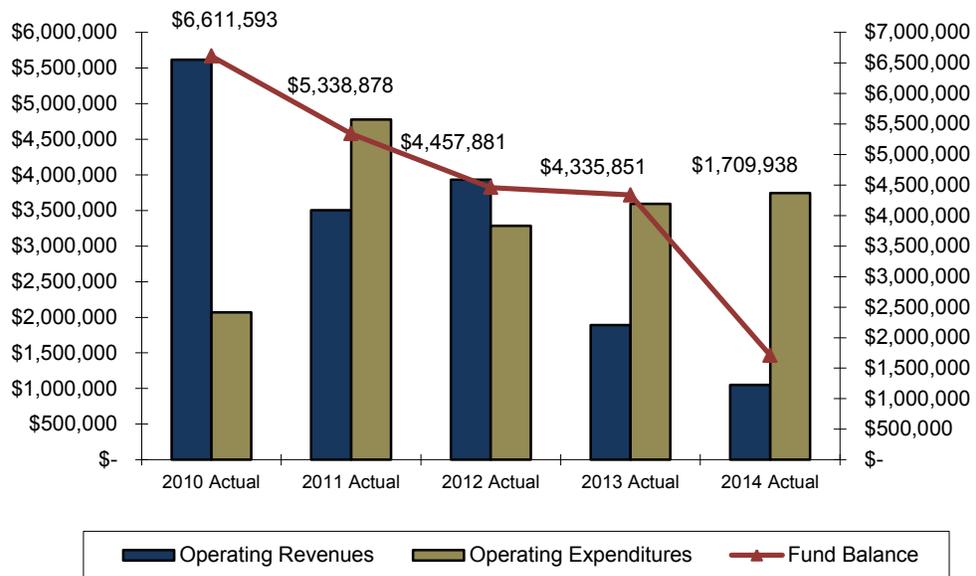
2015 Objectives

- S** Increase consequences for criminal activities and criminal enterprises by taking the proceeds and instrumentality from criminals and using them to reduce the burden upon taxpayers for enhanced law enforcement efforts.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|------------------------------|------------------------------|
| Salaries/Wages/Benefits* | \$3,306,057 | \$1,962,000 |
| Materials/Supplies/Services | 209,207 | 382,684 |
| Capital Outlay | 40,000 | 579,161 |
| Transfers Out | 183,500 | 138,500 |
| | \$3,738,764 | \$3,062,345 |

*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 | | | | | |
|--|---------------------|----------------------------|---------------------------|---------------------|---------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Tax Revenues | \$ 344,746 | \$ - | \$ - | \$ - | \$ - |
| Program Income | 301,086 | 238,000 | 238,000 | 119,238 | 192,500 |
| Intergovernmental | 1,486,754 | 708,539 | 856,788 | 875,699 | 1,217,821 |
| Interest Income | 15,702 | 40,706 | 40,706 | 55,539 | 9,991 |
| Transfers In | - | - | - | - | 1,403,600 |
| TOTAL REVENUES | 2,148,288 | 987,245 | 1,135,494 | 1,050,476 | 2,823,912 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 128,904 | 109,433 | 232,242 | 104,003 | 218,350 |
| Benefits | 2,357,553 | 3,196,624 | 3,196,624 | 3,209,199 | 1,743,650 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 8,869 | - | 1,200 | - | - |
| Utilities and Maintenance | - | - | - | 10,787 | - |
| Operations | 171,185 | 65,000 | 131,870 | 56,935 | 226,000 |
| City Support Services | 209,411 | 81,607 | 81,607 | 81,600 | 83,584 |
| Materials and Supplies | 145,094 | 62,600 | 96,090 | 71,564 | 73,100 |
| Capital Outlay | | | | | |
| Equipment | 500,606 | 40,000 | 156,290 | 59,304 | 579,161 |
| Transfers Out | 271,507 | 183,500 | 183,500 | 153,000 | 138,500 |
| TOTAL EXPENDITURES | 3,793,129 | 3,738,764 | 4,079,423 | 3,746,392 | 3,062,345 |
| FUND BALANCE SOURCES (USES) | (1,644,841) | (2,751,519) | (2,943,929) | (2,695,916) | (238,433) |
| Fund Balance at Beginning of Year | 6,050,695 | 4,405,854 | 4,405,854 | 4,405,854 | 1,709,938 |
| Fund Balance At Year-End | \$ 4,405,854 | \$ 1,654,335 | \$ 1,461,925 | \$ 1,709,938 | \$ 1,471,505 |

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, response to homeland security and/or terrorism, and on-going training in the above areas.

2015 Objectives

- Improve quality of life within the community through an aggressive approach to reducing crime.

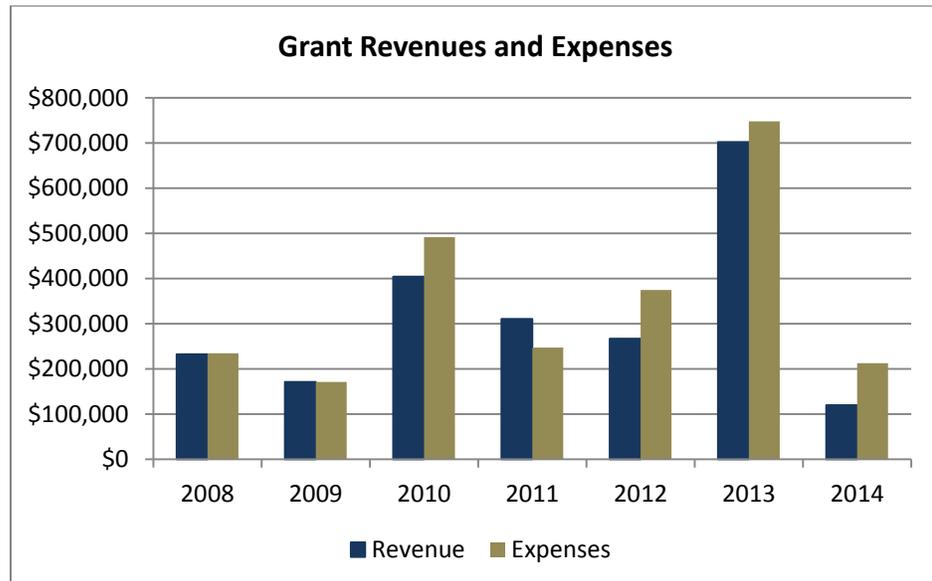
2014 Results

- Conducted a proactive strategy to reduce auto theft through public education initiative.
- Worked 90 TZD traffic details in 2014, with 182 officers working shifts to locate and arrest impaired drivers.

Expenditures

| | FY2014 Original Budget | FY2014 Approved Budget |
|-----------------------------|------------------------------|------------------------------|
| Salaries/Wages/Benefits* | \$66,000 | \$131,000 |
| Materials/Supplies/Services | 41,000 | 48,000 |
| Capital | 40,000 | 20,000 |
| | \$147,000 | \$199,000 |

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



| POLICE GRANTS BUDGET SUMMARY Revenues and Expenditures | | | | | |
|--|----------------|----------------------------|---------------------------|--------------------|--------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Intergovernmental | \$ 826,641 | \$ 150,366 | \$ 298,615 | \$ 119,459 | \$ 199,000 |
| TOTAL REVENUES | 826,641 | 150,366 | 298,615 | 119,459 | 199,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 121,991 | 58,950 | 181,759 | 103,047 | 111,350 |
| Benefits | 34,430 | 7,050 | 7,050 | 29,636 | 19,650 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 8,869 | - | 1,200 | - | - |
| Operations | 11,876 | 41,000 | 63,100 | 14,534 | 48,000 |
| Materials and Supplies | 69,595 | - | 33,490 | 5,875 | - |
| Capital Outlay | | | | | |
| Equipment | 500,606 | 40,000 | 156,290 | 59,304 | 20,000 |
| TOTAL EXPENDITURES | 747,367 | 147,000 | 442,889 | 212,396 | 199,000 |
| FUND BALANCE SOURCES (USES) | 79,274 | 3,366 | (144,274) | (92,937) | - |
| Fund Balance at Beginning of Year | (79,274) | - | - | - | (92,937) |
| Fund Balance At Year-End | \$ - | \$ 3,366 | \$ (144,274) | \$ (92,937) | \$ (92,937) |

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

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 designed to offset the expense of administering the forfeiture process with any residual committed to enforcement of DWI offenses.

2015 Objectives

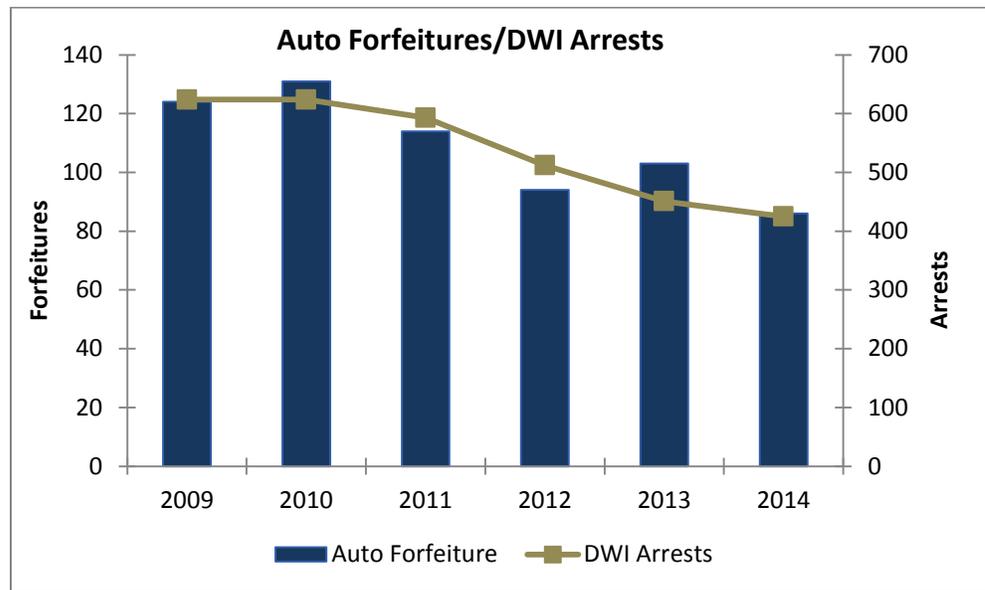
- S** Reduce internal costs associated with DWI vehicle enforcement in order to provide additional resources for DWI enforcement.
- S** Implement processes to uniformly and fairly seize vehicles under the DWI forfeiture law.
- S** Internally account for expenses associated with DWI forfeitures to assure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

2014 Results

- Processed 86 DWI forfeited vehicles with 425 DWI arrests.
- Reduced and streamlined administrative time and actual expenses associated with DWI vehicle forfeiture.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|---------------------------------------|---------------------------------------|
| Salaries/Wages/Benefits* | \$ 68,802 | \$ 16,000 |
| Materials/Supplies/Services | 85,770 | 100,784 |
| Capital | - | - |
| | \$ 155,572 | \$ 116,784 |

*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 | | | | | |
|---|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 103,498 | \$ 103,000 | \$ 103,000 | \$ 93,691 | \$ 92,500 |
| Interest Income | 547 | 1,200 | 1,200 | 3,784 | 550 |
| TOTAL REVENUES | 104,045 | 104,200 | 104,200 | 97,475 | 93,050 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 6,913 | 50,483 | 50,483 | 956 | 12,000 |
| Benefits | 10,297 | 19,319 | 19,319 | 9,308 | 4,000 |
| Operating Expenditures | | | | | |
| Utilities and Maintenance | - | - | - | 10,787 | - |
| Operations | - | 24,000 | 24,000 | 1,372 | 28,000 |
| City Support Services | 10,620 | 11,470 | 11,470 | 11,472 | 11,984 |
| Materials and Supplies | 63,206 | 50,300 | 50,300 | 42,961 | 60,800 |
| TOTAL EXPENDITURES | 91,036 | 155,572 | 155,572 | 76,856 | 116,784 |
| FUND BALANCE SOURCES (USES) | 13,009 | (51,372) | (51,372) | 20,619 | (23,734) |
| Fund Balance at Beginning of Year | 228,815 | 241,824 | 241,824 | 241,824 | 262,443 |
| Fund Balance At Year-End | \$ 241,824 | \$ 190,452 | \$ 190,452 | \$ 262,443 | \$ 238,709 |

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

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.

2015 Objectives

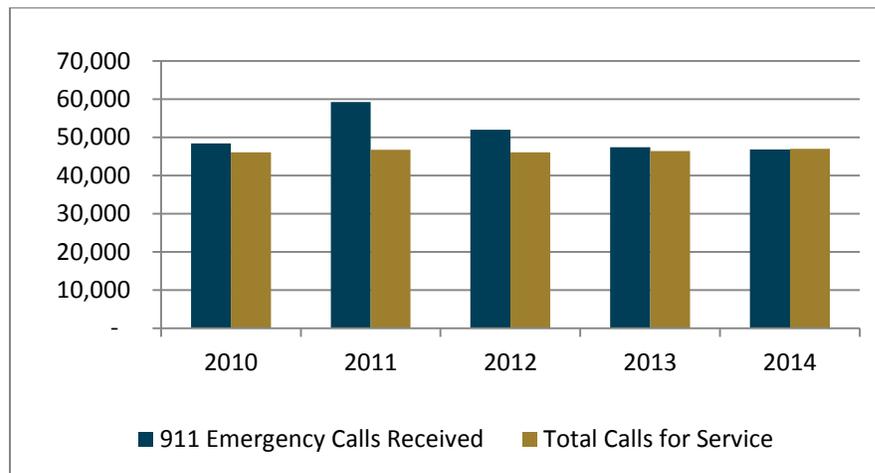
- S** Maintain and upgrade 911-communications technology.
- S** Maintain and improve communication center staffing, training, and equipment.

2014 Results

- Enhanced inter-operability with Metro Radio Board regional system.
- Decreased public safety response times.

| Expenditures | FY2014 | FY2015 |
|-----------------------------|------------------|------------------|
| | Original Budget | Approved Budget |
| Materials/Supplies/Services | \$ 70,137 | \$ 71,600 |
| Capital | | 384,521 |
| | \$ 70,137 | \$456,121 |

911 Calls



In 2014, BPD received 46,812 911 emergency calls and responded to 46,978 calls for service. This includes Mall of America, which had 4701 calls for service and averaged 10 percent of all calls for service.

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 | | | | | |
|--|-------------------|----------------------------|---------------------------|-------------------|------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Intergovernmental | \$ 111,689 | \$ 111,689 | \$ 111,689 | \$ 93,047 | \$ 111,689 |
| Interest Income | 361 | 931 | 931 | 3,420 | 750 |
| Transfers In | - | - | - | - | 90,000 |
| TOTAL REVENUES | 112,050 | 112,620 | 112,620 | 96,467 | 202,439 |
| Expenditures | | | | | |
| Operating Expenditures | | | | | |
| City Support Services | 68,482 | 70,137 | 70,137 | 70,128 | 71,600 |
| Materials and Supplies | - | - | - | 11,093 | - |
| Capital Outlay | | | | | |
| Equipment | - | - | - | - | 384,521 |
| TOTAL EXPENDITURES | 68,482 | 70,137 | 70,137 | 81,221 | 456,121 |
| FUND BALANCE SOURCES (USES) | 43,568 | 42,483 | 42,483 | 15,246 | (253,682) |
| Fund Balance at Beginning of Year | 194,868 | 238,436 | 238,436 | 238,436 | 253,682 |
| Fund Balance At Year-End | <u>\$ 238,436</u> | <u>\$ 280,919</u> | <u>\$ 280,919</u> | <u>\$ 253,682</u> | <u>\$ -</u> |

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.

2015 Objectives

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

- S** Purchase specialized surveillance equipment.
- S** Fund specialized training and equipment for law enforcement activities.

2014 Results

- Removed drugs worth over \$247,000 from the community.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|------------------------------|------------------------------|
| Materials/Supplies/Services | \$ 12,300 | \$ 12,300 |
| Equipment | - | 24,640 |
| | \$12,300 | \$ 36,940 |

DRUG FORFEITURE ACTIVITY

| | <u>2011</u> | | <u>2012</u> | | <u>2013</u> | | <u>2014</u> | |
|-------------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|
| | # grams | Est. Street Value |
| Marijuana | 608,000 | 1,379,000 | 17,403 | 174,038 | 22,352 | 223,520 | 10414.5 | 104,145 |
| Methamphetamines | 294 | 29,000 | 949 | 94,898 | 6,551 | 65,510 | 685.4 | 68,540 |
| Crack (Rock) Cocaine | 574 | 57,500 | 9 | 897 | 39 | 3,900 | 2.51 | 251 |
| Cocaine | 934 | 93,400 | 5,581 | 558,145 | 2,649 | 264,912 | 748.7 | 74,870 |
| TOTAL | | \$1,558,900 | | \$827,978 | | \$557,842 | | \$247,806 |

| POLICE - DRUG FORFEITURES BUDGET SUMMARY Revenues and Expenditures | | | | | |
|--|------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 197,588 | \$ 135,000 | \$ 135,000 | \$ 25,547 | \$ 100,000 |
| Interest Income | (358) | - | - | 676 | 100 |
| TOTAL REVENUES | 197,230 | 135,000 | 135,000 | 26,223 | 100,100 |
| Expenditures | | | | | |
| Operating Expenditures | | | | | |
| City Support Services | 130,309 | - | - | - | - |
| Materials and Supplies | 12,293 | 12,300 | 12,300 | 11,635 | 12,300 |
| Capital Outlay | | | | | |
| Equipment | - | - | - | - | 24,640 |
| Transfers Out | 37,503 | - | - | - | - |
| TOTAL EXPENDITURES | 180,105 | 12,300 | 12,300 | 11,635 | 36,940 |
| FUND BALANCE SOURCES (USES) | 17,125 | 122,700 | 122,700 | 14,588 | 63,160 |
| Fund Balance at Beginning of Year | 25,889 | 43,014 | 43,014 | 43,014 | 57,602 |
| Fund Balance At Year-End | \$ 43,014 | 165,714 | 165,714 | \$ 57,602 | \$ 120,762 |

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 were included in this Fund.

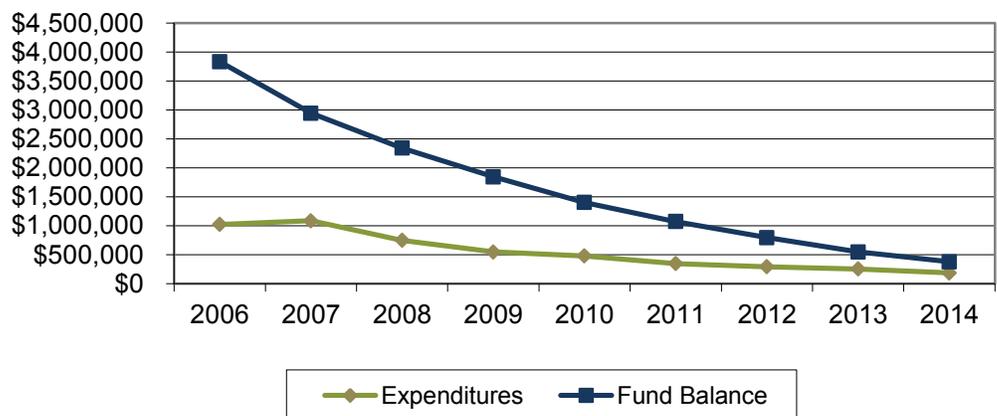
2015 Objectives

- OS Use the proceeds from the reimbursement of Police Pension funds for one-time capital items and to defray the annual operating costs of the Police department.
- OS Implement the approved spend-down plan to fund Police services and cause minimum disruption to taxpayers when this fund is depleted in 2019.
- OS Build a balance in the Fire Pension activity to cushion future contribution increases. The plan should be in place before the 2016 budget cycle.

| Expenditures | FY2014 Original Budget | FY2014 Approved Budget |
|--------------------------|------------------------------|------------------------------|
| Salaries/Wages/Benefits* | \$3,170,255 | \$1,720,000 |
| Transfers Out | 183,500 | 138,500 |
| | \$3,353,755 | \$1,858,500 |

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

Planned Reduction - Police Pension Residual



PENSION RESIDUAL ASSET FUND
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|------------------------------------|---------------------|----------------------------|---------------------------|---------------------|---------------------|
| Revenues | | | | | |
| Tax Revenues | \$ 344,746 | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 401,714 | 401,714 | 401,714 | 622,164 | 512,132 |
| Interest Income | 15,152 | 38,575 | 38,575 | 47,659 | 8,591 |
| Transfers In | - | - | - | - | 1,313,600 |
| TOTAL REVENUES | 761,612 | 440,289 | 440,289 | 669,823 | 1,834,323 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Benefits | 2,312,826 | 3,170,255 | 3,170,255 | 3,170,255 | 1,720,000 |
| Transfers Out | 234,004 | 183,500 | 183,500 | 153,000 | 138,500 |
| TOTAL EXPENDITURES | 2,546,830 | 3,353,755 | 3,353,755 | 3,323,255 | 1,858,500 |
| FUND BALANCE SOURCES (USES) | (1,785,218) | (2,913,466) | (2,913,466) | (2,653,432) | (24,177) |
| Fund Balance at Beginning of Year | 5,667,798 | 3,882,580 | 3,882,580 | 3,882,580 | 1,229,148 |
| Fund Balance At Year-End | \$ 3,882,580 | \$ 969,114 | \$ 969,114 | \$ 1,229,148 | \$ 1,204,971 |

Public Safety – Fire Grants

Activities

Structural Collapse

Technical Rescue Team

The Fire Department pursues supplemental funding in the form of grants and dedicated funding from Federal, State and urban area sources. These funds are utilized for equipment and training for statewide response efforts for hazardous materials emergencies, structural collapse and technical rescues.

2015 Objectives

- S** Improve and protect the quality of life within the community through an aggressive approach to maintaining a safe environment and response capabilities for residents and guests.
- S** Seek additional funding for equipment and training for emergency responders in 2015.

2014 Results

- Obtained and managed grant funding for confined space training for 30 new members of the structural collapse team.
- Obtained and managed funding for equipment and supplies for the structural collapse team.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|------------------------------|------------------------------|
| Salaries/Wages/Benefits* | \$ 0 | \$95,000 |
| Materials/Supplies/Services | - | 150,000 |
| Capital | - | 150,000 |
| | \$ 0 | \$395,000 |

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

| FIRE GRANTS FUND BUDGET SUMMARY Revenues and Expenditures | | | | | |
|---|-----------------|----------------------------|---------------------------|-------------------|----------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Intergovernmental | \$ 146,710 | \$ 44,770 | \$ 44,770 | \$ 41,029 | \$ 395,000 |
| TOTAL REVENUES | 146,710 | 44,770 | 44,770 | 41,029 | 395,000 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | - | - | - | - | 95,000 |
| Operating Expenditures | | | | | |
| Operations | 159,309 | - | 44,770 | 41,029 | 150,000 |
| Capital Outlay | | | | | |
| Equipment | - | - | - | - | 150,000 |
| TOTAL EXPENDITURES | 159,309 | - | 44,770 | 41,029 | 395,000 |
| FUND BALANCE SOURCES (USES) | (12,599) | 44,770 | - | - | - |
| Fund Balance at Beginning of Year | 12,599 | - | - | - | - |
| Fund Balance At Year-End | \$ - | \$ 44,770 | \$ - | \$ - | \$ - |

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

City Clerk – Cemetery

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

2015 Objectives

- OS Offer burial choices with above ground space for cremated remains and cremation burial plots.
- OS Continue developing the master plan for cemetery development and expansion.
- OS Add burial records and GIS mapping tools to the website.

