



- Background
- Committee Process
- Final Budget Scenarios
- Items for future consideration





# Lodging and Admissions Taxes down due to pandemic

- 2019: Local lodging and admission taxes generated \$10.4 million
- 2020: down by \$6 million
- 2021: expected to be down by \$5 million
- These taxes, combined with property taxes, fund many city services









## **Examples of City Services with Property** Tax and Hospitality Tax Support

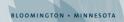
- Police Department
- Fire Department
- · Community Development
- Building Inspections
- · Environmental Health
- · Public Health
- · Motor Vehicle Office
- · Community Engagement
- Communications (Website/Monthly Newsletter Engineering /Public Access Television)
- · Parks and Recreation Programming
  - Park Maintenance **Dwan Golf Course**

- Hyland Golf Course
- Valley View Pool
- **Bush Lake Beach**
- Creekside Community Center
- Bloomington Ice Garden
- **Bloomington Art Center**
- Street Maintenance
- **Snow Plowing**
- Forestry / Removal of Diseased Trees
- City Clerk (Elections, Data Requests, Passport services)



- Committee web site (http:/blm.mn/cbac) contains useful background:
  - · Recorded meetings
  - Budget documents
  - Staff presentations
  - Service assessment reports
  - · Options considered
  - Community survey results

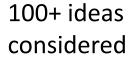






# Information sources

- Committee gathered information at 40+ hours of meetings
- Community listening sessions
- Targeted listening sessions
- Phone calls
- Emails
- Staff input
- Committee member knowledge



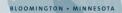




# Committee Approach

- Reduction in revenue is the "new normal" for the next few years
  - Goal is structural balance in budgets
- Focus where property taxes and hospitality tax revenues go
  - General Fund
  - Internal Service Funds
  - Tax-supported Enterprise Funds
- Only consider changes that the City can do on its own which rules out:
  - · Changes that require Legislative approval
  - Changes that require negotiations with other parties
    - County
    - · Neighboring cities
    - Complex labor negotiations







### Sources of revenue besides taxes

- Fees
  - In most cases fees are set to marketplace prices (Golf) and can't be increased substantially
  - Other fees (building permits) are limited by law to actual cost of service
  - Committee is proposing a new fee to youth athletic organizations for field use
- Other funds
  - We looked carefully at other funds and took \$1.3 out of savings where prudent
  - Lots of money in South Loop funds, but restricted by law to use in that area

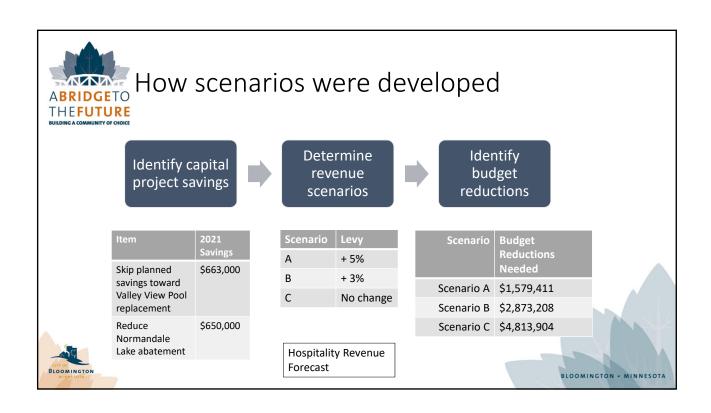




# Largest General Fund expenses are staff

- City management has been targeting 0% cost of living increase in wages for 2021
  - Wage freeze negotiated with one union
  - · Same goal for remaining union contracts and non-union employees
- Pay reductions difficult for committee to put in place
  - Can work in organizations where most workers have similar jobs, but City is opposite
    of that
  - Other cities are giving raises this year, gives rise to competitive pressures for good employees
  - Effects of pandemic on wages varies based on specialty of employee, which makes one-size-fits-all difficult
- Committee focused on reducing or eliminating services







# Budget Scenarios – Tax Revenue

		Monthly City	Monthly City + County +				
		<b>Property Tax Cha</b>	Schools Property Tax Change				
	Levy	Median valued	Average	Median Valued	Average		
	Change	home	apartment	Home	apartment		
Scenario A	5%	+ \$3.40	+ \$4.35	- \$2.25	+ \$7.58		
Scenario B	3%	+ \$1.51	+ \$3.14	- \$4.14	+ \$6.63		
Scenario C	0%	- \$1.33	+ \$1.34	- \$6.99	+ \$5.20		



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# Budget Scenarios - Expense

	Or	iginal budget	Scenario A			Scenario B				Scenario C								
					% of