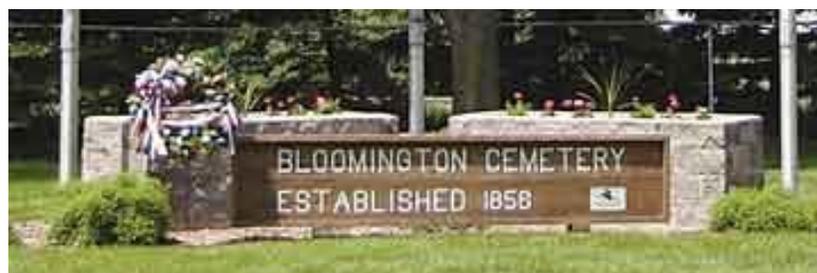
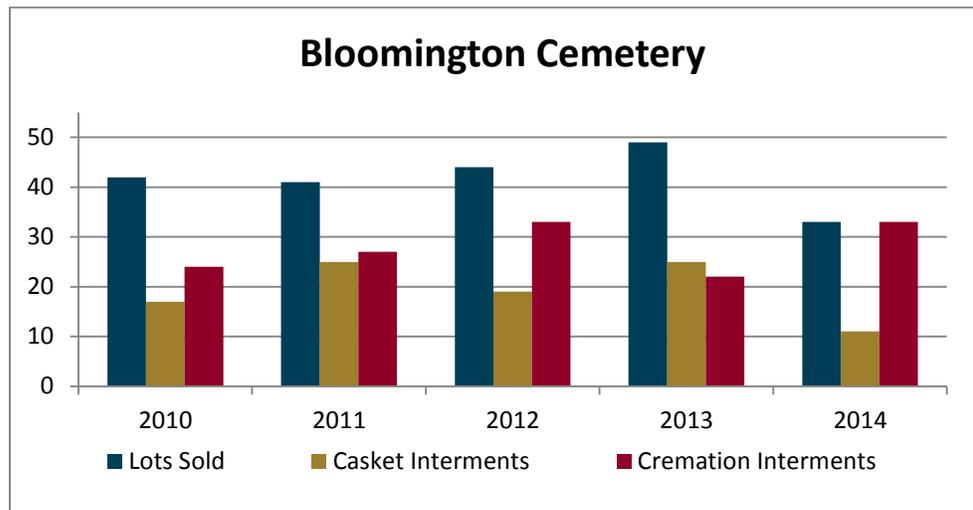
2014 Results

- Purchased a residential property north of the cemetery for expansion purposes.
- Established a new fee structure which includes competitive rates and preferred pricing.
- Amended City Code to open the cemetery to all individuals, expanded eligibility criteria, and added burial/interment options.
- Created a vision where the cemetery is self-sustaining, using no taxpayer funding.
- Added oldest part of the cemetery to the National Register of Historic Places (Bloomington Historical Society)

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 0 | \$ 0 | 0.0% |
| Materials/Supplies/Services | 152,536 | 80,377 | (47.3) |
| Capital | 383,000 | 258,240 | (32.6) |
| | 535,536 | \$338,617 | (36.8)% |

In 1864 the Township of Bloomington became the owners and custodians of the cemetery built in 1856 by Oak Grove Presbyterian Church. In 2014, the oldest part of the cemetery was added to the National Register of Historic Places.



| CEMETERY TRUST FUND BUDGET SUMMARY Revenues and Expenditures | | | | | |
|--|---------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ - | \$ 36,300 | \$ 36,300 | \$ 41,633 | \$ 38,000 |
| Other Income | 68,600 | 70,000 | 70,000 | 47,600 | 71,800 |
| Intergovernmental | - | | | | |
| Interest Income | 2,531 | 8,973 | 8,973 | 16,179 | 8,498 |
| TOTAL REVENUES | 71,131 | 115,273 | 115,273 | 105,412 | 118,298 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | - | - | - | | |
| Benefits | - | - | - | | |
| Operating Expenditures | | | | | |
| Professional and Technical Services | - | - | - | 1,316 | |
| Utilities and Maintenance | - | - | - | | |
| Operations | 2,197 | - | - | | |
| City Support Services | - | 152,536 | 152,536 | 202,932 | 80,377 |
| Materials and Supplies | 350 | - | - | 250 | |
| Capital Outlay | | | | | |
| Equipment | | | | | |
| Building and Improvements | - | 383,000 | 383,000 | 238,249 | 258,240 |
| Operating Transfers Out | | | | | |
| | - | - | - | | |
| TOTAL EXPENDITURES | 2,547 | 535,536 | 535,536 | 442,747 | 338,617 |
| FUND BALANCE SOURCES (USES) | 68,584 | (420,263) | (420,263) | (337,335) | (220,319) |
| Fund Balance at Beginning of Year | 1,147,455 | 1,216,039 | 1,216,039 | 1,216,039 | 878,704 |
| Fund Balance At Year-End | \$ 1,216,039 | \$ 795,776 | \$ 795,776 | \$ 878,704 | \$ 658,385 |

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.

2015 Objectives

- OS** Launch a redesigned City website with improved functionality by February 2015 and begin to assess Phase II.
- OS** Complete franchise renewal with Comcast and transfer of the cable system to Midwest Cable by March 2015.
- OS** Begin getting the City ready to transmit TBC14 in high definition.
- OS** Rebrand the City's cable channels with a new logo and more robust web presence.
- OS** Continue promotional efforts of Citizen Alert and online water billing to increase subscribers and usage.
- OS** Revise the crisis communications plan to include new policies and procedures.

2014 Results

- Increased users to the City's social media sites, attracting 2,075 Facebook fans (a 56% increase over 2013) and 1,853 Twitter followers (a 74% increase over 2013).
- Achieved an all-time high 132,866 views of staff-produced videos on YouTube (a 56% increase over 2013) and attracted more than 150 new subscribers.
- Grew Ask the City registered users to 3,314, a 14% increase over 2013 and hit a record number of visits to the FAQs and pages during the second half of 2013.
- Attracted 518,411 users who came to the City's website for information in 2014, an 8% increase over 2013.
- Increased E-Subscribe users to 12,319, a 20% increase over 2013.
- Worked on the redesign of the City's website while inventorying all web content and transferring content to the new site.
- Shortened the domain name to BloomingtonMN.gov and launched a new video streaming service that offers an improved way to stream both live and recorded videos on the website.
- Renewed the Southwest Suburban Cable Commission's producers contract with BCAT, adding \$15,000 in revenue to the Communications' budget.
- Recorded 110 on-location events and presentations for cable television; produced 48 Bloomington Today shows, 12 BPD Roll Call shows, 24 live City Council and 22 Planning Commission meetings, and 24 City Council Agendas and Commission Updates.
- Honored with two national awards, including a first-place Savvy awards from 3CMA's national communications awards competition for the 2014 State of the City and three Awards of Excellence and two Awards of Merit from the Minnesota Association of Government Communicators' Northern Lights Awards contest for the City's publications and videos.



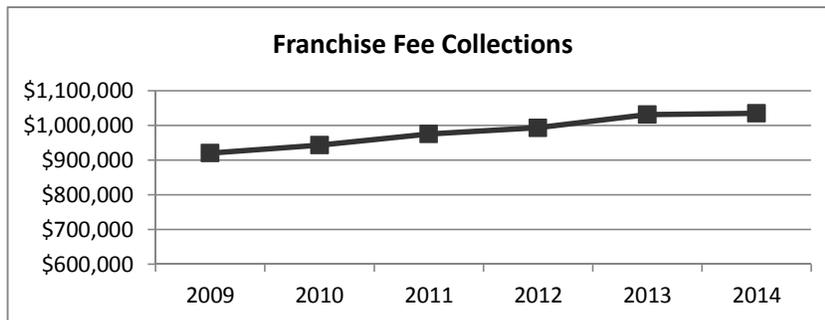
In 2014, viewers watched more than 396,000 minutes—or 275 days—of content on the City's YouTube channel.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|------------------------------|------------------------------|
| Salaries/Wages/Benefits | \$ 780,880 | \$ 824,138 |
| Materials/Supplies/Services | 635,469 | 592,000 |
| Capital Outlay | 84,700 | 126,200 |
| Transfer Out | | |
| | \$1,501,049 | \$1,542,338 |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|--------------------------------|----------|----------|----------|
| | 8 | 8 | 8 |
| Communications Administrator | 1 | 1 | 1 |
| Communications Specialist | 2 | 2 | 2 |
| Graphics Production Specialist | 1 | 1 | 1 |
| Municipal Cable Coordinator | 1 | 1 | 1 |
| Senior Production Specialist | 1 | 1 | 1 |
| Web Coordinator | 2 | 2 | 2 |

**COMMUNICATIONS
BUDGET SUMMARY**
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| Revenues | | | | | |
| Program Income | \$ 1,281,974 | \$ 1,448,300 | \$ 1,448,350 | \$ 984,030 | \$ 1,528,900 |
| Interest Income | 1,380 | - | - | 5,912 | - |
| Transfers In | 109,896 | 115,396 | 115,396 | 115,392 | 122,219 |
| TOTAL REVENUES | 1,393,250 | 1,563,696 | 1,563,746 | 1,105,334 | 1,651,119 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 534,809 | 569,805 | 569,805 | 555,101 | 588,455 |
| Benefits | 211,100 | 211,075 | 211,075 | 219,219 | 235,683 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 132,210 | 193,500 | 221,500 | 202,167 | 146,100 |
| Utilities and Maintenance | 166,270 | 168,425 | 168,425 | 163,631 | 169,402 |
| Operations | 18,759 | 24,031 | 24,031 | 19,204 | 24,175 |
| City Support Services | 200,632 | 212,824 | 212,824 | 212,036 | 215,724 |
| Materials and Supplies | 37,598 | 36,689 | 36,739 | 32,568 | 36,599 |
| Capital Outlay | | | | | |
| Equipment | 70,205 | 84,700 | 114,920 | 105,934 | 126,200 |
| Transfers Out | 50,004 | - | - | - | - |
| TOTAL EXPENDITURES | 1,421,587 | 1,501,049 | 1,559,319 | 1,509,860 | 1,542,338 |
| FUND BALANCE SOURCES (USES) | (28,337) | 62,647 | 4,427 | (404,526) | 108,781 |
| Fund Balance at Beginning of Year | 650,368 | 622,031 | 622,031 | 622,031 | 217,505 |
| Fund Balance At Year-End | \$ 622,031 | \$ 684,678 | \$ 626,458 | \$ 217,505 | \$ 326,286 |



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. These revenues and related expenditures were previously reported in the General Fund.

2015 Objectives

- S** Maintain the safety and viability of regional parks in the City
- OS** Utilize funds to address operational and maintenance needs in the park reserve
- OS** Work with the other Metropolitan Regional Parks implementing agencies to lobby the Legislature for continued Lottery-in-Lieu of operations and maintenance funding
- OS** Focus fund expenditures on equipment and services that support the active usage of the park reserve including but not limited to:
 - Natural resources restorations – Izaak Walton Road properties
 - Replace picnic tables
 - Fog coat bituminous trails at East Bush Lake Park
 - Bush Lake Beach parking lot chip-seal resurfacing
 - Defer additional expenditures to address any unforeseen repairs or equipment replacements in 2015, and provide contingency funding for West Bush Lake parking lot reconstruction project in 2016.

2014 Results

Below are 2014 projects that were funded through the Special Revenues – Park Grants Fund:

- Storage trailer for Camp Kota program
- Normandale Lake Bandshell bike racks and concrete pads
- Popcorn popper for Normandale Bandshell
- Replace soccer goals as needed
- Deferred additional expenditures to 2015 to provide additional contingency for the 2014 Normandale Park parking lot reconstruction project

| Expenditures | FY2014 | FY2015 |
|-----------------------------|------------------|-----------------|
| | Original Budget | Approved Budget |
| Materials/Supplies/Services | \$113,000 | \$64,000 |
| | \$113,000 | \$64,000 |

| PARK GRANTS FUND BUDGET SUMMARY Revenues and Expenditures | | | | | |
|---|------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 11,254 | \$ 63,851 | \$ 222,514 | \$ 227,314 | \$ 70,352 |
| Interest Income | 213 | - | - | 2,883 | - |
| TOTAL REVENUES | 11,467 | 63,851 | 222,514 | 230,197 | 70,352 |
| Expenditures | | | | | |
| Operating Expenditures | | | | | |
| Materials and Supplies | 11,254 | 113,000 | 113,000 | 8,881 | 64,000 |
| TOTAL EXPENDITURES | 11,254 | 113,000 | 113,000 | 8,881 | 64,000 |
| FUND BALANCE SOURCES (USES) | 213 | (49,149) | 109,514 | 221,316 | 6,352 |
| Fund Balance at Beginning of Year | 18,909 | 19,122 | 19,122 | 19,122 | 240,438 |
| Fund Balance At Year-End | \$ 19,122 | \$ (30,027) | \$ 128,636 | \$ 240,438 | \$ 246,790 |

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

Grants

Sage Clinic
 Temporary Assistance to Needy Families (TANF)
 Maternal, Infant and Early Childhood Home Visiting Grant (MIECHV 2)
 State Health Improvement Plan (SHIP)
 Community Transformation Grant (CTG)
 Public Health Emergency Preparedness and Response



In 2014, the City Council unanimously passed an ordinance to prohibit the use of e-cigarettes in places of work, restaurants and bars and their outdoor spaces and city-owned parks and recreational areas. The ordinance also restricts the sale of single cigars for less than \$2.60 apiece.

Public Health Special Revenue

2015 Objectives

- S** 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 second year of Statewide Health Improvement Program (SHIP) 3.
- S** Expand the Community Emergency Response Team to include a Culture Services Unit, which will serve as cultural connectors in the community and provide outreach to diverse populations.

2014 Results

SAGE CLINC

- Of the women screened for cancer, 7 breast cancers were diagnosed (and treated through other sources). Staff helped these women find medical and financial resources for their treatment.

TANF and MIECHV 2 Grants

- Made 677 home visits to 65 clients who were pregnant and parenting teens and women with young children to improve birth and early childhood development outcomes.
- Assessed and supported individuals learning about managing depression, chemical use and domestic violence as well as physical and emotional development concerns in infants and toddlers.
- Helped first-time parents with significant risk factors for raising children with poor childhood outcomes learn how to positively respond to their babies' needs and foster healthy development.
- Taught over 2,800 students in local middle and high schools about preventing teen pregnancy and sexually transmitted infections.

SHIP and CTG Grants

- Continued to work on the implementation of the VEAP food shelf teaching kitchen by focusing on food repurposing and a healthy food shelf, in partnership with VEAP and U of M Extension Service.
- Worked with the School District to finalize the comprehensive Safe Routes to School District Plan.
- Implemented the Community Food Plan to improve the availability and accessibility of healthier foods for at-risk populations in Bloomington, Edina and Richfield.
- Developed a plan for implementation of smoke-free multi-unit housing.
- Provided training to 41 dental professionals from 18 clinics to give their patients an opportunity to end their smoking habit with the Call it Quits Referral Program.

Public Health Emergency Preparedness and Response Grants

- Trained 30 people in Community Emergency Response Team (CERT) basic training.
- Oriented 24 volunteers to the Medical Reserve Corps, in partnership with Hennepin County.
- In partnership with Bloomington schools, trained nearly 1,290 residents to use AEDs and perform CPR and submitted the application to become a Heart Safe Community.
- Conducted high-volume flu clinics which provided 575 individuals with vaccines, of which 33% were uninsured or underinsured.

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|---------------------------------------|---------------------------------------|
| Salaries/Wages/Benefits | \$1,219,052 | \$1,077,229 |
| Materials/Supplies/Services | 319,476 | 274,331 |
| | \$1,538,528 | \$1,351,560 |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|-------------------------|---------------|---------------|---------------|
| | 9 | 8 | 7 |
| Health Specialist | 6 | 6 | 5 |
| Public Health Nurse | 1 | 2 | 2 |
| Youth Health Specialist | 2 | 0 | 0 |

PUBLIC HEALTH SPECIAL REVENUE FUND
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|-------------------|----------------------------|---------------------------|-------------------|------------------|
| Revenues | | | | | |
| Intergovernmental | \$ 1,527,794 | \$ 1,378,554 | \$ 1,547,639 | \$ 1,170,361 | \$ 1,217,743 |
| Program Income | 156,233 | 85,277 | 85,277 | 67,097 | 96,559 |
| Interest Income | (723) | - | - | (161) | - |
| TOTAL REVENUES | 1,683,304 | 1,463,831 | 1,632,916 | 1,237,297 | 1,314,302 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 910,138 | 913,125 | 913,125 | 750,637 | 794,433 |
| Benefits | 283,941 | 305,927 | 305,927 | 243,758 | 282,796 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 117,863 | 67,527 | 215,412 | 111,706 | 76,782 |
| Utilities and Maintenance | 138,110 | 73,242 | 73,242 | 47,940 | 75,026 |
| Operations | 35,719 | 30,922 | 34,662 | 29,685 | 27,014 |
| City Support Services | 57,154 | 70,018 | 70,018 | 67,382 | 59,533 |
| Materials and Supplies | 118,810 | 77,767 | 115,227 | 31,206 | 35,976 |
| TOTAL EXPENDITURES | 1,661,735 | 1,538,528 | 1,727,613 | 1,282,314 | 1,351,560 |
| FUND BALANCE SOURCES (USES) | 21,569 | (74,697) | (94,697) | (45,017) | (37,258) |
| Fund Balance at Beginning of Year | 136,249 | 157,818 | 157,818 | 157,818 | 112,801 |
| Fund Balance At Year-End | \$ 157,818 | \$ 83,121 | \$ 63,121 | \$ 112,801 | \$ 75,543 |

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 account for studies funded from this special revenue stream outside of the General Fund. Any short-term operational deficits will be covered by a loan from the South Loop Development Fund.

2015 Objectives

- LU,T,U** To conduct planning studies for traffic and transportation, water and sanitary sewer utility services, parking, natural resources and storm water management in the South Loop District.
- LU,T** To plan for capital improvement projects to support South Loop District Plan goals.
- LU,T,U** To plan and develop programs to conserve and protect resources such as energy, surface and subsurface water, and existing infrastructure.

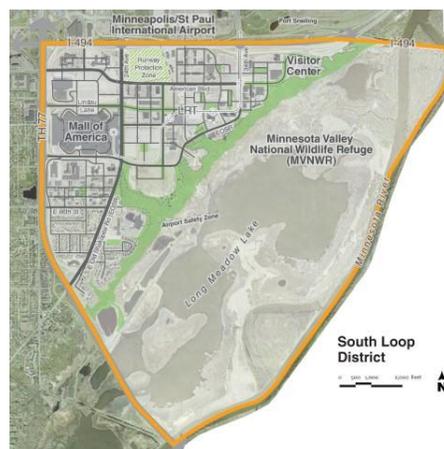
2014 Results

- Obtained and/or managed Economic Development Grants and funding for Bloomington Central Station and Mall of America projects.

| Expenditures | FY2014 Original Budget | FY2015 Approved Budget |
|-----------------------------|------------------------------|------------------------------|
| Salaries/Wages/Benefits | \$ 0 | \$ 0 |
| Materials/Supplies/Services | 0 | 0 |
| Debt Service | 0 | 0 |
| Operating Transfer Out | 348,000 | 150,000 |
| | \$ 348,000 | \$ 150,000 |

| Authorized Full-Time | FY2013 5* | FY2014 5* | FY2015 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.



Aerial view of South Loop

SOUTH LOOP REVOLVING DEVELOPMENT SERVICES FUND
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| Revenues | | | | | |
| Program Income | \$ 1 | \$ 270,000 | \$ 270,000 | \$ 164,504 | \$ 270,000 |
| Interest Income | 271 | 500 | 500 | 2,355 | 50 |
| TOTAL REVENUES | 272 | 270,500 | 270,500 | 166,859 | 270,050 |
| Expenditures | | | | | |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 7,697 | - | - | - | - |
| Debt Service | | | | | |
| Operating Transfers Out | - | 348,000 | 348,000 | 240,000 | 150,000 |
| TOTAL EXPENDITURES | 7,697 | 348,000 | 348,000 | 240,000 | 150,000 |
| FUND BALANCE SOURCES (USES) | (7,425) | (77,500) | (77,500) | (73,141) | 120,050 |
| Fund Balance at Beginning of Year | 120,247 | 112,822 | 112,822 | 112,822 | 39,681 |
| Fund Balance At Year-End | <u>\$ 112,822</u> | <u>\$ 35,322</u> | <u>\$ 35,322</u> | <u>\$ 39,681</u> | <u>\$ 159,731</u> |

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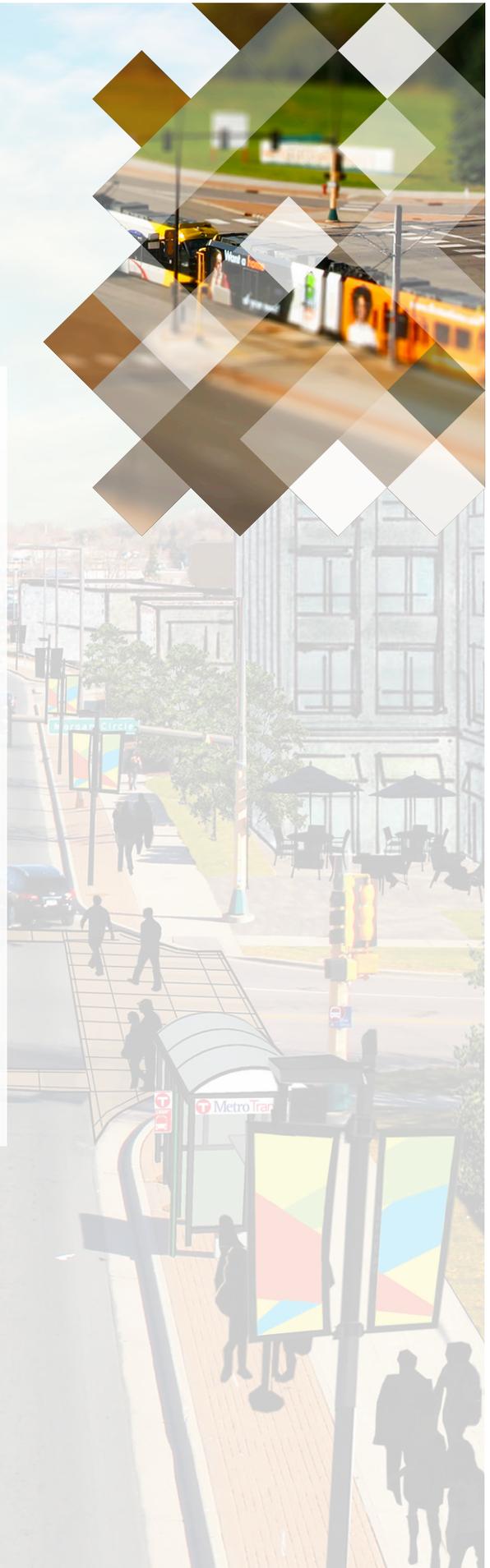


SHAPE^{of} THINGS^{to}COME

ENTERPRISE FUNDS

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SHAPE_{of} THINGS^{to}COME



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2015 Budget Summary – Enterprise Funds

| REVENUES | | | | |
|--------------------------|----------------|----------------|------------------|----------------|
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Recreational Facilities | | | | |
| Golf Courses | | | | |
| - Operating | \$ 1,547,520 | \$1,848,500 | \$1,582,321 | \$ 1,618,095 |
| - Non-Operating | 723,818 | 802,800 | 803,406 | 895 |
| Ice Garden | | | | |
| - Operating | 1,403,672 | 1,401,450 | 1,466,760 | 1,440,450 |
| - Non-Operating | 10,479 | 804,900 | 807,075 | 4,500 |
| Aquatic Facilities | | | | |
| - Operating | 315,564 | 371,750 | 308,212 | 319,870 |
| - Non-Operating | 755,418 | 805,832 | 792,114 | 845,884 |
| Center for the Arts | | | | |
| - Operating | 176,169 | 153,604 | 176,531 | 166,000 |
| - Non-Operating | 507,221 | 514,710 | 504,047 | 544,031 |
| Water Utility | | | | |
| - Operating | 10,912,704 | 12,440,901 | 10,768,571 | 12,426,421 |
| - Non-Operating | 289,337 | 265,000 | 337,146 | 287,825 |
| Wastewater Utility | | | | |
| - Operating | 9,422,955 | 9,960,800 | 10,046,045 | 10,536,600 |
| - Non-Operating | 40,038 | 43,575 | 58,559 | 77,032 |
| Storm Water Utility | | | | |
| - Operating | 4,736,151 | 5,063,154 | 4,991,832 | 5,141,976 |
| - Non-Operating | 11,401 | 44,000 | 62,051 | 54,000 |
| Solid Waste Utility | | | | |
| - Operating | 1,336,015 | 1,467,031 | 1,400,003 | 1,680,763 |
| - Non-Operating Revenues | 20,991 | 31,200 | 38,534 | 24,110 |
| Contractual Police | 668,742 | 600,000 | 672,848 | 600,000 |
| Motor Vehicle | | | | |
| - Operating | 613,628 | 661,030 | 732,960 | 727,030 |
| - Non-Operating Revenues | (355) | 0 | 5,688 | 0 |
| | \$34,491,468 | \$37,285,237 | 35,554,703 | \$36,495,482 |

| EXPENDITURES | | | | |
|--------------------------------|------------------------|------------------------|--------------------------|------------------------|
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Recreational Facilities | | | | |
| Golf Courses | | | | |
| - Operating | \$ 1,199,645 | \$ 1,860,399 | 1,805,289 | \$ 1,838,467 |
| - Capital | 690,758 | 975,990 | 792,520 | 47,000 |
| Ice Garden | | | | |
| - Operating | 1,588,485 | 2,042,606 | 2,009,245 | 1,271,737 |
| - Capital | 37,469 | 307,222 | 42,688 | 365,000 |
| - Debt Service | 599 | 0 | 0 | 0 |
| Aquatic Facilities | | | | |
| - Operating | 1,145,052 | 1,238,260 | 1,171,042 | 1,301,271 |
| - Capital | 37,700 | 0 | 0 | 0 |
| Center for the Arts | 701,086 | 679,285 | 689,335 | 792,036 |
| Water Utility | | | | |
| - Operating | 12,151,336 | 12,205,745 | 10,962,412 | 11,944,423 |
| - Capital | 79,070 | 2,305,091 | 1,830,167 | 788,000 |
| Wastewater Utility | | | | |
| - Operating | 10,593,290 | 9,698,663 | 9,833,855 | 9,918,723 |
| - Capital | 298,257 | 756,011 | 461,019 | 610,000 |
| Storm Water Utility | | | | |
| - Operating | 974,567 | 3,396,052 | 2,569,160 | 3,268,003 |
| - Capital | 2,269,642 | 3,027,544 | 2,448,594 | 3,181,542 |
| Solid Waste Utility | | | | |
| - Operating | 1,227,067 | 1,683,273 | 1,590,483 | 1,958,891 |
| - Capital | 0 | 0 | 0 | 0 |
| Contractual Police | 668,741 | 600,000 | 672,848 | 600,000 |
| Motor Vehicle | 623,712 | 631,535 | 632,322 | 750,726 |
| | \$34,286,476 | \$41,407,676 | \$37,510,979 | \$38,635,819 |

Public Works – Water Utility

Activities

- Administration
- Customer Service
- Water Supply and Treatment
- Water Distribution and Storage

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

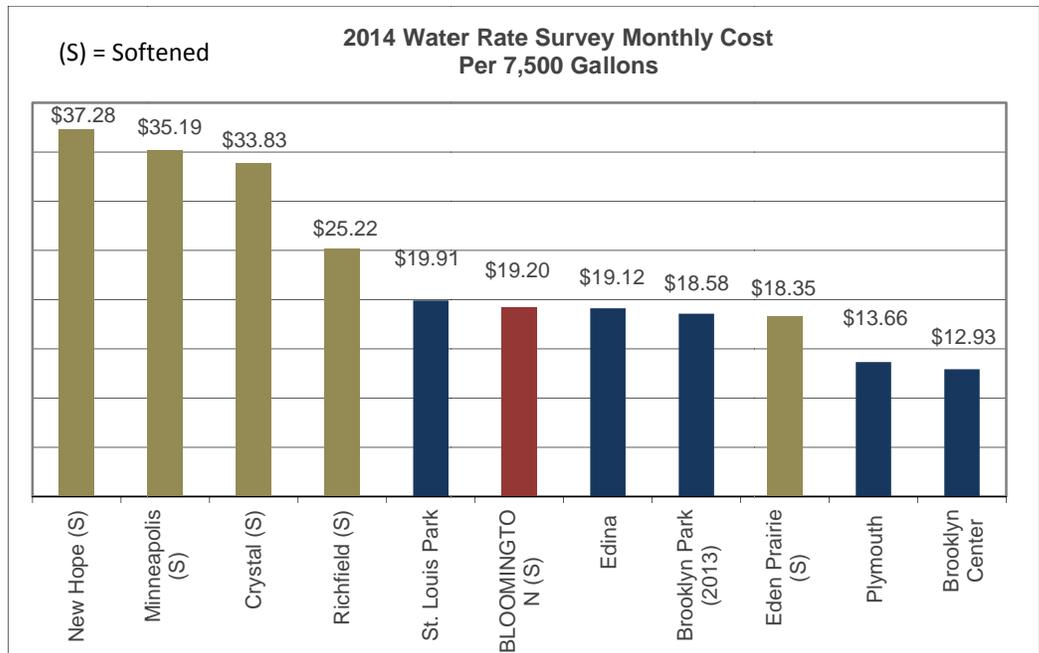
2015 Objectives

- U Provide an adequate supply of potable water, which meets or exceeds all state and federal standards at a rate that is less than the average cost of other cities supplying softened water.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------|------------------------|----------------|
| Salaries/Wages/Benefits | \$ 3,171,294 | \$ 3,477,155 | 9.64% |
| Materials/Supplies/Services | 8,440,854 | 8,467,268 | 0.00 |
| Capital Outlay | 2,175,700 | 788,000 | (63.78) |
| Transfers Out | 0 | 0 | -- |
| Capitalized Assets | (2,175,700) | (788,000) | 63.78 |
| Depreciation Expense | 1,000,000 | 1,000,000 | 0.00 |
| | \$12,612,148 | \$12,944,423 | 2.63% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|------------------------------------|-----------|-----------|-----------|
| | 32 | 32 | 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 Technician | 1 | 1 | 1 |
| Senior Utility Operator | 9 | 9 | 9 |
| Senior Utility Service Specialist | 1 | 1 | 1 |
| Utility Operator | 12 | 12 | 12 |
| Utility Superintendent | 1 | 1 | 1 |
| Utility Supervisor | 2 | 2 | 2 |
| Water Quality Supervisor | 1 | 1 | 1 |

The winter of 2014 was severe and resulted in almost 200 frozen water services throughout the city. This set a record for the most frozen services in a winter season, surpassing the previous record of 163 during the winter of 1976-1977.



Note: See combined monthly cost of utilities comparable table on page 265.

| WATER OPERATING BUDGET SUMMARY Revenues and Expenses | | | | | |
|--|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 11,199,942 | \$ 12,700,901 | \$ 12,700,901 | \$ 10,595,988 | \$ 12,709,246 |
| Interest Income | 2,099 | 5,000 | 5,000 | 36,713 | 5,000 |
| TOTAL REVENUES | 11,202,041 | 12,705,901 | 12,705,901 | 10,632,701 | 12,714,246 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 2,172,811 | 2,248,984 | 2,498,984 | 2,296,573 | 2,460,153 |
| Benefits | 890,729 | 922,310 | 922,310 | 943,979 | 1,017,002 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 26,959 | 103,495 | 186,293 | 93,351 | 116,391 |
| Utilities and Maintenance | 1,438,735 | 1,501,200 | 1,761,999 | 1,343,031 | 1,571,200 |
| Operations | 164,771 | 186,785 | 186,785 | 159,438 | 188,379 |
| City Support Services | 1,620,445 | 1,681,677 | 1,681,677 | 1,681,677 | 1,804,438 |
| Materials and Supplies | 4,722,570 | 4,967,697 | 4,967,697 | 4,444,363 | 4,786,860 |
| Capital Outlay | | | | | |
| Equipment | 79,070 | 175,000 | 179,914 | 156,771 | 185,000 |
| Building and Improvements | - | 2,000,700 | 2,125,177 | 1,673,396 | 603,000 |
| Transfers Out | 1,114,316 | - | - | | |
| TOTAL EXPENSES | 12,230,406 | 13,787,848 | 14,510,836 | 12,792,579 | 12,732,423 |
| Less Capitalized Assets | (79,070) | (2,175,700) | (2,305,091) | (1,830,167) | (788,000) |
| Add Depreciation Expense | 1,007,584 | 1,000,000 | 1,000,000 | | 1,000,000 |
| NET TOTAL EXPENSES | 13,158,920 | 12,612,148 | 13,205,745 | 10,962,412 | 12,944,423 |
| NET INCOME (LOSS) | (1,956,879) | 93,753 | (499,844) | (329,711) | (230,177) |
| Net Position at Beginning of Year | 45,051,534 | 43,094,655 | 43,094,655 | 43,094,655 | 42,764,944 |
| Net Position At Year-End | \$ 43,094,655 | \$ 43,188,408 | \$ 42,594,811 | \$ 42,764,944 | \$ 42,534,767 |

Public Works – Wastewater Utility

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

Activities

- Administration
- Customer Service
- Wastewater Collection

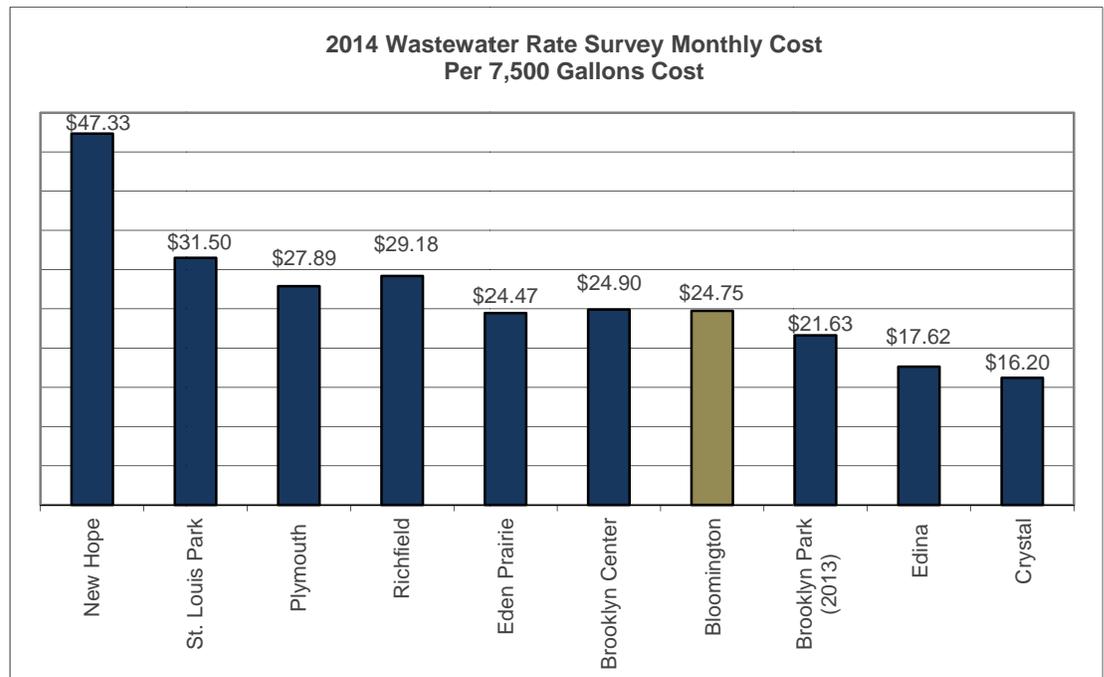
2015 Objectives

U Provide adequate sanitary sewer operations to provide needed capacity while minimizing system blockages and infiltration/inflow, keeping rates at less than the average cost of other cities.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 2,129,969 | \$ 1,963,204 | 5.30% |
| Materials/Supplies/Services | 7,792,533 | 7,955,519 | 1.91 |
| Capital Outlay | 610,000 | 610,000 | (33.10) |
| Capitalized Assets | (610,000) | (610,000) | 33.10 |
| Depreciation Expense | 1,200,000 | 1,200,000 | 0.0 |
| | \$11,122,502 | \$11,118,723 | 2.30% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|----------------------------|-----------|-----------|-----------|
| | 22 | 22 | 22 |
| Analyst | 1 | 2 | 2 |
| Assistant Utilities Supt. | 1 | 1 | 1 |
| Civil Engineer – Utilities | 1 | 1 | 1 |
| Computer Specialist | 2 | 1 | 1 |
| Office Support Specialist | 1 | 1 | 1 |
| Senior Utility Operator | 8 | 8 | 8 |
| Utility Operator | 7 | 7 | 7 |
| Utility Supervisor | 1 | 1 | 1 |

In 2014, the City of Bloomington paid more than \$6.2 million dollars to the Met Council Environmental Services to treat almost 3 billion gallons of wastewater at their Seneca Regional Plant located in Eagan, MN.



Note: See combined monthly cost of utilities comparable on page 265.

| WASTEWATER OPERATING BUDGET SUMMARY Revenues and Expenses | | | | | |
|---|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 9,453,470 | \$ 9,989,375 | \$ 9,989,375 | \$ 9,395,082 | \$ 10,564,632 |
| Interest Income | 9,523 | 15,000 | 15,000 | 19,222 | 49,000 |
| TOTAL REVENUES | 9,462,993 | 10,004,375 | 10,004,375 | 9,414,304 | 10,613,632 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,286,114 | 1,497,078 | 1,247,078 | 1,198,516 | 1,386,117 |
| Benefits | 568,771 | 632,891 | 632,891 | 576,802 | 577,087 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 15,445 | 52,195 | 55,640 | 44,322 | 144,841 |
| Utilities and Maintenance | 6,265,255 | 6,405,078 | 6,427,794 | 6,371,935 | 6,407,334 |
| Operations | 53,395 | 64,743 | 64,743 | 51,857 | 58,221 |
| City Support Services | 1,115,698 | 1,177,167 | 1,177,167 | 1,195,020 | 1,245,273 |
| Materials and Supplies | 115,786 | 93,350 | 93,350 | 395,403 | 99,850 |
| Capital Outlay | | | | | |
| Equipment | (2,668) | 10,000 | 10,000 | 6,379 | 15,000 |
| Building and Improvements | - | 600,000 | 746,011 | 454,640 | 595,000 |
| Transfers Out | 1,473,751 | - | - | - | - |
| TOTAL EXPENSES | 10,891,547 | 10,532,502 | 10,454,674 | 10,294,874 | 10,528,723 |
| Less Capitalized Assets | 2,668 | (610,000) | (756,011) | (461,019) | (610,000) |
| Add Depreciation Expense | 1,200,000 | 1,200,000 | 1,200,000 | - | 1,200,000 |
| NET TOTAL EXPENSES | 12,094,215 | 11,122,502 | 10,898,663 | 9,833,855 | 11,118,723 |
| NET INCOME (LOSS) | (2,631,222) | (1,118,127) | (894,288) | (419,551) | (505,091) |
| Net Position at Beginning of Year | 17,657,750 | 15,026,528 | 15,172,693 | 15,026,528 | 14,606,977 |
| Net Position At Year-End | \$ 15,026,528 | \$ 13,908,401 | \$ 14,278,405 | \$ 14,606,977 | \$ 14,101,886 |

Public Works – Storm Water Utility

Activities

Administration

Maintenance & Repair

Water Quality & Aquatic Weed Control

Street Sweeping

Billings & Collections

Improvements



June 2014 was Minnesota's wettest month on record. Bloomington recorded 11.93 inches of rain which was slightly more than the Twin Cities June record of 11.67 inches set 140 years ago in 1874. 78% of residents rates storm drainage as excellent or good, placing Bloomington in the top 15% nationwide and #3 among peer cities. The Public Works rainwater garden and permeable paver parking lot reduce stormwater runoff by 500,000 gallons per year.

The Storm Water Utility accounts for the operations and maintenance, as well as improvements of the storm drainage system.

2015 Objectives

- U Provide outstanding value storm water services and manage water resource assets in a safe, cost effective manner.
- U Consult with city property owners, developers and contractors and provide guidance on drainage and erosion concerns.

2014 Results

- Inspected: 296 catch basins, 196 manholes and nearly 9 miles of storm sewer pipe.
- Installed: 31 rainwater gardens.
- Maintained: 58 rainwater garden inlet structures and 121 trap manhole structures.

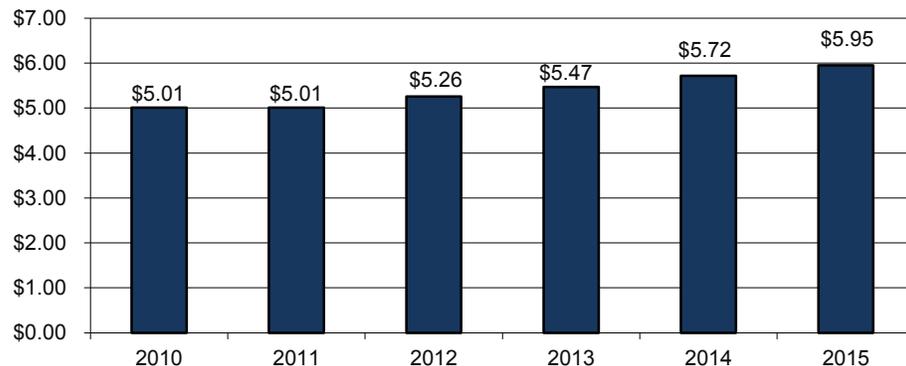
Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 1,603,466 | \$ 1,303,580 | (18.70)% |
| Materials/Supplies/Services | 1,624,537 | 1,590,565 | (2.09) |
| Capital Outlay | 3,444,402 | 3,555,400 | 3.22 |
| Transfer | 40,000 | 0 | -- |
| Capitalized Assets | (3,444,402) | (3,555,400) | (3.22) |
| Depreciation Expense | 1,069,000 | 1,069,000 | 0.00 |
| | \$ 4,337,003 | \$ 3,963,145 | (8.62)% |

Personnel

| | FY2013 | FY2014 | FY2015 |
|-------------------------------|-----------|-----------|-----------|
| | 11 | 12 | 12 |
| Civil Engineer | 1 | 1 | 1 |
| Engineering Technician I | 1 | 1 | 1 |
| Equipment Operator I | 2 | 3 | 3 |
| Equipment Operator II | 3 | 3 | 3 |
| Senior Civil Engineer | 1 | 1 | 1 |
| Senior Engineering Technician | 1 | 1 | 1 |
| Street Maintenance Supervisor | 1 | 1 | 1 |
| Water Resource Specialist | 1 | 1 | 1 |

Cost per Month for Single-Family Home



| STORM WATER OPERATING BUDGET SUMMARY Revenues and Expenses | | | | | |
|--|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 4,724,553 | \$ 4,945,554 | \$ 4,945,554 | \$ 4,467,276 | \$ - |
| Other Income | 9,809 | - | - | 75 | 5,141,976 |
| Intergovernmental | 1,789 | 117,600 | 117,600 | 113,830 | - |
| Interest Income | 11,401 | 44,000 | 44,000 | 62,051 | 54,000 |
| TOTAL REVENUES | 4,747,552 | 5,107,154 | 5,107,154 | 4,643,232 | 5,195,976 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 743,257 | 1,113,114 | 1,113,114 | 796,399 | 934,974 |
| Benefits | 369,950 | 490,352 | 490,352 | 430,306 | 368,606 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 94,379 | 306,395 | 413,642 | 80,162 | 276,541 |
| Utilities and Maintenance | 128,275 | 129,920 | 148,890 | 119,217 | 148,000 |
| Operations | 25,222 | 26,416 | 26,416 | 19,304 | 27,098 |
| City Support Services | 955,334 | 1,003,773 | 1,003,773 | 998,123 | 1,029,168 |
| Materials and Supplies | 69,320 | 158,033 | 159,865 | 85,653 | 109,758 |
| Capital Outlay | | | | | |
| Building and Improvements | (347,934) | 2,821,000 | 3,027,544 | 2,448,594 | 3,555,400 |
| Transfers Out | 1,206,406 | 40,000 | 40,000 | 39,996 | - |
| TOTAL EXPENSES | 3,244,209 | 6,089,003 | 6,423,596 | 5,017,754 | 6,449,545 |
| Less Capitalized Assets | 347,934 | (2,821,000) | (3,027,544) | (2,448,594) | (3,555,400) |
| Add Depreciation Expense | 1,069,000 | 1,069,000 | 1,069,000 | | 1,069,000 |
| NET TOTAL EXPENSES | 4,661,143 | 4,337,003 | 4,465,052 | 2,569,160 | 3,963,145 |
| NET INCOME (LOSS) | 86,409 | 770,151 | 642,102 | 2,074,072 | 1,232,831 |
| Net Position at Beginning of Year | 30,675,830 | 30,762,239 | 30,762,239 | 30,762,239 | 32,836,311 |
| Net Position At Year-End | \$ 30,762,239 | \$ 31,532,390 | \$ 31,404,341 | \$ 32,836,311 | \$ 34,069,142 |

Public Works – Solid Waste Utility

Activities

Administration

City Property Pickup & Recycle

Billing & Collections

City-wide Curbside Clean-up

Diseased Trees

Hazardous Material Cleanup



A Solid Waste Management Plan is being developed to guide the City's approach to solid waste, covering all components of solid waste management, including recycling, waste reduction, yard waste collection, food waste/organics recovery,

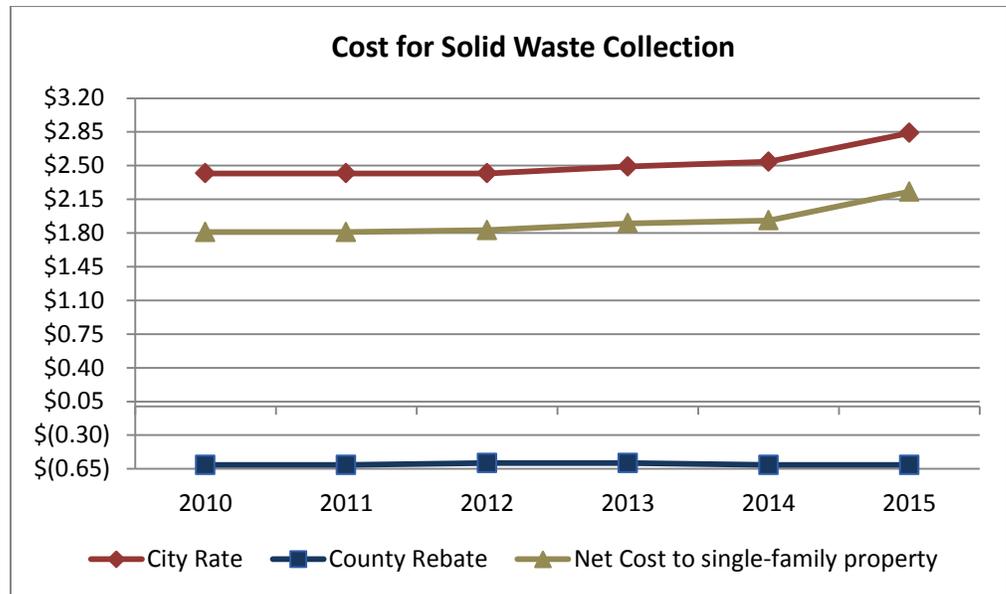
This Fund was established to account for the operation of the City-wide cleanup and environmental education. City residents and businesses presently use private haulers for garbage collection service, but organized collection for residential properties is now being investigated.

2015 Objectives

- U Minimize the net cost, after rebates that residents pay the City for solid waste education and to provide a City-wide curbside cleanup.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------|------------------------|----------------|
| Salaries/Wages/Benefits | \$ 182,450 | \$ 271,617 | 48.87% |
| Materials/Supplies/Services | 1,195,141 | 1,687,274 | 41.17 |
| Capital Outlay | 0 | 0 | -- |
| Capitalized Assets | (0) | (0) | -- |
| Depreciation Expense | 2,500 | 2,500 | 0.00 |
| | \$1,380,091 | \$1,961,391 | 42.12% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|--|--------|--------|--------|
| | 1 | 1 | 1 |
| Public Works Project Maintenance Coordinator | 1 | 1 | 1 |



| SOLID WASTE MANAGEMENT BUDGET SUMMARY Revenues and Expenses | | | | | |
|---|---------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 1,105,885 | \$ 1,233,531 | \$ 1,238,531 | \$ 1,124,017 | \$ 1,397,473 |
| Interest Income | 1,125 | 14,700 | 14,700 | 11,816 | 7,400 |
| Transfer In | 249,996 | 250,000 | 250,000 | 249,996 | 300,000 |
| TOTAL REVENUES | 1,357,006 | 1,498,231 | 1,503,231 | 1,385,829 | 1,704,873 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 146,994 | 124,069 | 124,069 | 158,383 | 121,778 |
| Benefits | 59,659 | 58,381 | 58,381 | 68,019 | 149,839 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 50,750 | 82,195 | 142,771 | 142,030 | 252,341 |
| Utilities and Maintenance | 815,939 | 977,183 | 1,217,289 | 1,024,232 | 1,272,110 |
| Operations | 3,318 | 3,850 | 3,850 | 1,824 | 3,295 |
| City Support Services | 123,853 | 111,576 | 111,576 | 109,836 | 134,691 |
| Materials and Supplies | 24,131 | 20,337 | 25,337 | 86,159 | 24,837 |
| Transfers Out | 2,423 | - | - | - | - |
| TOTAL EXPENSES | 1,227,067 | 1,377,591 | 1,683,273 | 1,590,483 | 1,958,891 |
| Add Depreciation Expense | 2,500 | 2,500 | 2,500 | - | 2,500 |
| NET TOTAL EXPENSES | 1,229,567 | 1,380,091 | 1,685,773 | 1,590,483 | 1,961,391 |
| NET INCOME (LOSS) | 127,439 | 118,140 | (182,542) | (204,654) | (256,518) |
| Net Position at Beginning of Year | 998,974 | 1,126,413 | 1,126,413 | 1,126,413 | 921,759 |
| Net Position At Year-End | \$ 1,126,413 | \$ 1,244,553 | \$ 943,871 | \$ 921,759 | \$ 665,241 |

Community Services – Recreational Facilities

Activities

Dwan Golf

Hyland Greens Golf

Bloomington Ice Garden

Bloomington Family Aquatic Center

Bush Lake Beach

Bloomington Center for the Arts

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

2015 Objectives

- OS Study alternatives for Hyland Greens Golf and Learning Center
- OS Research options for implementing online tee times at Dwan Golf Club.
- OS Install a building management system to increase energy efficiency and mechanical operations at the Bloomington Ice Garden.
- OS Host practices at the Ice Garden for the 2015 Midwestern Pacific Synchronized Skating Sectional Championships on January 28-31, 2015.
- OS Reduce ice rental rates from June-August to stay competitive with other ice arenas and attract new customers
- OS Schedule new program initiatives at the Bloomington Family Aquatic Center to increase facility attendance.
- OS Present a two-week/7-8 performance run premiering Alive & Kickin's new production *Winds of Change* with attendance of at least 1,500 people and gross revenues of at least \$30,000.
- OS Purchase a 6' Steinway or Yamaha grand piano for Center for the Arts performances.

2014 Results

- Implemented FootGolf at Hyland Greens, far exceeding expectations with 7,500 players and \$68,000 in revenues as well as attracting widespread news coverage.
- Completed the Dwan Maintenance Building construction project, which replaced a 1970 building that was damaged by heavy snow loads in 2011.
- Solicited proposals for a building management system for the Bloomington Ice Garden.
- Installed LED lights and received Xcel rebates to help fund their installation at the Ice Garden.
- Increased concession sales for the Bloomington Family Aquatic Center by 22% from previous year due to a revised menu.
- Experienced record Performance Series ticket sales at the Center for the Arts in part due to a six performance run of Alive & Kickin's production of *Makin History* which was attended by 1,258 people and grossed \$27,367.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$2,308,625 | \$2,326,050 | 0.75% |
| Materials/Supplies/Services | 2,711,925 | 2,767,461 | 2.05 |
| Capital Outlay | 266,000 | 522,000 | 96.2 |
| Debt Service | 0 | 0 | -- |
| Transfers Out | 0 | 0 | -- |
| Less Capitalized Assets | (266,000) | (522,000) | 96.2 |
| Less Debt Service Principal | 0 | 0 | -- |
| Add Depreciation Expense | 650,000 | 650,000 | 0.00 |
| | \$5,670,550 | \$5,743,511 | 1.29% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|-----------------------------------|--------|--------|--------|
| | 17 | 18 | 18 |
| Arts Center Manager | 1 | 1 | 1 |
| Assistant Golf Course Maint. Supt | 2 | 2 | 2 |
| Assistant Golf Course Manager | 2 | 2 | 2 |
| 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 |
| Mechanic | 1 | 1 | 1 |
| Office Assistant | 1 | 1 | 1 |
| Parts Room Attendant | 1 | 1 | 1 |
| Recreation Supervisor | 1 | 2 | 2 |

| RECREATIONAL FACILITIES BUDGET SUMMARY Revenues and Expenses | | | | | |
|--|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 3,410,618 | \$ 3,742,984 | \$ 3,742,984 | \$ 3,500,809 | \$ 3,512,095 |
| Tax Revenues | 1,252,489 | 1,301,842 | 1,301,842 | 1,279,745 | 1,371,955 |
| Other Revenue | 347,634 | 10,000 | 10,000 | 9,397 | 10,000 |
| Intergovernmental | 32,320 | 32,320 | 32,320 | 32,992 | 32,320 |
| Interest Income | 258 | 16,400 | 16,400 | 2,541 | 13,355 |
| Transfers In | 396,538 | - | 800,000 | - | - |
| TOTAL REVENUES | 5,439,857 | 5,103,546 | 5,903,546 | 4,825,484 | 4,939,725 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,735,439 | 1,782,358 | 1,782,358 | 1,734,490 | 1,812,018 |
| Benefits | 519,137 | 526,267 | 526,267 | 501,461 | 514,032 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 72,142 | 74,899 | 74,899 | 67,723 | 78,284 |
| Utilities and Maintenance | 590,475 | 630,163 | 630,163 | 597,360 | 621,607 |
| Operations | 124,554 | 136,475 | 136,475 | 127,695 | 150,313 |
| City Support Services | 1,403,812 | 1,566,188 | 1,566,188 | 1,558,862 | 1,622,775 |
| Materials and Supplies | 284,489 | 304,200 | 304,200 | 284,834 | 294,482 |
| Debt Service Principal and Interest | 150,599 | - | - | - | - |
| Capital Outlay | | | | | |
| Equipment | 47,780 | 116,000 | 116,000 | 34,370 | 307,000 |
| Building and Improvements | 718,150 | 150,000 | 1,167,212 | 800,838 | 215,000 |
| Transfers Out | - | - | 800,000 | - | - |
| TOTAL EXPENSES | 5,646,577 | 5,286,550 | 7,103,762 | 5,707,633 | 5,615,511 |
| Less Capitalized Assets | (774,070) | (266,000) | (1,283,212) | (835,208) | (522,000) |
| Less Debt Service Principal | (150,000) | - | - | - | - |
| Add Depreciation Expense | 678,295 | 650,000 | 650,000 | - | 650,000 |
| NET TOTAL EXPENSES | 5,400,802 | 5,670,550 | 6,470,550 | 4,872,425 | 5,743,511 |
| NET INCOME (LOSS) | 39,055 | (567,004) | (567,004) | (46,941) | (803,786) |
| Net Position at Beginning of Year | 11,234,114 | 11,273,169 | 11,273,169 | 11,273,169 | 11,226,228 |
| Net Position At Year-End | <u>\$ 11,273,169</u> | <u>\$ 10,706,165</u> | <u>\$ 10,706,165</u> | <u>\$ 11,226,228</u> | <u>\$ 10,422,442</u> |

| | 2013 | 2014 | 2015 |
|--|---------------|---------------|---------------|
| Property tax cost of service for median value home per month: | | | |
| Aquatics Facilities | \$1.28 | \$1.35 | \$1.38 |
| Center for the Arts | \$0.85 | \$0.85 | \$0.88 |

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.

2015 Objectives

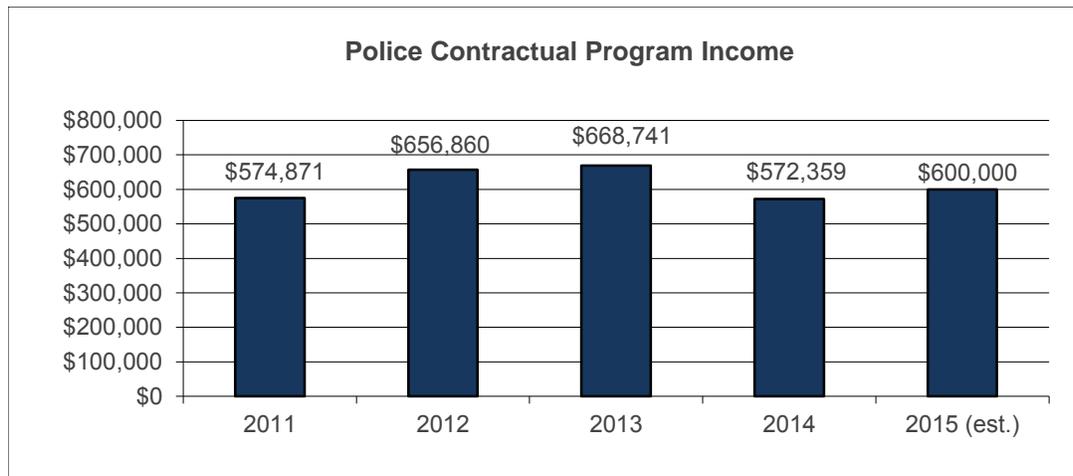
- OS** Meet requests for extraordinary levels of police service without burdening the taxpayer. Users of extra police service pay the actual costs and related expenses such as the Mall of America paying for extra traffic details.
- OS** Provide reimbursable police services to enhance safety during special events.

2014 Results

- 774 events were scheduled for Contractual Police Services.
- 1,934 officers worked the 774 events that were scheduled.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits* | \$ 538,000 | \$ 538,000 | 0.0% |
| Materials/Supplies/Services | 20,000 | 25,629 | 2.8 |
| Transfers Out | 40,000 | 36,371 | (0.1) |
| | \$ 600,000 | \$ 600,000 | 0.0% |

*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 | | | | | |
|--|----------------|----------------------------|---------------------------|-------------------|----------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 668,741 | \$ 600,000 | \$ 600,000 | \$ 672,848 | \$ 600,000 |
| TOTAL REVENUES | 668,741 | 600,000 | 600,000 | 672,848 | 600,000 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 508,950 | 460,000 | 460,000 | 497,370 | 460,000 |
| Benefits | 87,116 | 78,000 | 78,000 | 90,615 | 78,000 |
| Operating Expenses | | | | | |
| Professional and Technical Services | | | | | |
| Utilities and Maintenance | 11,256 | 8,898 | 8,898 | 6,965 | 11,000 |
| City Support Services | 13,380 | 13,102 | 13,102 | 13,049 | 14,629 |
| Materials and Supplies | | | | | |
| Transfers Out | 48,039 | 40,000 | 40,000 | 64,849 | 36,371 |
| TOTAL EXPENSES | 668,741 | 600,000 | 600,000 | 672,848 | 600,000 |
| NET INCOME (LOSS) | - | - | - | - | - |
| Net Position at Beginning of Year | - | - | - | - | - |
| Net Position At Year-End | \$ - | \$ - | \$ - | \$ - | \$ - |

Activities

- Boat Licenses**
- Driver Licenses**
- Motor Vehicle Licenses**
- Snowmobile 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.

2015 Objectives

- OS** Pursue authorization from state to offer on-line transactions
- OS** Implement acceptance of VISA, Master and Discover debit/credit cards
- OS** Provide convenient, efficient, friendly services measured by customer satisfaction surveys and enhanced through staff training opportunities
- OS** Actively market services to the community and local businesses
- OS** Obtain an accuracy rating of excellent by Department of Public Safety every year
- OS** Promote fast-track transactions for customers who need to expedite their title transfers

2014 Results

- 95,000 total customer transactions.
- Driver's License fee increase of \$3.00 per transaction approved by the Minnesota State legislature
- Services are provided solely by user fees without any tax dollar support
- Implemented pick-up/delivery services for local automobile dealers



Bloomington's Registrar Office celebrated its 45th anniversary in 2014. This office was one of the founding members of the Minnesota Deputy Registrar's Association which began in 1976.

| Expenses | FY2014 | FY2015 | Percent Change |
|-----------------------------|------------------|------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries/Wages/Benefits | \$506,461 | \$588,615 | 16.22% |
| Materials/Supplies/Services | 125,074 | 132,111 | 5.63 |
| Transfer Out | 0 | 30,000 | 100.0 |
| | \$631,535 | \$750,726 | 14.12% |

| Personnel | FY2013 | FY2014 | FY2015 |
|----------------------------|--------|----------|----------|
| | | 5 | 5 |
| Customer Service Assistant | 1 | 1 | 1 |
| Motor Vehicle Supervisor | 1 | 1 | 1 |
| Office Assistant | 2 | 2 | 3 |
| Office Support Specialist | 1 | 1 | 1 |

| MOTOR VEHICLE BUDGET SUMMARY Revenues and Expenses | | | | | |
|--|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 613,627 | \$ 661,030 | \$ 661,030 | \$ 732,960 | \$ 727,030 |
| Interest Income | (355) | - | - | 5,688 | - |
| TOTAL REVENUES | 613,272 | 661,030 | 661,030 | 738,648 | 727,030 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 378,664 | 379,950 | 379,950 | 379,622 | 434,781 |
| Benefits | 126,029 | 126,511 | 126,511 | 129,506 | 153,834 |
| Operating Expenses | | | | | |
| Utilities and Maintenance | 1,160 | 1,420 | 1,420 | 1,273 | 1,320 |
| Operations | 6,837 | 7,907 | 7,907 | 7,278 | 6,565 |
| City Support Services | 108,793 | 112,177 | 112,177 | 111,100 | 119,656 |
| Materials and Supplies | 2,230 | 3,570 | 3,570 | 2,738 | 4,570 |
| Transfers Out | - | - | - | - | 30,000 |
| TOTAL EXPENSES | 623,713 | 631,535 | 631,535 | 631,517 | 750,726 |
| NET INCOME (LOSS) | (10,441) | 29,495 | 29,495 | 107,131 | (23,696) |
| Net Position at Beginning of Year | 268,070 | 257,629 | 257,629 | 257,629 | 364,760 |
| Net Position At Year-End | <u>\$ 257,629</u> | <u>\$ 287,124</u> | <u>\$ 287,124</u> | <u>\$ 364,760</u> | <u>\$ 341,064</u> |

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INTERNAL SERVICE FUNDS

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2015 Budget Summary – Internal Service Funds

| REVENUES | | | | |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Support Services | \$ 473,013 | \$ 480,881 | \$ 469,386 | \$ 485,045 |
| Equipment Fund | | | | |
| - Operations & Maintenance | 4,803,506 | 4,225,916 | 4,309,496 | 4,621,138 |
| - Replacement Reserve | 768,102 | 1,931,209 | 1,928,092 | 1,612,453 |
| - Fire Equipment | 476,946 | 300,000 | 300,000 | 300,000 |
| - Fire – Small Equipment | 0 | 159,950 | 159,948 | 330,000 |
| - Police – Small Equipment | 52,747 | 140,122 | 98,622 | 25,000 |
| Information Systems | 4,400,908 | 5,710,121 | 4,495,944 | 4,727,488 |
| Radio | 574,067 | 417,288 | 422,910 | 456,669 |
| Insured Benefits | 8,321,993 | 8,666,400 | 9,062,345 | 9,192,796 |
| Self-Insurance | 1,533,693 | 1,659,467 | 1,691,857 | 2,739,423 |
| Accrued Benefits | 1,592,271 | 1,728,900 | 1,764,954 | 2,275,376 |
| Facilities Replacement | | | | |
| - Admin. & Maintenance | 3,385,183 | 3,106,515 | 3,172,526 | 3,170,698 |
| - Police/City Hall Replacement | 1,511,194 | 2,001,528 | 2,001,576 | 2,161,646 |
| - Fire Station Maintenance | 270,780 | 268,582 | 268,984 | 295,440 |
| - Parks Building Maintenance | 4,605,901 | 4,678,019 | 4,679,420 | 5,155,735 |
| - Cemetery Maintenance | 109,556 | 193,988 | 193,992 | 70,132 |
| - Parks/Median Maintenance | 191,588 | 200,000 | 0 | 0 |
| | \$33,071,448 | \$35,868,886 | \$35,020,052 | \$37,619,039 |

2015 Budget Summary – Internal Service Funds (continued)

| EXPENDITURES | | | | |
|--------------------------------|----------------|----------------|------------------|----------------|
| | 2013 Actual | 2014 Budget | 2014 Estimate | 2015 Budget |
| Support Services | \$ 495,524 | \$ 499,152 | 477,612 | \$ 509,658 |
| - Capital | 0 | 0 | 0 | 25,000 |
| Equipment Fund | | | | |
| - Operations & Maintenance | 2,003,972 | 4,481,448 | 4,359,631 | 4,606,127 |
| - Capital | 51,249 | 21,427 | 50,963 | 111,427 |
| - Replacement Capital | 3,226,851 | 1,949,009 | 1,580,679 | 1,917,600 |
| - Fire Equipment | 0 | 562 | 0 | 562 |
| - Capital | 835,638 | 268,000 | 77,980 | 1,615,000 |
| - Fire – Small Equipment | 0 | 117,090 | 76,278 | 251,090 |
| - Police Small Equipment | 1,455 | 250,215 | 204,742 | 58,705 |
| Information Systems | | | | |
| - Operating | 4,120,380 | 6,667,049 | 5,084,084 | 4,648,130 |
| - Capital | 89,812 | 98,400 | 109,228 | 324,470 |
| Radio | | | | |
| - Operating | 448,086 | 318,184 | 308,837 | 723,901 |
| - Capital | 0 | 0 | 0 | 53,000 |
| Insured Benefits | 8,207,553 | 8,568,100 | 8,581,322 | 10,010,958 |
| Self Insurance | 2,076,965 | 1,650,469 | 1,588,395 | 2,006,980 |
| Accrued Benefits | 1,959,341 | 1,398,128 | 1,163,375 | 1,793,631 |
| Facilities Replacement | | | | |
| - Admin. & Maintenance | 3,039,387 | 3,582,289 | 3,451,103 | 3,574,303 |
| - Police/City Hall Replacement | 1,659,219 | 2,238,165 | 1,219,758 | 1,806,077 |
| - Fire Station Maintenance | 183,629 | 210,933 | 155,146 | 221,153 |
| - Parks Buildings Maintenance | 4,575,558 | 4,671,578 | 4,650,744 | 5,084,657 |
| - Cemetery Maintenance | 121,260 | 193,988 | 117,010 | 133,374 |
| - Parks/Median Maintenance | 142,951 | 200,000 | 126,505 | 0 |
| | \$ 33,238,830 | \$ 37,384,186 | \$ 33,383,392 | \$39,475,803 |

Public Works – Equipment Fund

Activities

- Operations & Maintenance
- Equipment Replacement
- Fire Equipment Replacement
- Police Small Equipment Replacement



The Equipment Fund maintains 522 pieces of equipment.

The cost of the Equipment Fund fees in the General Fund equal \$3.56 per month for the owner of a median value home (\$188,000) and \$4.21 per month for the owner of an average value home (\$214,400).

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.

Objectives

- OS To provide a well maintained and efficient vehicle fleet that supports City services and programs.
- OS Keep commonly used parts in inventory.
- OS Work towards standardizing the fleet.
- OS Get proper diagnostic equipment for most, if not all, vehicles.
- OS Spend less than 15 percent of the value of the fleet per year.

Results

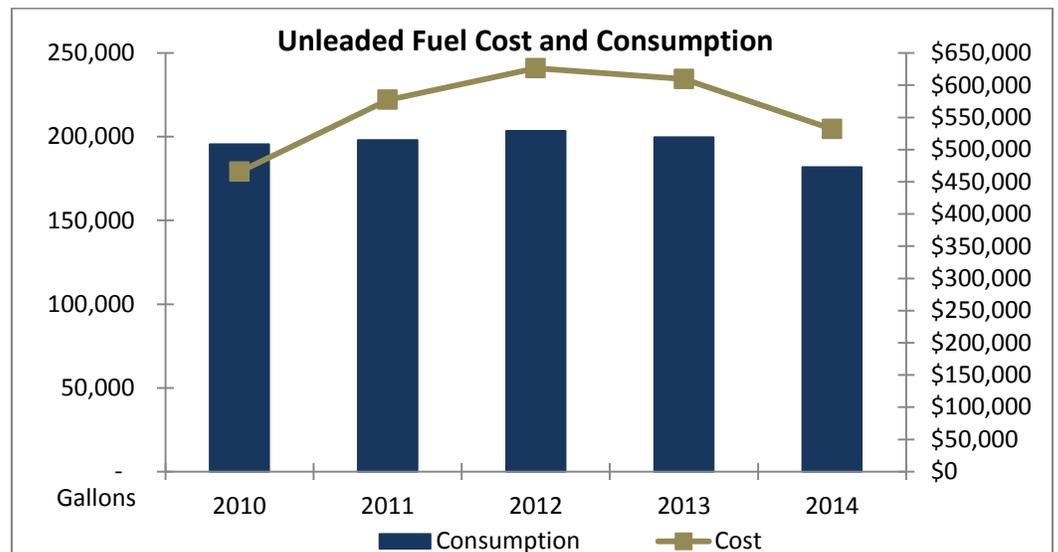
- Inventory parts annually and dispose of obsolete parts stock items.
- Planned for implementing Fleet Management software in 2014.

Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 1,368,785 | \$ 1,311,173 | (4.2)% |
| Materials/Supplies/Services | 3,366,330 | 3,605,311 | 7.1 |
| Capital Outlay | 2,268,436 | 3,644,027 | 60.6 |
| Less Capitalized Assets | (2,268,436) | (3,644,027) | 60.6 |
| Add Depreciation Expense | 1,750,000 | 1,750,000 | -- |
| | \$ 6,485,115 | \$ 6,666,484 | 2.8% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|---------------------------|--------|--------|--------|
| | 15 | 15 | 15 |
| Equipment Supervisor | 1 | 1 | 1 |
| Mechanic | 6 | 6 | 6 |
| Office Support Specialist | 1 | 1 | 1 |
| Parts Room Attendant | 2 | 2 | 2 |
| Senior Mechanic | 5 | 5 | 5 |



| EQUIPMENT FUND BUDGET SUMMARY Revenues and Expenses | | | | | |
|---|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 6,065,371 | \$ 6,391,997 | \$ 6,475,197 | \$ 6,455,524 | \$ 6,864,191 |
| Interest Income | 10,934 | 45,600 | 45,600 | 75,650 | 24,400 |
| Transfers In | 24,996 | 282,000 | 282,000 | 264,984 | - |
| TOTAL REVENUES | 6,101,301 | 6,719,597 | 6,802,797 | 6,796,158 | 6,888,591 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 854,366 | 959,879 | 959,879 | 873,569 | 923,241 |
| Benefits | 372,177 | 408,906 | 408,906 | 402,651 | 387,932 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 7,073 | 13,217 | 13,217 | 13,363 | 138,367 |
| Utilities and Maintenance | 221,953 | 185,491 | 191,221 | 142,439 | 194,373 |
| Operations | 242,930 | 310,963 | 310,963 | 301,445 | 329,357 |
| City Support Services | 696,215 | 783,231 | 783,231 | 779,526 | 881,404 |
| Materials and Supplies | 1,726,892 | 2,073,428 | 2,179,989 | 2,095,310 | 2,061,810 |
| Capital Outlay | | | | | |
| Equipment | 2,318,326 | 2,268,436 | 2,425,369 | 1,741,968 | 3,644,027 |
| Transfers Out | | | | | |
| | - | - | - | | |
| TOTAL EXPENSES | 6,439,932 | 7,003,551 | 7,272,775 | 6,350,271 | 8,560,511 |
| Less Capitalized Assets | (2,150,436) | (2,268,436) | (2,425,369) | (1,741,968) | (3,644,027) |
| Add Depreciation Expense | 1,829,669 | 1,750,000 | 1,750,000 | 1,750,000 | 1,750,000 |
| NET TOTAL EXPENSES | 6,119,165 | 6,485,115 | 6,597,406 | 6,358,303 | 6,666,484 |
| NET INCOME (LOSS) | (17,864) | 234,482 | 205,391 | 437,855 | 222,107 |
| Net Position at Beginning of Year | 13,479,704 | 13,461,840 | 13,461,840 | 13,461,840 | 13,899,695 |
| Net Position At Year-End | \$ 13,461,840 | \$ 13,696,322 | \$ 13,667,231 | \$ 13,899,695 | \$ 14,121,802 |

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.

A project to replace a degraded fiber link at 24th Avenue and Killebrew Drive is planned for 2015. Fund balance may be utilized for future expansion of the metropolitan area network (MAN). A redundant fiber loop connecting City Hall to facilities on the east side via American Boulevard is among the priorities which may also include additional fire stations and recreation facilities.

2015 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** Develop a plan to address necessary system upgrades to assure reliable public safety communication at critical areas throughout City Departments.
- S** Continued upgrade on public safety Mobile Data Computer system for Police and Fire and various features with the LOGIS consortium.
- S** Replace seventy-five Fire Department portable radios with chargers and six base station radios located at the Fire Stations.

2014 Results

The Radio Fund replaced five portable radios for the Police Department "Community Response Enforcement Unit" (CREU). These radios have encryption for use with other departments and agencies that have encrypted talk groups for secure communications.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|---------------------------------------|---------------------------------------|---------------------------|
| Salaries/Wages/Benefits | \$ 98,453 | \$ 100,488 | 2.1% |
| Materials/Supplies/Services | 184,731 | 533,413 | 188.8% |
| Capital Outlay | 0 | 53,000 | -- |
| Less Capitalized Assets | (0) | (53,000) | -- |
| Transfers Out | 35,000 | 90,000 | 157.1% |
| Add Depreciation Expense | 123,000 | 123,000 | -- |
| | \$441,184 | \$846,901 | 91.9% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|-----------------------------|---------------|---------------|---------------|
| Communications Technician | 1 | 1 | 1 |

| PUBLIC SAFETY RADIO BUDGET SUMMARY Revenues and Expenses | | | | | |
|--|---------------------|----------------------------|---------------------------|---------------------|---------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 338,095 | \$ 407,288 | \$ 407,288 | \$ 407,748 | \$ 451,669 |
| Interest Income | 3,457 | 10,000 | 10,000 | 15,162 | 5,000 |
| Transfers In | 232,515 | - | - | - | - |
| TOTAL REVENUES | 574,067 | 417,288 | 417,288 | 422,910 | 456,669 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 74,204 | 70,551 | 70,551 | 71,636 | 71,983 |
| Benefits | 28,295 | 27,902 | 27,902 | 28,646 | 28,505 |
| Operating Expenses | | | | | |
| Professional and Technical Services | - | 2,000 | 2,000 | 138 | 17,000 |
| Utilities and Maintenance | 144,045 | 135,000 | 135,000 | 127,643 | 135,000 |
| Operations | 3,791 | 3,782 | 3,782 | 3,337 | 2,106 |
| City Support Services | 15,738 | 15,449 | 15,449 | 15,504 | 12,774 |
| Materials and Supplies | 32,330 | 28,500 | 28,500 | 26,930 | 366,533 |
| Capital Outlay | | | | | |
| Equipment | 336,481 | - | - | - | 53,000 |
| Transfers Out | - | 35,000 | 35,000 | 35,004 | 90,000 |
| TOTAL EXPENSES | 634,884 | 318,184 | 318,184 | 308,838 | 776,901 |
| Less Capitalized Assets | (336,481) | - | - | - | (53,000) |
| Add Depreciation Expense | 149,679 | 123,000 | 123,000 | - | 123,000 |
| NET TOTAL EXPENSES | 448,082 | 441,184 | 441,184 | 308,838 | 846,901 |
| NET INCOME (LOSS) | 125,985 | (23,896) | (23,896) | 114,072 | (390,232) |
| Net Position at Beginning of Year | 1,857,633 | 1,983,618 | 1,983,618 | 1,983,618 | 2,097,690 |
| Net Position At Year-End | \$ 1,983,618 | \$ 1,959,722 | \$ 1,959,722 | \$ 2,097,690 | \$ 1,707,458 |

Facilities and Parks Maintenance

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

Activities

Maintenance

Building

Component Replacement

Parks Building Maintenance

Fire Station Maintenance

Cemetery Maintenance

Objectives

- S** To provide safe and efficient facilities that support City services and programs and encourage long-range planning by completing a Facilities Master Plan by year end 2013.
- OS** Establish ongoing funding mechanisms to meet future needs in the next budget cycle.
- OS** Provide centralized decision-making and flexibility when addressing maintenance and replacement issues.
- OS** Proactively manage, maintain and upgrade City owned buildings in a safe, cost effective and professional manner.

Results

- Explored both replacement and repair options for damaged Dwan maintenance building.
- Continued to install low flow water fixtures and efficient light fixtures to be cost effective.



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

The division also provides services for 97 City Parks including:

- 33 skating rinks
- 80 athletic fields
- 53 tennis courts
- 55 playgrounds
- 35 basketball courts
- 14 Picnic Shelters

Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 3,366,459 | \$3,591,650 | 6.7% |
| Materials/Supplies/Services | 5,267,383 | 6,072,914 | 15.3 |
| Capital Outlay | 1,719,946 | 1,155,000 | (32.8) |
| Transfer | 40,000 | -- | (100.0) |
| Capitalized Assets | (1,719,946) | (1,155,000) | (32.8) |
| Debt Service | 703,165 | 706,077 | 0.44 |
| Depreciation Expense | 1,400,000 | 1,400,000 | (0.00) |
| | \$10,777,007 | \$11,064,564 | 2.7% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|------------------------------|-----------|-----------|-----------|
| | 39 | 39 | 39 |
| Assistant Superintendent | 3 | 3 | 3 |
| Custodian | 1 | 1 | 1 |
| Park Maintenance Supervisor | 2 | 2 | 2 |
| Parkkeeper I | 15 | 15 | 15 |
| Parkkeeper II | 9 | 9 | 9 |
| Service Technician II | 3 | 3 | 3 |
| Service Technician I | 4 | 4 | 4 |
| Facilities Supervisor | 1 | 1 | 1 |
| Signal Instrumentation Tech. | 1 | 1 | 1 |

The responsibility for Cemetery Maintenance was moved from the Public Works General Fund to this Fund for 2014.

| FACILITIES AND PARKS MAINTENANCE BUDGET SUMMARY Revenues and Expenses | | | | | |
|---|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 9,728,698 | \$ 10,222,331 | \$ 10,222,331 | \$ 10,229,664 | \$ 10,821,351 |
| Interest Income | 7,116 | 26,001 | 26,001 | 83,417 | 32,000 |
| Other | 11,053 | 300 | 300 | 3,417 | 300 |
| Transfers In | 327,335 | 200,000 | 200,000 | - | - |
| TOTAL REVENUES | 10,074,202 | 10,448,632 | 10,448,632 | 10,316,498 | 10,853,651 |
| Operating Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 2,268,654 | 2,397,385 | 2,397,385 | 2,353,080 | 2,553,769 |
| Benefits | 904,113 | 969,074 | 969,074 | 970,762 | 1,037,881 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 167,553 | 108,010 | 185,378 | 104,157 | 108,010 |
| Utilities and Maintenance | 2,284,802 | 2,483,386 | 2,601,101 | 2,460,349 | 2,422,299 |
| Operations | 300,330 | 354,751 | 354,751 | 350,207 | 382,690 |
| City Support Services | 1,710,180 | 1,816,319 | 1,816,319 | 1,821,239 | 1,945,679 |
| Materials and Supplies | 468,282 | 504,917 | 522,797 | 540,917 | 508,159 |
| Debt Service Principal and Interest | 154,357 | 703,165 | 703,165 | 604,770 | 706,077 |
| Capital Outlay | | | | | |
| Equipment | 159,347 | 160,000 | 160,000 | 52,015 | 105,000 |
| Building and Improvements | 211,296 | 1,559,946 | 1,633,287 | 471,899 | 1,050,000 |
| Transfers Out | - | 40,000 | 40,000 | 39,996 | - |
| TOTAL EXPENSES | 8,628,914 | 11,096,953 | 11,383,257 | 9,769,391 | 10,819,564 |
| Less Capitalized Assets | (339,669) | (1,719,946) | (1,793,287) | (523,914) | (1,155,000) |
| Less Expenses Charged to Other Funds | (17,112) | - | - | (49,124) | - |
| Add Depreciation Expense | 1,449,870 | 1,400,000 | 1,400,000 | - | 1,400,000 |
| NET TOTAL EXPENSES | 9,722,003 | 10,777,007 | 10,989,970 | 9,196,353 | 11,064,564 |
| NET INCOME (LOSS) | 352,199 | (328,375) | (541,338) | 1,120,145 | (210,913) |
| Net Position at Beginning of Year | 41,419,156 | 41,771,355 | 41,771,355 | 41,771,355 | 42,891,500 |
| Net Position at Year-End | <u>\$ 41,771,355</u> | <u>\$ 41,442,980</u> | <u>\$ 41,230,017</u> | <u>\$ 42,891,500</u> | <u>\$ 42,680,587</u> |

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.

2015 Objectives

- OS Improve mail room accuracy and speed of copy paper inventory and delivery system.
- OS Research and purchase or lease a new, more dependable and technologically modern postage meter and related equipment for mail room before December 2015.
- OS Promote print shop activities, with a goal to increase revenue, by launching a new CityBIZ web page and looking into additional partnerships with outside organizations.

2014 Results

- Conducted a Support Services employee/user survey.
- The mail coordinator position was split into two part-time job-share positions providing improved mail room coverage and better trained back-up staff for the mail room.
- The print shop achieved an all-time record billing month of \$19,234 in July.
- Examined alternate ways to increase print shop revenues with one marketing strategy generating almost \$2,500 in additional revenues from outside organizations at the end of 2014.

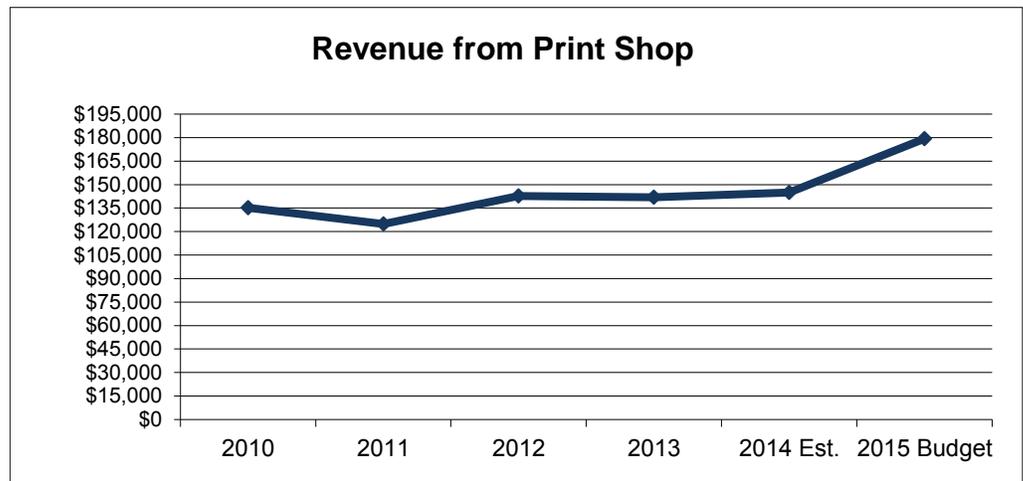
According to an employee/user survey, 95% of respondents reported that it was easy or moderately easy to place orders with the print shop; 92% found the information desk staff to be helpful and 99% felt that mail delivery and pick-up works well.

Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$206,283 | \$214,214 | 3.8% |
| Materials/Supplies/Services | 292,869 | 295,444 | 0.9 |
| Add Depreciation Expense | 45,000 | 30,000 | (33.3) |
| | \$ 544,152 | \$539,658 | (0.8)% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|------------------------|----------|----------|----------|
| | 3 | 3 | 3 |
| Information Assistant | 1 | 1 | 1 |
| Mail Coordinator | 1 | 1 | 1 |
| Print Shop Coordinator | 1 | 1 | 1 |



SUPPORT SERVICES INTERNAL SERVICE FUND
BUDGET SUMMARY
Revenues and Expenses

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|-------------------|----------------------------|---------------------------|-------------------|-------------------|
| Revenues | | | | | |
| Program Income | \$ 472,492 | \$ 478,381 | \$ 478,381 | \$ 465,822 | \$ 485,045 |
| Interest Income | 522 | 2,500 | 2,500 | 3,564 | - |
| TOTAL REVENUES | 473,014 | 480,881 | 480,881 | 469,386 | 485,045 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 147,786 | 158,760 | 158,760 | 151,297 | 164,880 |
| Benefits | 49,795 | 47,523 | 47,523 | 46,761 | 49,334 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 4,825 | 4,000 | 4,000 | 4,533 | 4,000 |
| Utilities and Maintenance | 34,121 | 35,300 | 35,300 | 32,427 | 36,500 |
| Operations | 110,698 | 120,744 | 120,744 | 115,329 | 117,817 |
| City Support Services | 86,867 | 98,425 | 98,425 | 98,256 | 102,827 |
| Materials and Supplies | 33,417 | 34,400 | 34,400 | 29,009 | 34,300 |
| TOTAL EXPENSES | 467,509 | 499,152 | 499,152 | 477,612 | 509,658 |
| Add Depreciation Expense | 28,015 | 45,000 | 45,000 | - | 30,000 |
| NET TOTAL EXPENSES | 495,524 | 544,152 | 544,152 | 477,612 | 539,658 |
| NET INCOME (LOSS) | (22,510) | (63,271) | (63,271) | (8,226) | (54,613) |
| Net Position at Beginning of Year | 282,175 | 259,665 | 259,665 | 259,665 | 251,439 |
| Net Position At Year-End | \$ 259,665 | \$ 196,394 | \$ 196,394 | \$ 251,439 | \$ 196,826 |

Activities

**General System
Maintenance/
Support**

**Geographic
Information
Systems**



The City's network connects 19 facilities and more than 600 employees via fiber optics, leased T-1 lines and wireless and local area network services.

Technical Services Group – Information Systems

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 Steering Committee made up of Department Heads and the City Manager provides work plan direction to Information Systems so that there is a matching of users' needs to available resources.

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

2015 Objectives

- OS** Provide technology expertise, equipment, software and services to meet Council's Goals by:
 - Developing a strategic technology plan to ensure efficient, cost-effective and timely use of technology.
 - Completing a security assessment of the City's technology resources by June 30, 2015.
 - Upgrading the City's SharePoint environment to provide extranet capabilities by December 31, 2015.
 - Constructing fiber optics segments to augment the City's metropolitan area network (MAN) by December 31, 2015.
 - Completing activities for the implementation of CityView Community Development software with an estimated completion of first quarter, 2016.
- OS** Support and coordinate the distribution of Geographical Information Systems' functions and activities City-wide which includes the completion of the City's GIS to ESRI by December 31, 2015.
- OS** Review existing policies and procedures. Identify and implement necessary changes.
- OS** Continue to provide exceptional service to support the City's departments in the area of technology.

2014 Results

- Completed implementation of electronic agenda management system.
- Assisted with implementation of Tyler Munis Enterprise Resource Planning system.
- Completed implementation of Everbridge emergency notification system.
- Assisted with selection of new Community Development software, CityView.
- Made significant progress on converting City's GIS to ESRI.
- 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 \$1,300,000 in hardware and software maintenance agreements.
- Provided reliable technical support and services to over 600 employees.

Expenses

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|---------------------------------------|---------------------------------------|---------------------------|
| Salaries/Wages/Benefits | \$ 1,512,810 | \$ 1,663,701 | 10.0% |
| Materials/Supplies/Services | 5,038,843 | 2,862,300 | (43.2) |
| Capital Outlay | 98,400 | 324,470 | 229.8 |
| Less Capitalized Assets | (98,400) | (324,470) | (229.8) |
| Transfer Out | 115,396 | 122,129 | 5.8 |
| Add Depreciation Expense | 100,000 | 140,000 | 40.0 |
| | \$6,767,049 | \$4,788,130 | (29.2)% |

Authorized Full-Time

| | FY2013 | FY2014 | FY2015 |
|-----------------------------|---------------|---------------|---------------|
| | 13 | 13 | 13 |
| Analyst | 6 | 7 | 7 |
| Computer Specialist | 1 | 1 | 1 |
| Information Systems Manager | 1 | 1 | 1 |
| LAN Administrator | 1 | 1 | 1 |
| Senior Analyst * | 1 | 0 | 0 |
| Supervisor | 2 | 2 | 2 |
| WAN Administrator | 1 | 1 | 1 |

| INFORMATION SYSTEMS BUDGET SUMMARY Revenues and Expenses | | | | | |
|--|---------------------|----------------------------|---------------------------|---------------------|---------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Program Income | \$ 3,890,077 | \$ 4,440,121 | \$ 4,440,121 | 4,462,081 | 4,711,488 |
| Other | 7,485 | - | - | - | - |
| Interest Income | 3,346 | 20,000 | 20,000 | 33,863 | 16,000 |
| Transfers In | 500,000 | 1,550,000 | 1,250,000 | - | - |
| TOTAL REVENUES | 4,400,908 | 6,010,121 | 5,710,121 | 4,495,944 | 4,727,488 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,027,925 | 1,111,970 | 1,111,970 | 1,098,305 | 1,253,651 |
| Benefits | 394,393 | 400,840 | 400,840 | 409,854 | 410,050 |
| Operating Expenses | | | | | |
| Professional and Technical Services | 502,360 | 2,698,733 | 3,674,736 | 1,386,658 | 566,510 |
| Utilities and Maintenance | 1,265,153 | 1,634,104 | 1,659,666 | 1,296,080 | 1,573,065 |
| Operations | 221,914 | 225,916 | 228,616 | 189,054 | 217,607 |
| City Support Services | 213,856 | 229,657 | 229,657 | 246,544 | 268,818 |
| Materials and Supplies | 193,082 | 250,433 | 316,758 | 342,198 | 236,300 |
| Capital Outlay | | | | | |
| Equipment | 1,046,238 | 98,400 | 161,936 | 109,227 | 324,470 |
| Transfers Out | 159,900 | 115,396 | 115,396 | 115,392 | 122,129 |
| TOTAL EXPENSES | 5,024,821 | 6,765,449 | 7,899,575 | 5,193,312 | 4,972,600 |
| Less Capitalized Assets | (956,426) | (98,400) | (161,936) | (109,227) | (324,470) |
| Add Depreciation Expense | 141,797 | 100,000 | 100,000 | - | 140,000 |
| NET TOTAL EXPENSES | 4,210,192 | 6,767,049 | 7,837,639 | 5,084,085 | 4,788,130 |
| NET INCOME (LOSS) | 190,716 | (756,928) | (2,127,518) | (588,141) | (60,642) |
| Net Position at Beginning of Year | 3,773,077 | 3,963,793 | 3,963,793 | 3,963,793 | 3,375,652 |
| Net Position At Year-End | \$ 3,963,793 | \$ 3,206,865 | \$ 1,836,275 | \$ 3,375,652 | \$ 3,315,010 |

Finance – Self-Insurance

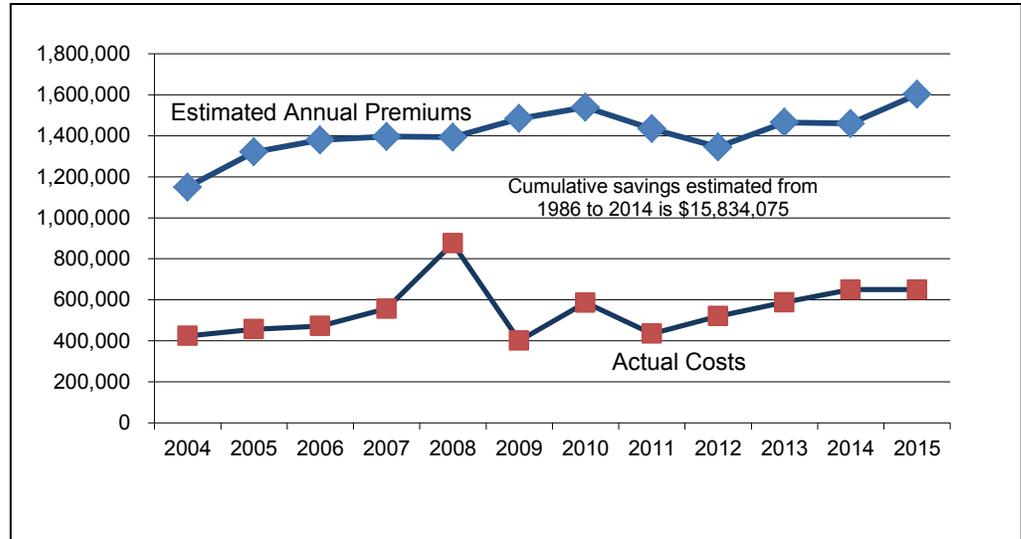
This fund pays the costs related to the City’s self-insured workers’ compensation program. This fund also maintains property/casualty insurance policies, made up of municipal, auto and property coverage through the League of Minnesota Cities Insurance Trust (LMCIT).

2015 Objectives

- OS Protect the City’s assets and minimize costs of insurance.
- OS Provide departments with reports on claims twice a year discuss claims and claim prevention.
- OS Work with the City’s insurance broker to evaluate coverage to investigate possible premium savings.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Materials/Supplies/Services | \$ 1,650,469 | \$2,006,980 | 21.6% |
| | \$ 1,650,469 | \$2,006,980 | 21.6% |

**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 | | | | | |
|---|-------------------|----------------------------|---------------------------|-------------------|---------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Departmental Charges | \$ 1,527,166 | \$ 1,649,467 | \$ 1,649,467 | \$ 1,657,696 | \$ 2,237,423 |
| Interest Income | 6,527 | 10,000 | 10,000 | 34,161 | 2,000 |
| Transfers In | - | - | - | - | 500,000 |
| TOTAL REVENUES | 1,533,693 | 1,659,467 | 1,659,467 | 1,691,857 | 2,739,423 |
| Expenses | | | | | |
| Operating Expenses | | | | | |
| Workers' Compensation | 1,231,556 | 569,900 | 569,900 | 811,111 | 801,970 |
| General Liability | 525,626 | 726,942 | 726,942 | 499,429 | 821,123 |
| Auto Liability | 163,576 | 145,331 | 145,331 | 119,481 | 161,570 |
| Property Liability | 156,207 | 208,296 | 208,296 | 158,374 | 222,317 |
| TOTAL EXPENSES | 2,076,965 | 1,650,469 | 1,650,469 | 1,588,395 | 2,006,980 |
| NET INCOME (LOSS) | (543,272) | 8,998 | 8,998 | 103,462 | 732,443 |
| Net Position at Beginning of Year | 829,024 | 285,752 | 285,752 | 285,752 | 389,214 |
| Net Position At Year-End | \$ 285,752 | \$ 294,750 | \$ 294,750 | \$ 389,214 | \$ 1,121,657 |

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.

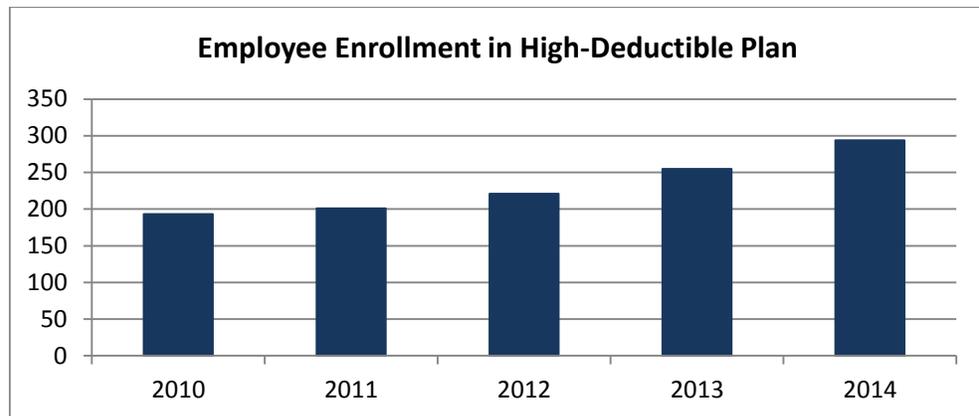
2015 Objectives

- OS Avoid sharp spikes in rate of increase in health insurance costs to operating departments.
- OS Encourage an additional five percent of employees to move to the high deductible plan through education, promotion and incentive.
- OS Continue providing City employees with a variety of benefits at the lowest cost to employees and the City.
- OS Encourage employees to continue to participate in a health rewards program for those enrolled in the City’s health plan. This program includes a health assessment, health education, health coaching and a biometrics program which will provide immediate feedback on blood pressure, weight, total cholesterol, glucose and body mass index.

2014 Results

- High deductible plan participation increased by 22.5% from January 1, 2014 to January 1, 2015.
- 27.6% of employees completed a biometrics screening
- 30% of employees completed their Personal Health Profile (health assessment)
- For those who were identified 38.1% of employees completed preventive services.
- 17.1% of employees completed their health scorecard.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Materials/Supplies/Services | \$8,568,100 | \$10,010,958 | 16.8% |
| | \$8,568,100 | \$10,010,958 | 16.8% |



| INSURED BENEFITS BUDGET SUMMARY Revenues and Expenses | | | | | |
|---|---------------------|----------------------------|---------------------------|---------------------|---------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Departmental Charges | \$ 7,401,547 | \$ 7,665,000 | \$ 7,665,000 | \$ 8,453,309 | \$ 8,190,345 |
| Payroll Deductions | 859,903 | 915,400 | 915,400 | 534,952 | 938,451 |
| Intergovernmental | | | | | |
| Interest Income | 4,543 | 30,000 | 30,000 | 49,084 | 8,000 |
| Other Income | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Transfers In | 31,000 | 31,000 | 31,000 | - | 31,000 |
| TOTAL REVENUES | 8,321,993 | 8,666,400 | 8,666,400 | 9,062,345 | 9,192,796 |
| Expenses | | | | | |
| Operating Expenses | | | | | |
| Health Insurance Premiums | 7,388,506 | 7,689,100 | 7,689,100 | 7,739,398 | 8,136,658 |
| Dental Insurance Premiums | 578,468 | 603,000 | 603,000 | 591,402 | 607,700 |
| Life Insurance Premiums | 144,712 | 162,000 | 162,000 | 144,564 | 155,000 |
| Short Term Disability Premiums | 6,150 | 24,000 | 24,000 | 13,675 | 15,000 |
| Long Term Disability Premiums | 89,716 | 90,000 | 90,000 | 92,283 | 96,600 |
| Transfers Out | - | - | - | - | 1,000,000 |
| TOTAL EXPENSES | 8,207,552 | 8,568,100 | 8,568,100 | 8,581,322 | 10,010,958 |
| NET TOTAL EXPENDITURES | 8,207,552 | 8,568,100 | 8,568,100 | 8,581,322 | 10,010,958 |
| NET INCOME (LOSS) | 114,441 | 98,300 | 98,300 | 481,023 | (818,162) |
| Net Position at Beginning of Year | 3,418,894 | 3,533,335 | 3,533,335 | 3,533,335 | 4,014,358 |
| Net Position At Year-End | \$ 3,533,335 | \$ 3,631,635 | \$ 3,631,635 | \$ 4,014,358 | \$ 3,196,196 |

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 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.

2015 Objectives

- OS Be in a position to start reducing contributions to this fund by 2019.
- OS Continue providing City employees with fair leave policies to retain and attract good employees.

2014 Results

- Kept contributions to this fund at 4% of full-time salary, the same as 2013.

| Expenses | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Materials/Supplies/Services | \$1,398,128 | \$1,793,631 | 28.3% |
| | \$1,398,128 | \$1,793,631 | 28.3% |

| ACCRUED BENEFITS BUDGET SUMMARY Revenues and Expenses | | | | | |
|---|--------------------|----------------------------|---------------------------|--------------------|------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Departmental Charges | \$ 1,564,512 | \$ 1,608,000 | \$ 1,608,000 | \$ 1,598,784 | \$ 1,644,376 |
| Interest Income | 27,759 | 120,900 | 120,900 | 166,170 | 131,000 |
| Transfers In | - | - | - | - | 500,000 |
| TOTAL REVENUES | 1,592,271 | 1,728,900 | 1,728,900 | 1,764,954 | 2,275,376 |
| Expenses | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 1,942,106 | 1,381,344 | 1,381,344 | 1,146,266 | 1,773,631 |
| Benefits | 17,234 | 16,784 | 16,784 | 17,109 | 20,000 |
| TOTAL EXPENSES | 1,959,340 | 1,398,128 | 1,398,128 | 1,163,375 | 1,793,631 |
| NET INCOME (LOSS) | (367,069) | 330,772 | 330,772 | 601,579 | 481,745 |
| Net Position at Beginning of Year | (1,478,731) | (1,845,800) | (1,845,800) | (1,845,800) | (1,244,221) |
| Net Position At Year-End | (1,845,800) | (1,515,028) | (1,515,028) | (1,244,221) | (762,476) |

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COMPONENT UNITS

TABLE OF CONTENTS

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|-------------------------------------|-----------|
| Housing and Redevelopment Authority | 202 - 203 |
| Port Authority | 204 - 205 |



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Housing and Redevelopment Authority

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.

Activities

- Administration
- Rental Housing Development
- Rental Assistance
- Home Ownership
- Commercial Redevelopment
- Single-Family Redevelopment
- Public Housing
- Neighborhood Revitalization
- Rental and Single-Family Rehabilitation

2015 Objectives

- H** Acquire and demolish blighted homes
- H** Acquire land for redevelopment in designated areas and sites for affordable housing
- H** Assist 150 seniors with housing maintenance and homemaking services
- H** Provide housing rehab loans to 60 homeowners
- H** Conduct three landlord collaborative meetings, including a multi-city meeting and Fair Housing training.
- H** Maintain highest possible utilization of Section 8 Voucher as funding permits
- H** Partner with Minnesota Multi-Housing Association to offer Fair Housing Workshop to landlords
- H** Complete Phase 2 of the redevelopment of Penn and American to include a hotel, grocery and retail
- H** Establish new Housing Improvement Area program to assist common interest communities with rehabilitation projects
- H** Continue the Home Energy Squad Enhanced program with Center for Energy and Environment and serve 250 homeowners
- H** Begin planning for future redevelopment opportunities in commercial-retail nodes of the City

2014 Results

- Approved and closed on Phase 2 of the redevelopment at Penn and American Blvd
- Assisted 397 seniors with housing maintenance and homemaking services
- Provided housing rehabilitation loans to 48 homeowners
- Provided rental property and manager education through three landlord collaborative meetings (82 attendees)
- Achieved highest utilization of Section 8 Rent Assistance that funding permitted
- Achieved HUD's "high performer" rankings for administration of the Section 8 Voucher program
- Provided housing to 45 large families through the HRA's two rental housing programs.
- Opened the Section 8 Rent Assistance program waiting list for first time since 2008 using new online application
- Sold two vacant lots to private owners to build owner-occupied single-family homes
- Acquired two substandard homes to be demolished and land re-sold for new owner occupied single-family homes
- Over 1,800 people attended the 2014 Home Improvement Fair that featured over 60 vendors.
- The Home Energy Squad Enhanced Program completed its' first full year with 289 homeowner visits completed by the Center for Energy and Environment

Expenditures

| | FY2014 Original Budget | FY2015 Approved Budget | Percent Change |
|-----------------------------|------------------------------|------------------------------|-------------------|
| Salaries/Wages/Benefits | \$ 995,467 | \$ 1,030,291 | 3.5% |
| Materials/Supplies/Services | 7,937,910 | 7,204,239 | (9.2) |
| | \$ 8,933,377 | \$ 8,234,530 | (7.8)% |

Authorized Full-Time

| | FY2013 10 | FY2014 10 | FY2015 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 |



Penn and American

The HRA took over 14,500 applications for its Section 8 Rent Assistance program. A lottery was conducted from all applications for 1,500 spots on the waiting list.

HOUSING AND REDEVELOPMENT AUTHORITY
BUDGET SUMMARY
Revenues and Expenditures

| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
|-------------------------------------|---------------------|----------------------------|---------------------------|---------------------|---------------------|
| Revenues | | | | | |
| Program Income | \$ 1,208,087 | \$ 936,915 | \$ 829,104 | \$ 816,588 | \$ 810,152 |
| Tax Revenues | 1,795,043 | 1,838,215 | 1,898,215 | 1,837,901 | 1,859,293 |
| Intergovernmental | 4,731,753 | 6,157,247 | 4,957,247 | 4,836,562 | 5,564,085 |
| Interest Income | (1,425) | 1,000 | 1,000 | (2,483) | 1,000 |
| TOTAL REVENUES | 7,733,458 | 8,933,377 | 7,685,566 | 7,488,568 | 8,234,530 |
| Expenditures | | | | | |
| Staffing | | | | | |
| Salaries and Wages | 709,014 | 728,589 | 736,089 | 651,094 | 754,103 |
| Benefits | 253,953 | 266,878 | 281,877 | 239,295 | 276,188 |
| Operating Expenditures | | | | | |
| Professional and Technical Services | 116,933 | 118,500 | 118,500 | 92,740 | 124,500 |
| Utilities and Maintenance | 68,046 | 129,000 | 114,000 | 89,471 | 119,166 |
| Operations | 59,828 | 75,858 | 85,858 | 63,755 | 82,573 |
| City Support Services | 4,799,128 | 5,605,064 | 5,385,064 | 5,286,361 | 5,404,573 |
| Materials and Supplies | 19,025 | 206,776 | 206,776 | 16,001 | 13,475 |
| Transfers Out | - | 1,802,713 | 402,000 | 402,000 | 1,459,952 |
| TOTAL EXPENDITURES | 6,025,927 | 8,933,377 | 7,330,164 | 6,840,717 | 8,234,530 |
| FUND BALANCE SOURCES (USES) | 1,707,531 | (0) | 355,402 | 647,851 | - |
| Fund Balance at Beginning of Year | 6,480,798 | 8,188,329 | 8,188,329 | 8,188,329 | 8,836,180 |
| Fund Balance At Year-End | \$ 8,188,329 | \$ 8,188,329 | \$ 8,543,731 | \$ 8,836,180 | \$ 8,836,180 |

Port Authority

The 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 to affect orderly 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.

2015 Objectives

LU,T 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.

2015 Key Projects: Mall of America (MOA) Phase I-C expansion, Bloomington Central Station (apartment building, and a hotel, restaurant, coffee shop, parking ramp and potential future phase (market or pharmacy) on the Alpha B parcel.

- OS** To oversee debt in a conservative manner in order to assure repayment and adequate resources.
- OS** To make community investments that in turn encourage private investments consistent with the City's sustainability objectives.

2014 Results

- Lindau Lane project funded in part with a state bonding grant is almost complete.
- MOA Phase I-C expansion construction started
- Completed Purchase and Redevelopment Agreement 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)
- Executed agreements necessary for Bloomington Central Station 394-unit apartment project, developed by Lennar, with construction anticipated to begin in Spring, 2015
- Continued implementation of the South Loop District Plan

| Expenditures | FY2014 | FY2015 | Percent Change |
|-----------------------------|----------------------|----------------------|----------------|
| | Original Budget | Approved Budget | |
| Salaries and Benefits | \$ 459,225 | \$ 401,600 | (12.6)% |
| Materials/Supplies/Services | 346,000 | 338,035 | (2.4) |
| Liquor/Lodging Transfer | 0 | 0 | -- |
| Debt Service | 2,889,950 | 0 | -- |
| Capital Outlay | 38,491,649 | 15,309,200 | (60.3) |
| Transfers Out | 1,389,950 | 3,247,846 | 233.6 |
| | \$ 42,186,824 | \$ 19,296,681 | (54.3)% |

| Authorized Full-Time | FY2013 | FY2014 | FY2015 |
|------------------------------|--------|--------|--------|
| | 3 | 3 | 3 |
| Development Specialist | 1 | 1 | 1 |
| 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 | | | | | |
|---|----------------------|----------------------------|---------------------------|----------------------|----------------------|
| | 2013 ACTUAL | 2014 ORIGINAL BUDGET | 2014 AMENDED BUDGET | 2014 ESTIMATED | 2015 BUDGET |
| Revenues | | | | | |
| Lodging and Liquor Taxes | \$ 4,234,224 | \$ - | \$ - | \$ - | \$ - |
| Property Tax Increment | 11,898,263 | 12,353,000 | 12,353,000 | 13,411,594 | 14,030,000 |
| Fiscal Disparities TIF | - | 10,196,000 | 10,196,000 | 10,252,462 | 8,188,000 |
| Interest Income | 198,775 | 115,500 | 115,500 | 34,238 | 133,940 |
| Other | 220,000 | 240,000 | 290,000 | 449,913 | 260,000 |
| Transfers In | 35,537,116 | 1,285,300 | 1,285,300 | 29,529,545 | 3,248,246 |
| TOTAL REVENUES | 52,088,378 | 24,189,800 | 24,239,800 | 53,677,752 | 25,860,186 |
| Expenditures | | | | | |
| Salaries and Benefits | 322,433 | 459,225 | 459,225 | 276,543 | 401,600 |
| City Support Services | 58,981 | 69,000 | 69,000 | 65,472 | 73,495 |
| Materials and Supplies | 322,750 | 277,000 | 291,000 | 209,325 | 264,540 |
| Liquor/Lodging Payment to City | 9,809,609 | - | - | - | - |
| Counted Value Payment to BCS | 688,835 | 625,000 | 999,500 | 999,485 | 650,243 |
| Counted Value Payment -So Pad Hotel | 15,336,282 | - | - | - | - |
| Counted Value Payment-Phase 1-C | - | 28,000,000 | 28,188,385 | 28,188,385 | - |
| Project Costs | 9,376,308 | 9,866,649 | 9,866,649 | 22,500,000 | 14,658,957 |
| Parking Ramp for Radisson Blu Hotel | 624,348 | - | - | - | - |
| Debt Service Principal and Interest | 21,420,190 | 1,500,000 | 1,652,830 | 202,830 | - |
| Transfers Out | 20,200,833 | 1,389,950 | 1,491,546 | 1,341,160 | 3,247,846 |
| TOTAL EXPENDITURES | 78,160,569 | 42,186,824 | 43,018,135 | 53,783,200 | 19,296,681 |
| FUND BALANCE SOURCES (USES) | (26,072,191) | (17,997,024) | (18,778,335) | (105,448) | 6,563,505 |
| Fund Balance at Beginning of Year | 73,247,699 | 47,175,508 | 47,175,508 | 47,175,508 | 47,070,060 |
| Fund Balance At Year-End | <u>\$ 47,175,508</u> | <u>\$ 29,178,484</u> | <u>\$ 28,397,173</u> | <u>\$ 47,070,060</u> | <u>\$ 53,633,565</u> |

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CAPITAL

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Capital Projects

The Capital Budget development process starts with Departments and ongoing commissions and boards preparing requests for needed projects using the Five-Year Community Investment Program (CIP) database. Projects can come from the Alternative Transportation Plan, the Parks Master Plan, the South Loop Master Plan as well as fifteen year modeling done for water, sewer and storm water utilities and the Pavement Management Program. 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.

Both the proposed per capita debt and debt to market value ratios are benchmarked against City-adopted guidelines during this process. 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 2015 Capital Funding Projects:

Parks

- \$278,500 to upgrade equipment to meet current safety and accessibility standards. This includes bicycle racks, picnic tables and benches, lighting and other site improvements. No additional savings or operating costs are anticipated for this upgrade.

Alternative Transportation

- \$21,475,000 is budgeted for the Long Meadow Bridge rehabilitation. This project provides a non-motorized trail connection between Hennepin and Dakota Counties regional trail system. Only \$1 million will be funded by the City. Tax increment financing and grants will provide the bulk of the funding. Additional maintenance for the bridge will be approximately \$75,000 per year.

Utilities Infrastructure

- Capital costs include \$750,000 for water distribution and sewer collection system improvements. Operating costs will not increase since this is just replacement of old pipe, not an increase in the systems.
- An additional \$45,000 is budgeted for well and well house maintenance projects. No additional maintenance costs are anticipated.

- The Storm Water budget includes \$540,000 for maintenance projects, \$590,000 to improve the collection system and \$800,000 for design of the Northeast Penn project. Operating costs will stay the same.

Equipment

- The 2015 equipment budget includes \$3,532,600 of planned purchases. By regularly upgrading equipment, the City realizes approximately \$100,000 per year in savings on maintenance costs.

South Loop Capital/Bloomington Central Station

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 and is in its seventh year of a revised ten-year program. Anticipated 2015 capital expenditures include:

- \$2,090,000 for a way-finding signage project (\$10,000 maintenance cost)
- \$5,620,000 for a parking ramp (this ramp will not be maintained by the City, so no maintenance cost)
- \$1,000,000 to upgrade the 24th Avenue/Mall of America Transit Station (not maintained by the City)
- \$247,000 for creative place-making and art installations (\$10,000 maintenance cost).

Surface Transportation

- Intersection and signal improvements for East Bush Lake Road and Highwood are budgeted at \$1,000,000 to improve safety and traffic control. No additional maintenance costs are associated with this improvement.
- An additional \$1,000,000 local share is budgeted for interchange improvements at Interstates 494 and 35W. 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.

- In 2015, approximately \$9,100,000 will be invested in street reconstruction and \$3,400,000 will be spent on overlaying existing pavement. See chart on *Page 98* 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

- Columbarium will be built in the City cemetery. Additional maintenance will be \$15,000 per year.

Executive Summary

The following pages summarize the significant Capital Improvement Program projects as approved, broken down by spending authority.

| Fund/Activity | 2015 Adopted | Purpose | Budget Page Number |
|------------------------------|---|--|--|
| Community Services | 15,000 | Furniture, Kitchen Equipment for Creekside Community Center | 78 |
| Fire | 20,000 | Emergency equipment | 60 |
| Public Works | 16,000 28,000 | Global Positioning System (GPS) Equipment Signal Cabinets | 90 92 |
| Total General Fund | \$ 79,000 | | |
| Police Grants | 384,521 24,640 20,000 | 9-1-1 Consoles Interview recording equipment Bomb Squad equipment | 134 |
| Communications | 126,200 | Cable TV Equipment | 148 |
| Fire Grants | 150,000 | Fire safety equipment | |
| Water Utility | 253,000 535,000 | Well and pump rehabilitation, water plant equipment Improve distribution system | 162 162 |
| Wastewater Utility | 610,000 | Improve collection system | 164 |
| Storm Water Utility | 3,555,400 | Improve collection system | 166 |
| Golf Courses | 47,000 | Aerators, kitchen equipment, utility vehicle | 170 |
| Ice Garden | 25,000 190,000 125,000 15,000 10,000 | Repair north parking lot Reconfigure Rink 2 viewing area Replace electric Zamboni Replace desiccant wheels Zamboni battery | 170 170 170 170 |
| Center for the Arts | 70,000 40,000 | Replace piano, stage and microphones Replace furniture in atrium | 78 |
| Mail Room | 25,000 | Replace mail machine | 188 |
| Information Systems | 245,000 79,470 | Network upgrades and storage Copiers | 192 192 |
| Equipment & Supplies | 3,532,600 111,427 | Equipment Replacement Starting unit, Fleet software, fuel island upgrade | 184 |
| Public Safety Radio | 53,000 | Fiber optics to 24 th and Killebrew | 184 |
| Facilities Replacement | 225,000 300,000 50,000 275,000 200,000 110,000 | Parking lot repair Reroofing Emergency repairs Mechanicals Interior Finishes Emergency equipment | 188 188 188 188 188 188 |
| South Loop Capital | 247,000 5,620,000 2,090,000 1,000,000 50,000 | Creative Placemaking Parking ramp Electronic way-finding signs MOA transit station improvements Monument signage | * * * * * |
| Park Capital Projects | 93,500 50,000 54,000 135,000 | Playground Improvements Lighting improvements Natural resources restoration Joint City/School projects | * * * * |
| Road and Street Improvements | 9,173,750 3,394,880 600,000 1,000,000 | Pavement Management Program reconstruction Overlay streets Subdivision streets/Traffic signal upgrades I494/I35W intersection improvement | * * * * |

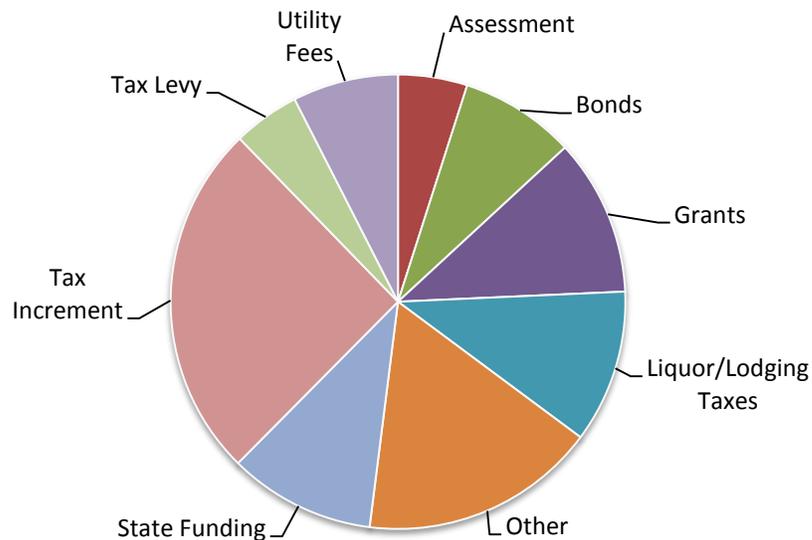
| | | | |
|----------------------------|---------------------|--|-----|
| | 247,000 | Railroad intersection improvements | * |
| | 3,650,000 | Traffic flow improvements | * |
| | 322,250 | Sidewalk/Bikeway improvements | * |
| Cemetery | 258,240 | Grading, Roads, Columbarium | 146 |
| Alternative Transportation | 21,475,000 | Long Meadow Bridge rehabilitation Hyland Trail Corridor | * |
| TOTAL ALL FUNDS | \$60,926,878 | | |

*The City has an ongoing five-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 | 2014 |
|---------------------------------|----------------------|
| South Loop Capital | \$ 9,007,000 |
| City Facilities | 1,418,240 |
| Roads & Streets | 18,387,880 |
| Sewer, Water & Storm Water | 4,953,400 |
| Park Development | 332,500 |
| Information Systems & Equipment | 324,470 |
| Vehicles | 3,644,027 |
| Other Equipment/Improvements | 736,161 |
| Communications | 126,200 |
| Recreation Facilities | 522,000 |
| Alternative Transportation | 21,475,000 |
| Total Project Costs | \$ 60,926,878 |

Sources of Funding for Capital Projects



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DEBT

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Debt Overview

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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.

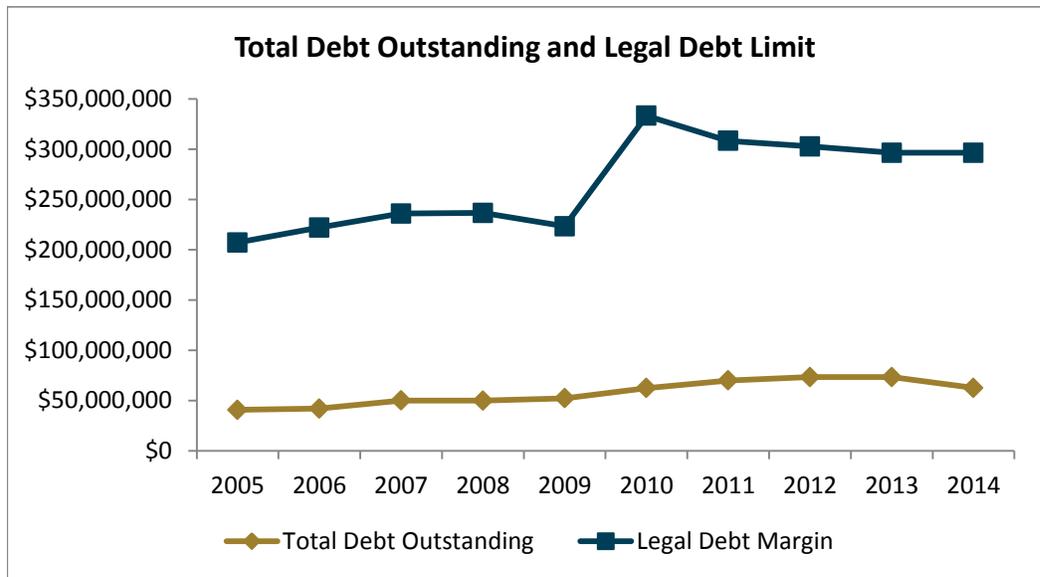
The City issues debt only when projects have a longer life than the term of the borrowing and to reimburse funding for large improvement projects. For more details on the City’s debt policy, see the Policies section.

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 2014 is \$10,436,649,000. The graph below shows ten years of total debt outstanding and the legal debt limit. The space between outstanding debt and the debt limit shows that the City is conservative in the amount of debt issued compared to the statutory limit.

2015

| | |
|---|------------------------------|
| General Obligation Debt Limit | \$ 313,099,470 |
| Bloomington’s Debt Subject to the limit | <u>8,515,000</u> |
| Debt Margin | <u>\$ 304,584,470</u> |



Debt Issuance and Refinancing

The City of Bloomington has been very conservative in its debt issuance practices and holds Moody’s Aaa, Standard & Poor’s AAA and Fitch Rating Agency’s AAA G.O. debt ratings, one of 27 cities to achieve the “Triple Triple A”.

General Obligation Debt Issuances During 2014

In December of 2014, the City issued the following debt:

- \$7,465,000 of General Obligation Permanent Improvement Revolving Fund Bonds. A portion of the proceeds (\$770,000 plus cash on hand) were used to refund \$1,225,000 of the February 1, 2015 through February 1, 2017 maturities of the City's General Obligation Permanent Improvement Revolving Fund Bonds of 2006, Series 40, dated November 15, 2006. The net present value benefit of the refunding is \$40,468 or 3.20% of the refunded principal. The balance of the proceeds (\$6,695,000) 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 Permanent Improvement Revolving Fund debt of approximately \$8 million in the fall of 2015 to replenish funds expended for the Pavement Management Program and specific developer assessment projects.

The City's total outstanding tax and assessment supported debt on December 31, 2014, was \$58,180,000, for a per capita amount of \$677 (population 85,935). The per capita limit on the City's debt is \$3,643. The refunding issues of 2014 impacted the total debt outstanding because on December 31 the City was required to carry on its books both the debt that is to be refunded and the new debt that will be used to refund. Netting out the refunding and the original debt, the total outstanding tax and assessment supported debt is \$56,955,000 which would be a per capita amount of \$663.

The total debt principal and interest due in 2015 is \$10,128,335 of which \$4,041,425 is borne by the property tax levy and \$1,225,000 is the refunded debt issues. The impact of netting out the refunding debt has a minimal effect on the length of time to pay off the majority of the debt. Over 53 percent of the currently issued debt will be paid off in five years and almost 86 percent in ten years. The ability to retire at least half of a city's debt in ten years is considered a strength. That Bloomington can achieve this in five years (under \$26,270,000 by 2020), demonstrates the financial strength of the City.

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

2007 Arts Center Refunding Bonds – Tax levy years 2008-2019. Bonds issued to advance refund the 2000 Art Center Bonds to be repaid from tax levies.

2010 Fire Pension Bonds – Tax levy years 2012-2016.

2004 Permanent Improvement Revolving, Thirty-Nine Series (2005-2025)
Refunding on 2/1/2014

2006 Permanent Improvement Revolving, Forty Series (2008-2017)

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

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

2009 Permanent Improvement Revolving, Forty-Three Series Build America Bonds (2011-2030) – Refunding on 2/1/2014

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 issued to advance refund 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 issued to advance refund 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 issued to refund the 2009 Permanent Improvement Revolving, Forty-Three Series (2015-2030)

2014 Permanent Improvement Revolving, Forty-Eight Series (2016-2025)

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

Total Outstanding City Debt

Not all debt is paid out of property tax receipts. About 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 |
| 2015 | \$8,470,000 | \$1,658,335 | \$575,000 | \$80,797 | \$7,895,000 | \$1,577,538 |
| 2016 | 7,550,000 | 1,493,193 | 575,000 | 73,035 | 6,975,000 | 1,420,158 |
| 2017 | 7,105,000 | 1,296,545 | 595,000 | 63,368 | 6,510,000 | 1,233,177 |
| 2018 | 6,890,000 | 1,101,180 | 605,000 | 51,962 | 6,285,000 | 1,049,218 |
| 2019 | 6,130,000 | 913,971 | 615,000 | 38,994 | 5,515,000 | 874,977 |
| 2020 | 5,735,000 | 741,436 | 630,000 | 24,358 | 5,105,000 | 717,078 |
| 2021 | 5,405,000 | 576,729 | 640,000 | 8,320 | 4,765,000 | 568,409 |
| 2022 | 3,585,000 | 445,733 | 0 | 0 | 3,585,000 | 445,733 |
| 2023 | 2,995,000 | 352,501 | 0 | 0 | 2,995,000 | 352,501 |
| 2024 | 2,460,000 | 272,575 | 0 | 0 | 2,460,000 | 272,575 |
| 2025 | 2,005,000 | 203,950 | 0 | 0 | 2,005,000 | 203,950 |
| 2026 | 800,000 | 155,312 | 0 | 0 | 800,000 | 155,312 |
| 2027 | 815,000 | 121,523 | 0 | 0 | 815,000 | 121,523 |
| 2028 | 845,000 | 85,986 | 0 | 0 | 845,000 | 85,986 |
| 2029 | 770,000 | 51,108 | 0 | 0 | 770,000 | 51,108 |
| 2030 | 400,000 | 26,776 | 0 | 0 | 400,000 | 26,776 |
| 2031 | 285,000 | 13,268 | 0 | 0 | 285,000 | 13,268 |
| 2032 | 170,000 | 3,698 | 0 | 0 | 170,000 | 3,698 |
| | <u>\$62,415,000</u> | <u>\$9,513,818</u> | <u>\$4,235,000</u> | <u>\$340,834</u> | <u>\$58,180,000</u> | <u>\$9,172,984</u> |

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POLICIES

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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 October. 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 treasurer 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 except for a purpose and up to the amount authorized in the budget resolution. Any obligation incurred by any city employee for any purpose not authorized in the budget resolution or for any amount in excess of the amount authorized is a personal obligation of the person incurring the expenditure.”

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.

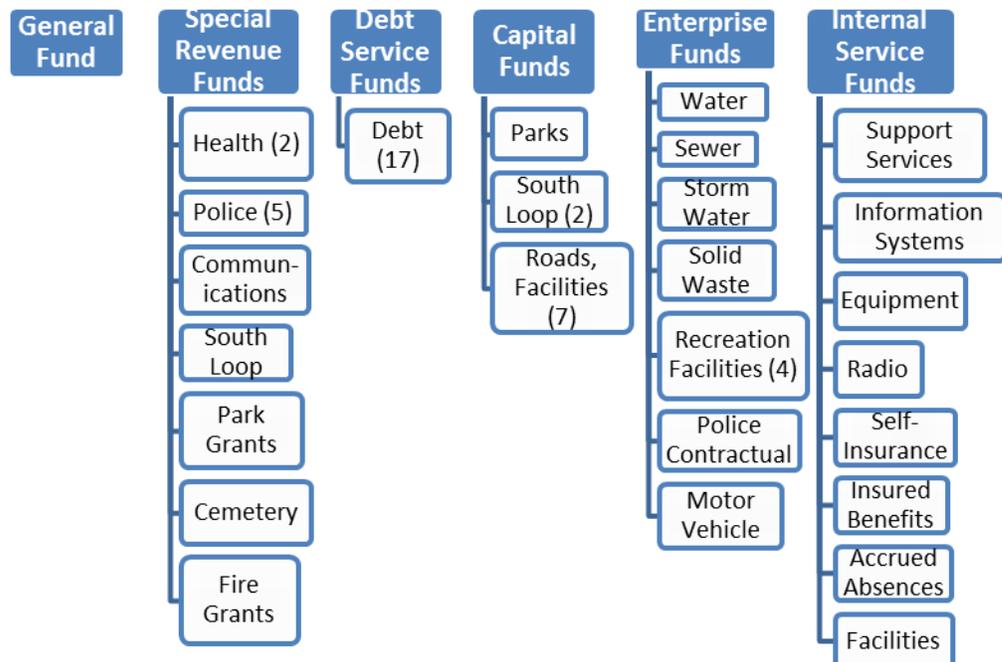
Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

The Comprehensive Annual Financial Report (CAFR) reports the City's finances on the basis of Generally Accepted Accounting Principles (GAAP). This conforms to the way the City prepares budgets with one exception; capital outlays in the Enterprise Funds are recorded as assets on a GAAP basis and expenses on a budget basis. 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://www.bloomingtonmn.gov/sites/default/files/finmgtpolicies.pdf>)

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 of 35 – 40% of expenditures for following year.
 - 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. City Charter Section 7.07 states any obligation incurred by any person in the employ of the City for any purpose not authorized in the budget resolution or for any amount in excess of the amount therein authorized shall be a personal obligation upon the person incurring the expenditure.
 - 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.
- 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.

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.
- 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, not otherwise funded through an approved budget, shall require City Council approval.
- D. The City will enact each two-year capital improvement program based on a rolling multi-year capital improvement plan update.
- E. 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.
- F. 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.
- G. 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
 - 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 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.
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 establish minimum requirements that a Recipient must meet in order to be eligible to receive a Business Subsidy.

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 H.
- The project is unlikely to go forward “But for” the Business Subsidy.
- Developments or businesses receiving 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.
- The Recipient must demonstrate the ability to develop the type and size of project proposed.
- 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 viable.
- The project will effectively utilize investments in existing public infrastructure and if applicable support public services such as transit.

The Recipient shall be required to meet the following, if the type of project being considered includes a “Business Subsidy”:

- 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 is initiated.
- The Recipient or successor must continue operations at the site where the Business Subsidy is used for at least five years from receipt of the benefit.
- The Recipient of a Business Subsidy will be required to meet wage and job goals determined by the Grantor as required by Minn. Stat. 116J.994, subd. 4, as amended.

C. Agreements

Any Recipient receiving a Business Subsidy will be required by the 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 J and all other requirements of Minn.

Stat. 116J.993 – 116J.995, as amended and may be incorporated into the Development Agreement for the project. The Business Subsidy Agreement must be approved by the City Council and must also be approved by the Port Authority or HRA if either is the statutory organization within the City which initially processes and approves the Business Subsidy. The Business Subsidy Agreement must be executed by both the Grantor and the Recipient.

D. Exemptions

A recipient proposing activities contained in Section I is exempt from the requirements of the Business Subsidy Act.

E. Application Process

Business or developers seeking a Business Subsidy must complete the application for assistance.

F. Fees

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

G. Reports

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

H. Example of Subsidy Public Purposes

Grantors may consider certain public purposes when considering the applicant's request.

I. Exemptions from the Business Subsidy Act

The Business Subsidy Act provides that certain forms of assistance are not a Business Subsidy within the meaning of the Act.

J. Requirements for Subsidy Agreements

Section 116J.994, subdivision 3 of the Business Subsidy Act requires a Recipient must enter into a Subsidy Agreement with a Grantor.

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.

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 used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The prudent person standard requires that a fiduciary exercise discretion and average intelligence in making investments that would be generally acceptable as sound.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal

liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse situations.

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. City Reimbursement of Travel Costs

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:

1. **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.

2. **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.

3. **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.

4. **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.)

5. **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. 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 (current per diem rates are located on the City's internal website). A City assigned purchasing card may **NOT** be utilized to pay for meal expenses when per diem is claimed. 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:

(a) 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).

(b) Incidental expenses.

Fees and tips given to porters, baggage carriers, bellhops, and hotel maids.

Employee is 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.

III. 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.

IV. 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.

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.

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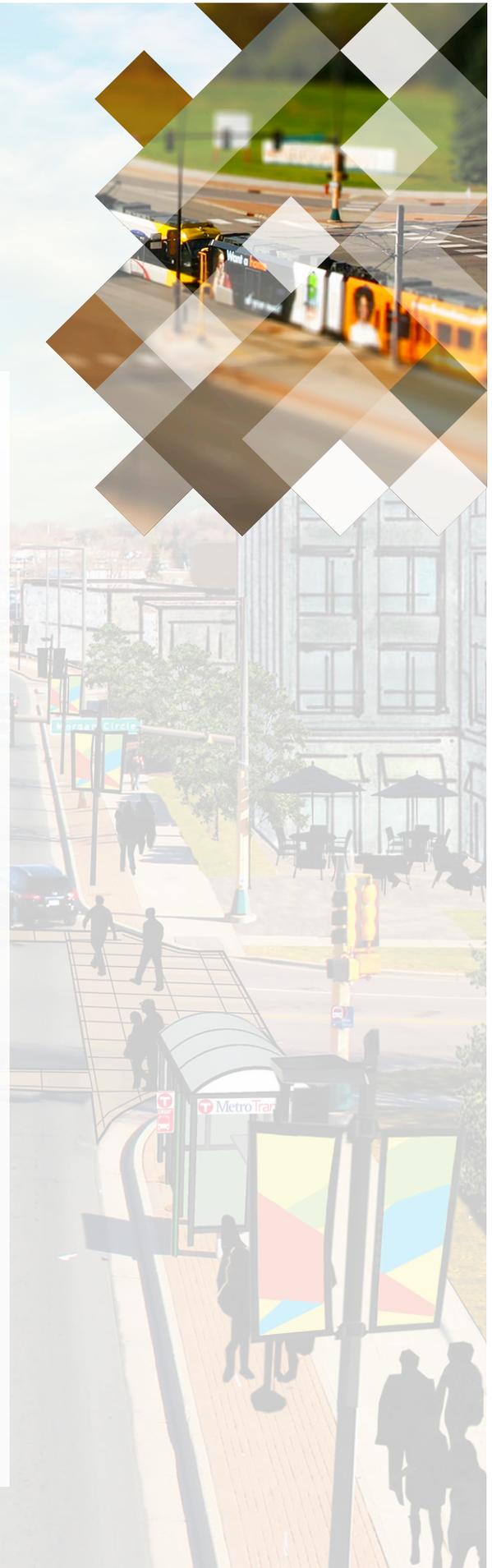


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GAUGING THE CITY

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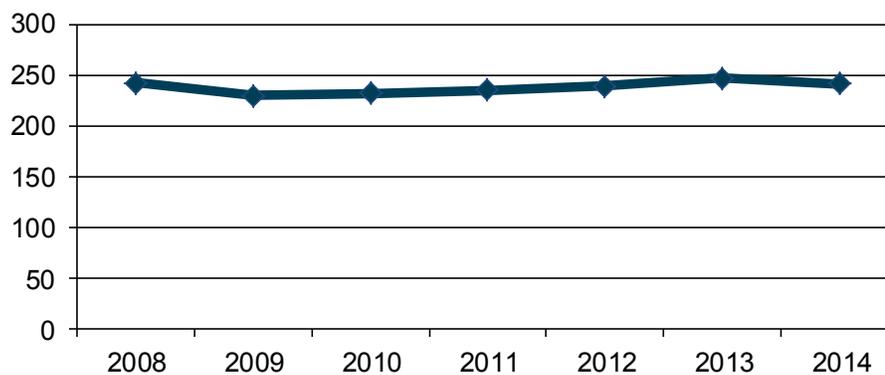
Gauging the City

Part I Crimes

| | 2012 | 2013 | 2014 |
|--------------------|-------|-------|-------|
| Homicide | 3 | 1 | 1 |
| Rape | 38 | 19 | 26 |
| Robbery | 49 | 54 | 77 |
| Aggravated Assault | 65 | 60 | 59 |
| Burglary | 283 | 197 | 207 |
| Theft | 2,876 | 3,059 | 2,919 |
| Vehicle Theft | 133 | 118 | 128 |
| Arson | 12 | 16 | 6 |

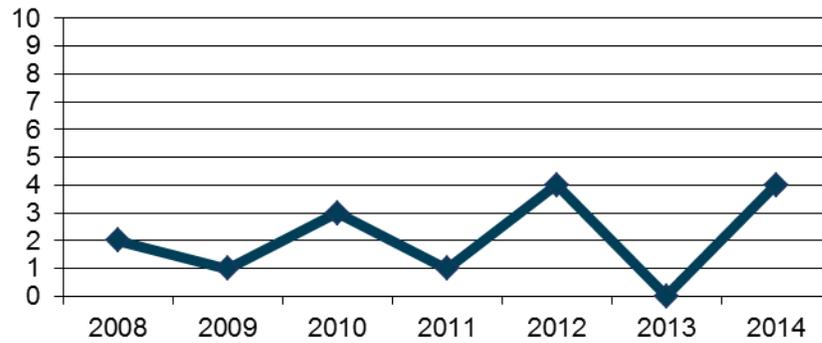
Part I Crimes include homicide, rape, robbery, aggravated assault, burglary, theft, vehicle theft and arson. The source for this data is the Bloomington Police Department record system.

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.

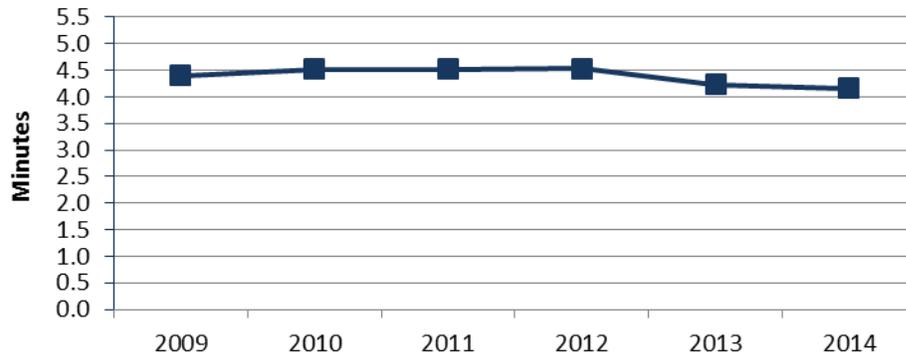
Motor Vehicle Traffic Number of Fatal Accidents



Enhanced enforcement of speeding and drunk driving laws may have an effect on limiting motor vehicle fatalities.

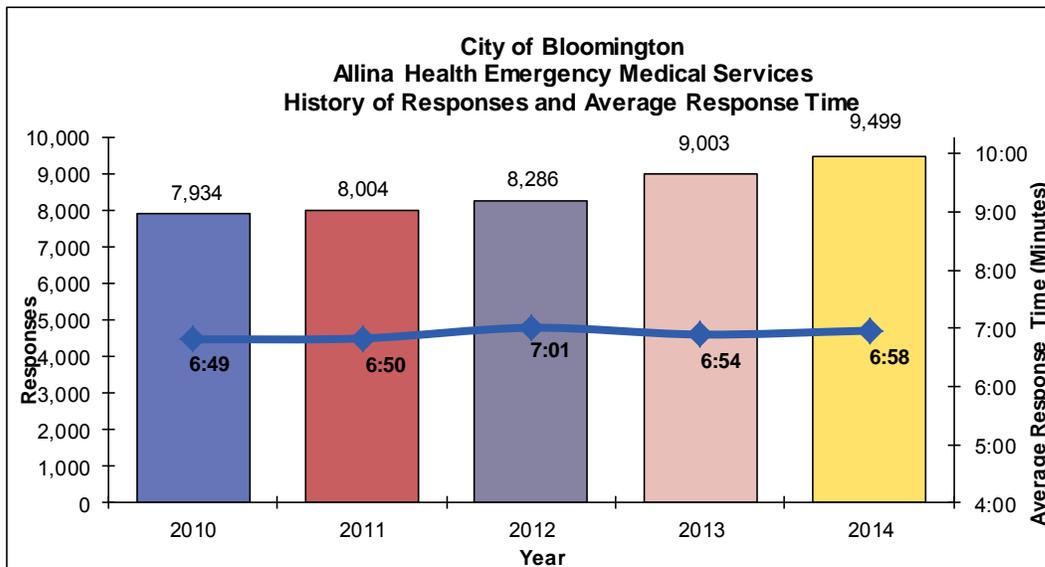
Fire Response Time Average Annual

Average Response Time to Fire Calls in Minutes



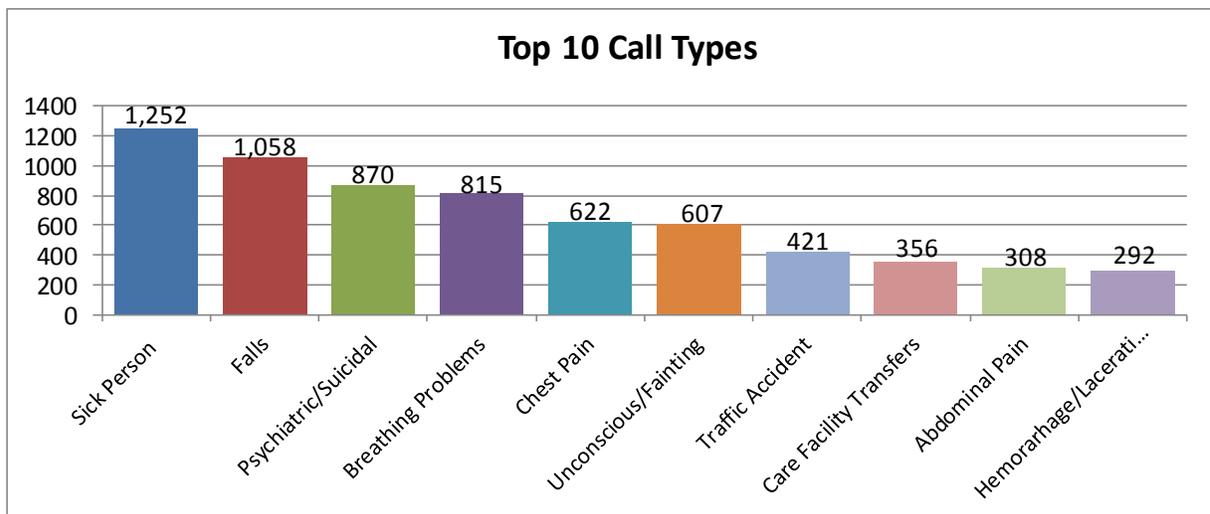
Response time is the time that elapses from the moment the dispatch alert tones are sounded until the first fire unit arrives at the scene. Bloomington has six fire stations throughout the City with approximately 120 volunteer firefighters. The Police/Fire 911 emergency system, 800 Mhz radio equipment, 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 6 Minutes and 58 Seconds



Allina Health EMS responded to 9,499 calls in 2014 within the City from January 1 – December 31. Allina Health EMS Responded within the Hennepin County Response time standard of 10 minutes and 59 seconds 89.19% of the time. Such results are equally distributed across Bloomington. The average response time for emergency medical service calls is 6 minutes and 58 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.

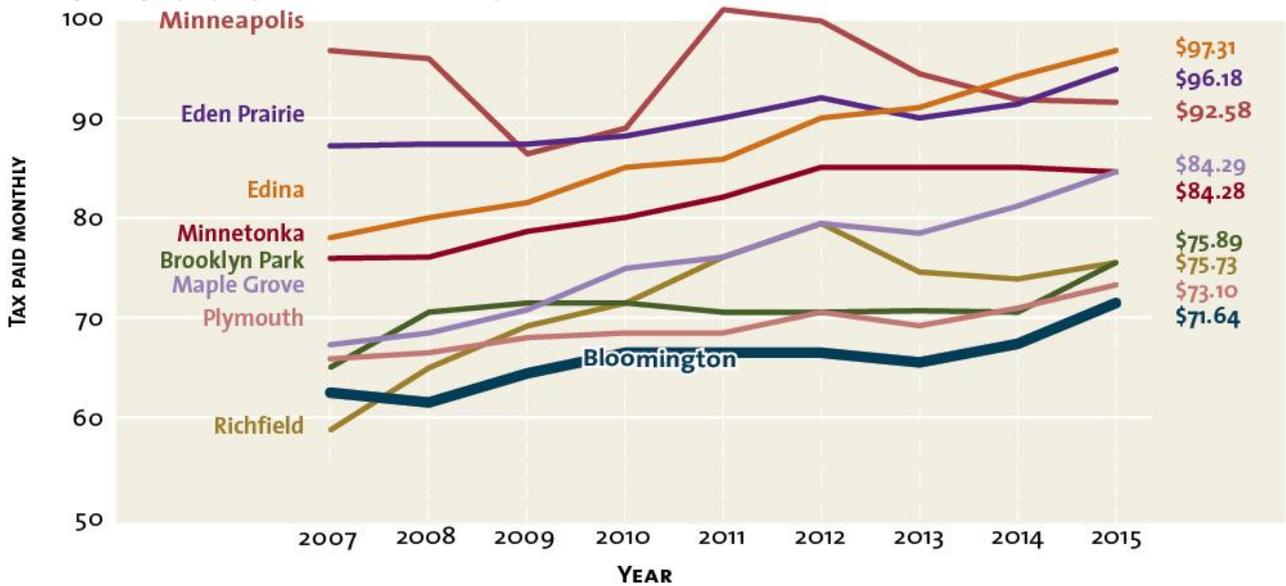
A survey of Hennepin County communities of over 20,000 population show the cost of tax supported services in a number of ways. Households include single-family and multi-family dwellings. Adjusted for property tax aids means that state aid payments paid in lieu of property tax are added into the tax 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

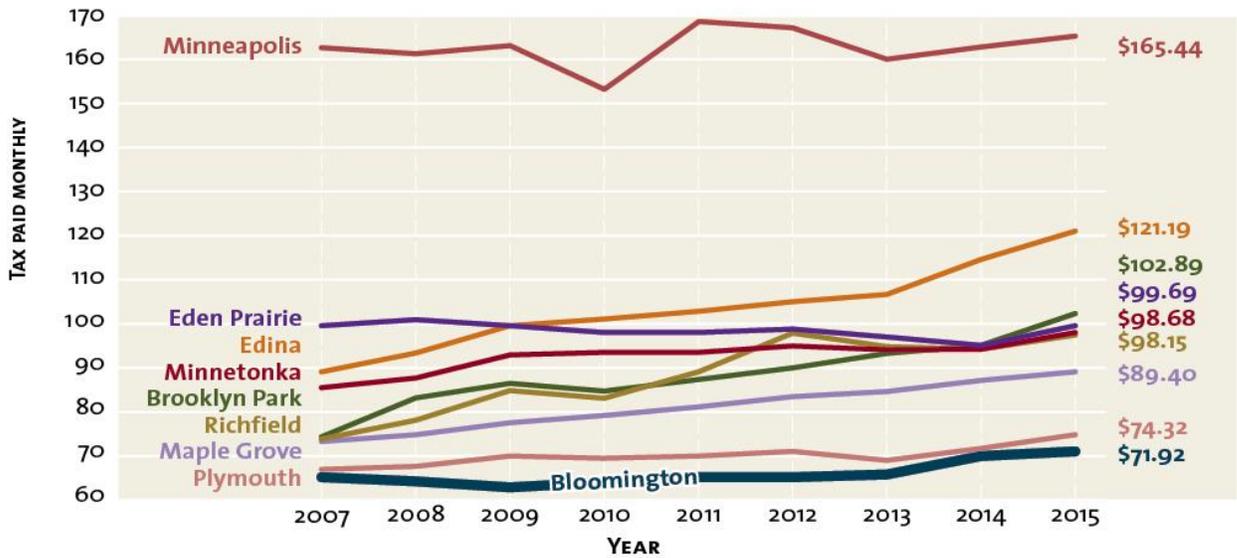
Not adjusted for property tax aids and Fiscal Disparities.



The following two graphs are based on a comparison of single-family lots, adjusted and unadjusted. Using single-family lots pulls the value of a home out of the equation. Certain services, such as snow plowing, cost the same regardless of the value of a home on the lot.

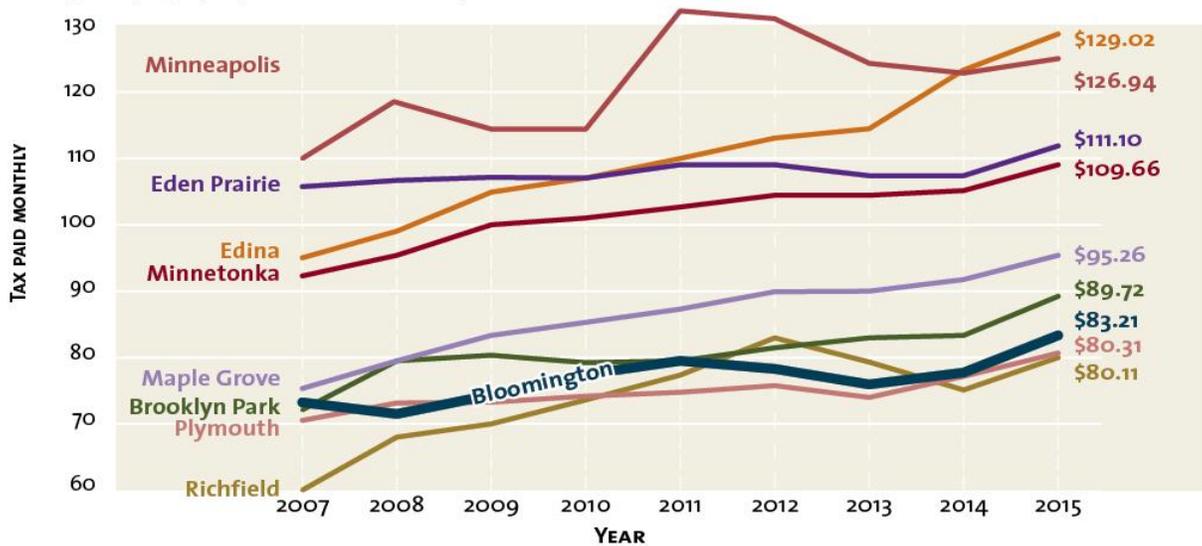
PROPERTY TAX AND AIDS COSTS PER AVERAGE SINGLE-FAMILY LOT

Adjusted for property tax aids and Fiscal Disparities.

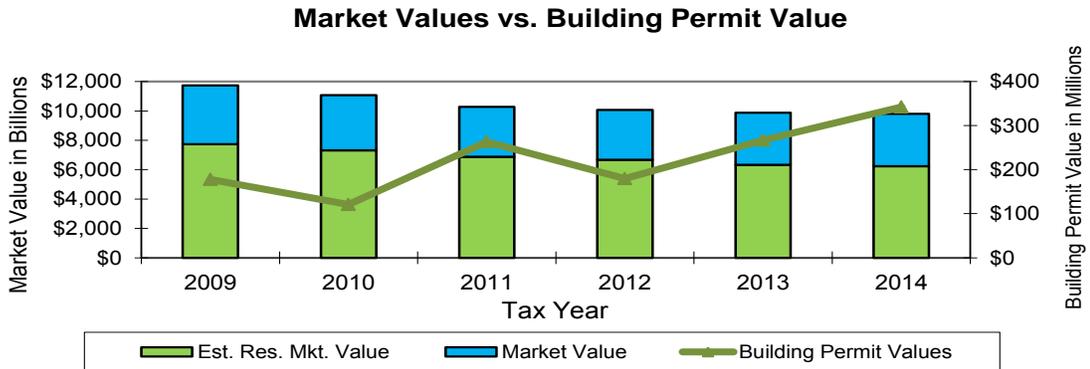


PROPERTY TAX AND AIDS COSTS PER AVERAGE SINGLE-FAMILY LOT

Not adjusted for property tax aids and Fiscal Disparities.

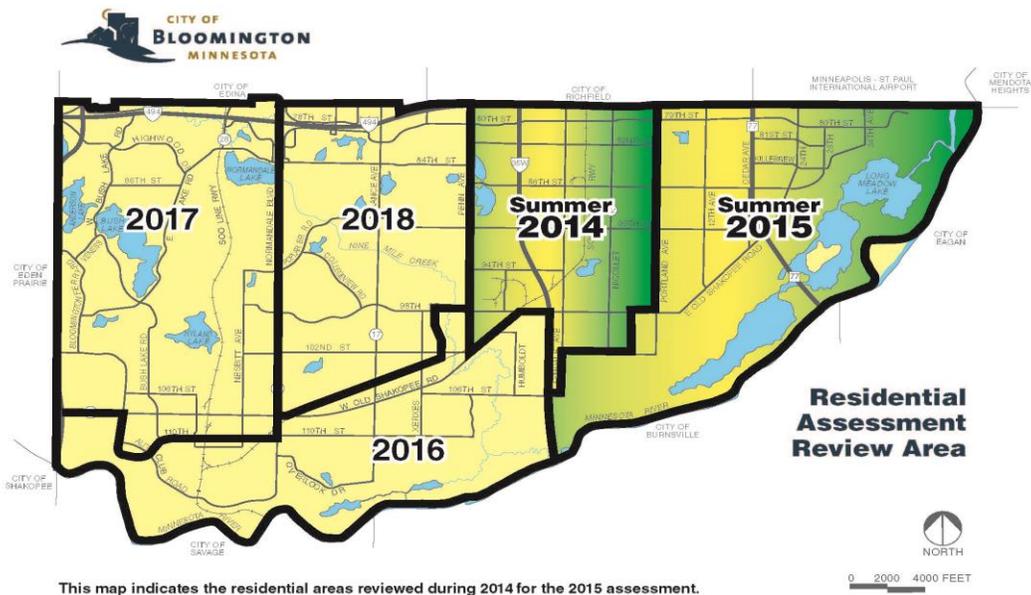


Property Market Value versus Building Permit Value



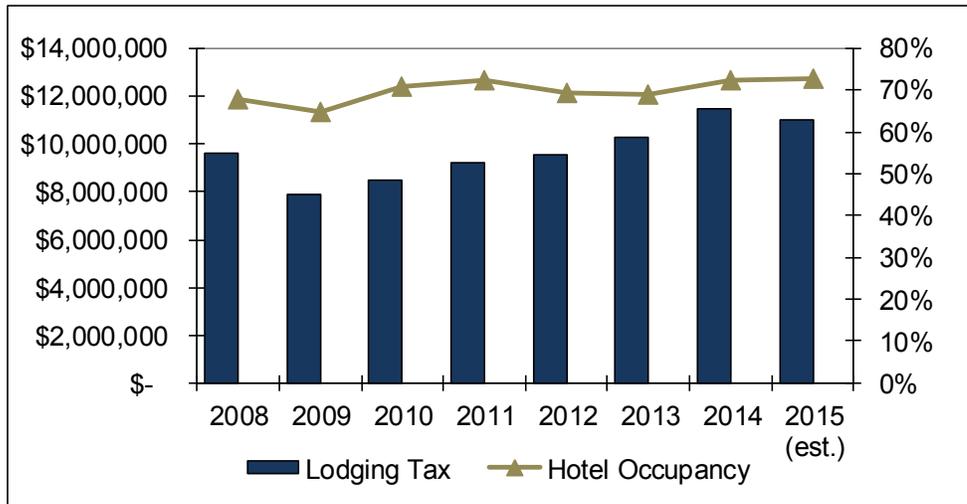
The annual residential real property market value increased approximately 8% in tax year 2015 after being down 2% in 2014 and down 5% in 2013. All parcels used primarily for housing and related lands are included. The annual non-residential real property market value grew approximately 1% in tax year 2015 after being up 1% in 2014 and up 5% in 2013. Parcels included in this group are all commercial, industrial, utility and related lands.

Residential Assessment Review Area



The residential assessment area review to be completed during the summer of 2015 is everything east of Portland Avenue, and also the area generally south of 102nd Street, east of I35W. The area completed during the summer of 2014 was east of Penn Avenue and west of Portland Avenue, mostly north of Old Shakopee Road.

Lodging Tax and Hotel Occupancy Annual Average

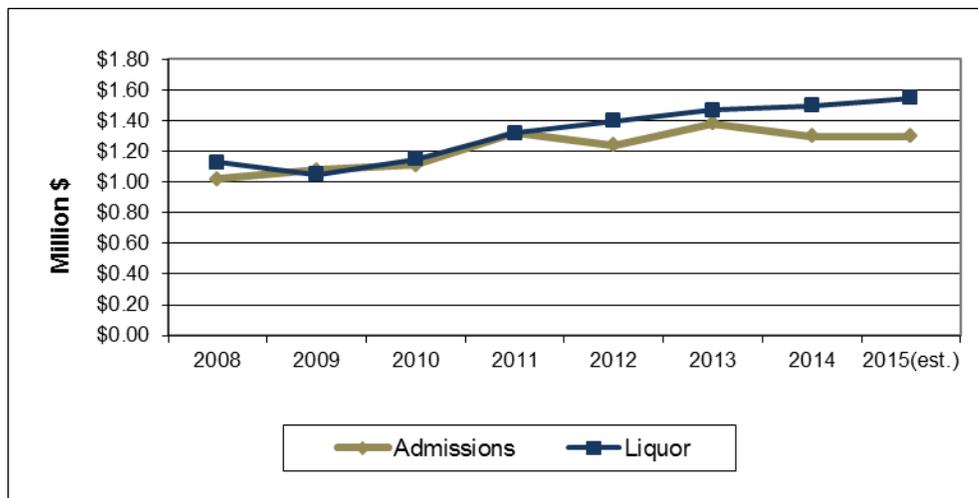


The City retains three-sevenths of lodging tax revenue collected for use in the General Fund and distributes two-sevenths to the South Loop Capital Improvement Fund. The remaining two-sevenths are remitted to the Bloomington Convention and Visitors Bureau. The graph shows the City's and South Loop Capital Improvement Fund's portion of the collections. Lodging sales tax revenue increased by 11.5 percent in 2014 compared to 2013.

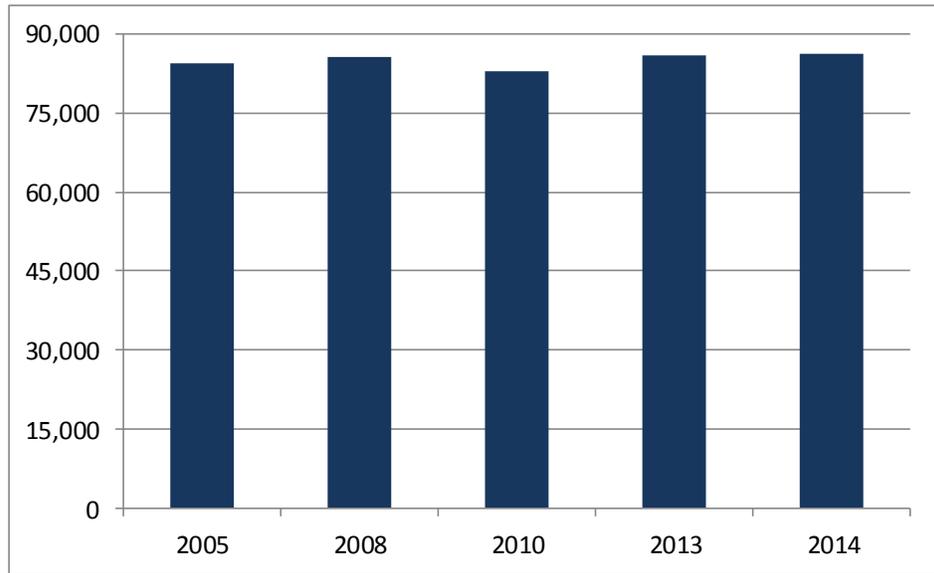
The hotel occupancy rate figures were compiled by the Bloomington Convention and Visitors Bureau and represent the occupancies as reported by an average number of Bloomington hotels each month.

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.

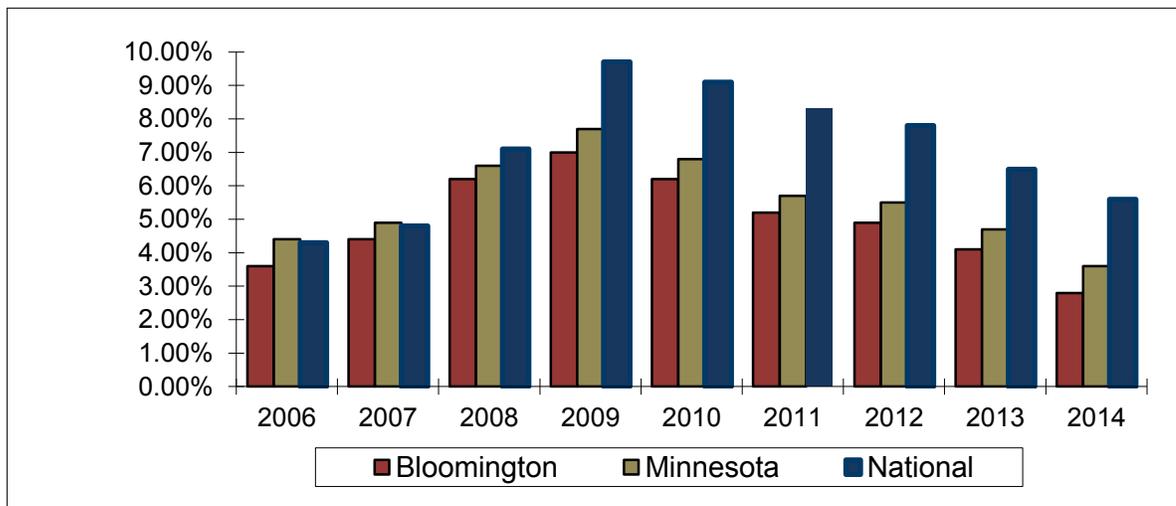


Bloomington Population



The estimated 2014 population total was 86,319 people. The projected population for 2015 is stable.

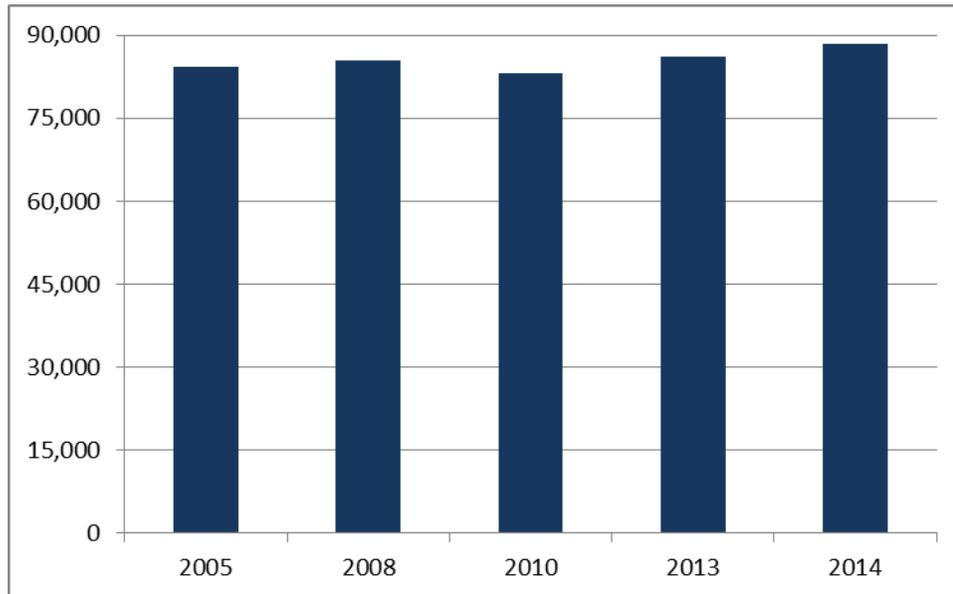
Unemployment Rates



Bloomington's unemployment rate at 2.8 percent is below the national average (5.6 percent) and slightly below the state average (3.6 percent).

Source: U.S. Bureau of Labor Statistics – December, 2014

Number of Jobs in Bloomington



Source: Q2 Minnesota Department of Employment and Economic Development – February, 2014.

Major Employers in the City

| Employer | Product Service | Approximate Number of Employees |
|--|------------------------------|--|
| Health Partners | Health Insurance Provider | 2,483 ⁽¹⁾ |
| Bloomington Public School District | Public Education | 1,892 |
| Seagate Technology | Computers/Manufacturing | 1,748 |
| Wells Fargo Bank | Bank/Financial Institution | 1,474 |
| NCS Pearson | Education Technology | 1,203 |
| Donaldson Companies, Inc., Corporate Headquarters | Automotive Equipment | 1,152 |
| Express Scripts | Pharmacy Benefit Management | 891 |
| The Toro Company | Lawn equipment, snow blowers | 939 |
| Normandale Community College | Post-secondary education | 675 |
| Polar Semiconductor, Inc. | Semiconductor manufacturing | 612 |

⁽¹⁾ Includes administration office and clinic employees

Source: Phone survey of individual employers, June, 2014.

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>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|
| Water (per 1,000 gallons) | | | | |
| Tier 1 | 2.35 | 2.47 | 2.56 | 2.64 |
| Tier 2 (>20,000 gallons) | 3.52 | 3.70 | 3.91 | 4.42 |
| Sewer (per 1,000 gallons after 2010) | 2.88 | 3.08 | 3.30 | 3.53 |
| Stormwater | 5.26 | 5.47 | 5.72 | 5.95 |
| Solid waste (recycling) | 2.42 | 2.49 | 2.54 | 2.84 |

* Water charges converted to conservation rates for 2011. This is a two-tier system with a minimum of 2,000 gallons per month for residential property.

Monthly Cost of City Services and Utilities

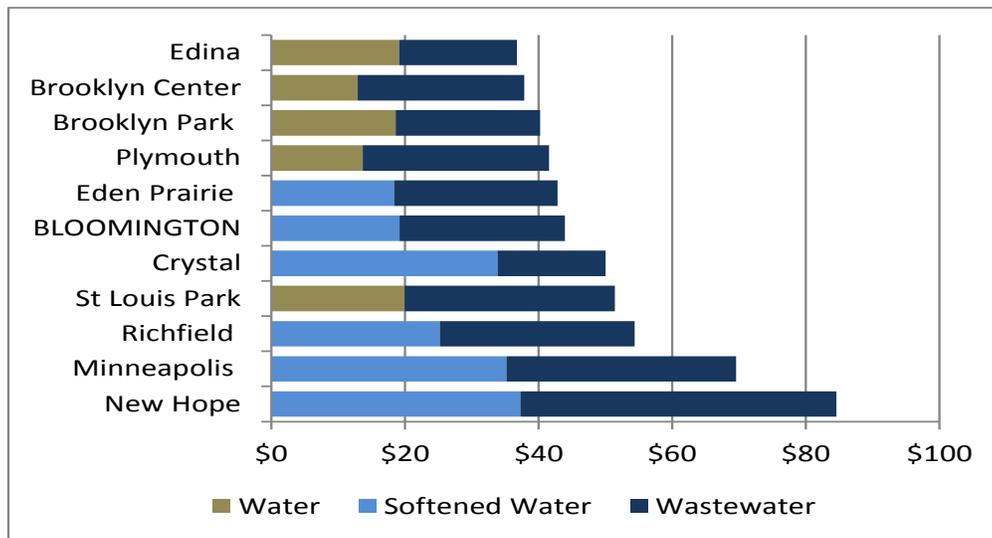
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|
| City property taxes on a median home | \$67.82 | \$66.04 | \$67.82 | \$71.64 |
| Water (per 1,000 gallons) | | | | |
| Tier 1 | 15.98** | 16.80** | 17.41** | 17.95** |
| Tier 2 (>20,000 gallons) | 3.52 | 3.70 | 3.91 | 4.42 |
| Sewer (per 1,000 gallons after 2010) | 13.65 | 14.60*** | 15.64*** | 16.73*** |
| Stormwater | 5.26 | 5.47 | 5.72 | 5.95 |
| Solid waste (recycling) | <u>2.42</u> | <u>2.49</u> | <u>2.54</u> | <u>2.84</u> |
| Total Per Median Value Home | \$105.13 | \$105.40 | \$109.13 | \$115.11 |

** Water usage average of 6,800 gallons annually.

*** Sewer usage average of 4,740 gallons annually.

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 2014 rates for usage of 7,500 gallons of water and the same amount of wastewater.

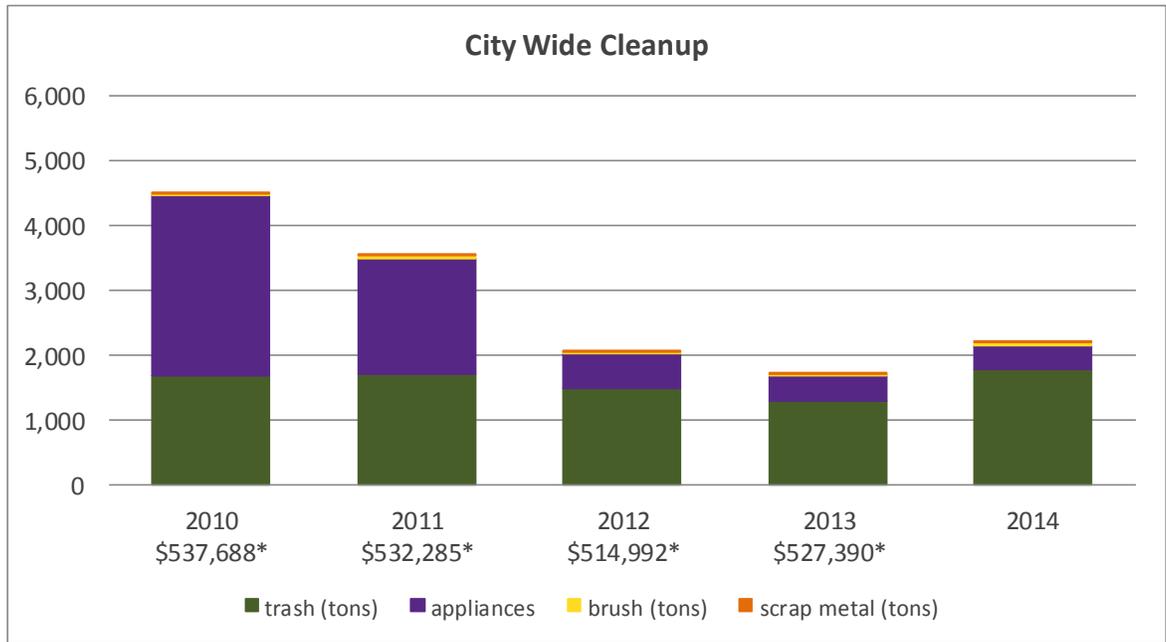


Total Cost Comparisons

| LOCATION | 2014 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 WATER SOFTENING | TOTAL MONTHLY COST OF PROPERTY TAXES + WATER, SEWER & SOFTENING |
|--------------------|---|--|---|--|---|
| Edina | \$123.17 | 36.72 | No | \$35.73 | 195.62 |
| Eden Prairie | 107.67 | 42.82 | Yes | -- | 150.49 |
| Minnetonka | 104.97 | 53.23 | No | 35.73 | 193.93 |
| Maple Grove | 92.03 | 31.25 | No | 35.73 | 159.01 |
| Brooklyn Park | 84.18 | 37.72 | No | 35.73 | 157.63 |
| Plymouth | 77.92 | 41.55 | No | 35.73 | 155.20 |
| Richfield | 76.61 | 54.40 | Yes | -- | 131.01 |
| Bloomington | 80.10 | 41.63 | Yes | -- | \$121.73 |

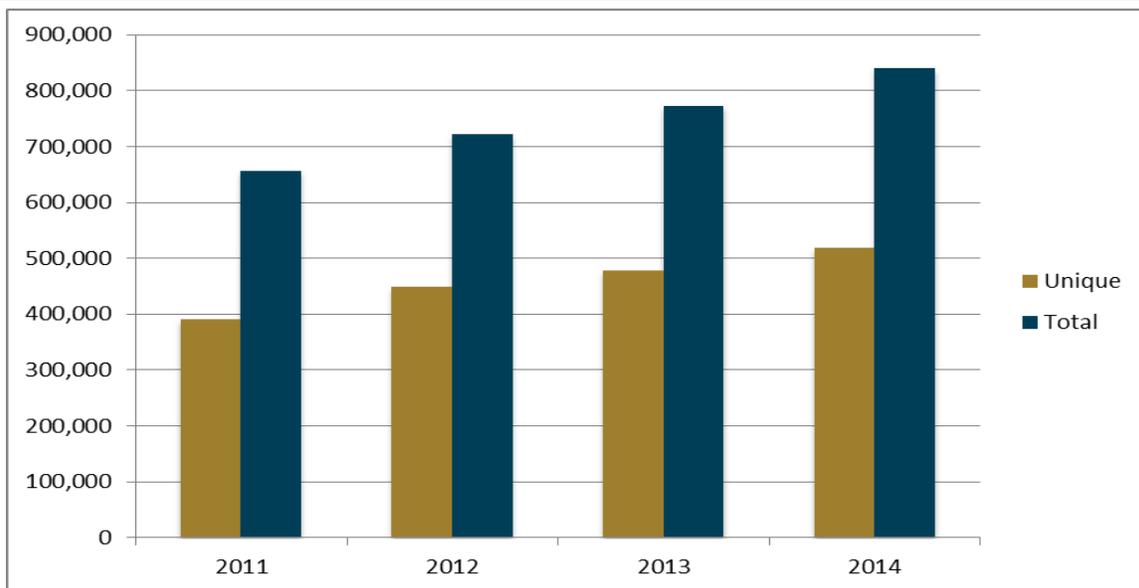
City-Wide Cleanup

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 \$2.84 per month per household.



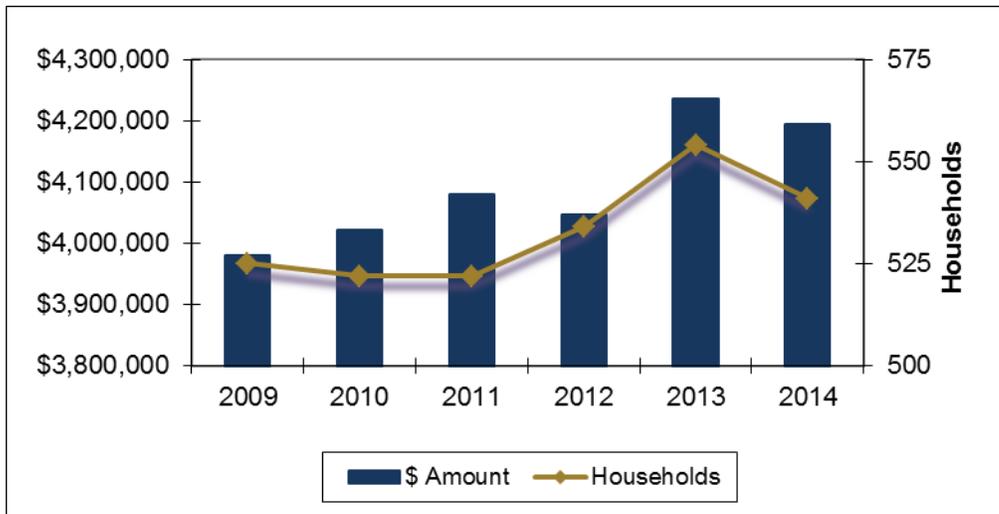
*Cost of collection for each consecutive year.

Annual City Web-Site Visits



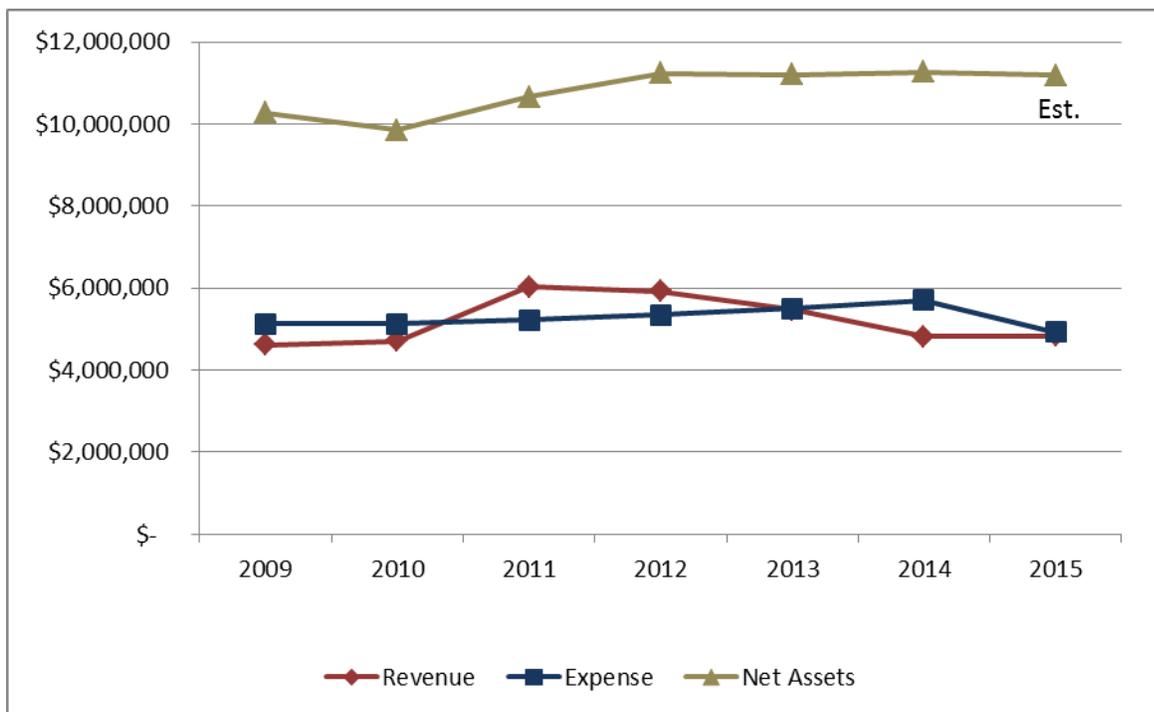
In 2014 the City's external website had 840,084 visits, 8% more than 2013.

Section 8 Housing Vouchers



Section 8 vouchers are housing subsidies for low income residents.

Recreational Facilities Net Assets



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GLOSSARY

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Glossary

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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 five-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.

Five-Year Model – A planning tool used to assess the opportunities and challenges of future budget years based on scenarios of the current budget year.

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.

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.

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.

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.

Working Capital – Current assets minus current liabilities. This measure is used as a gauge in determining appropriate fund balances.

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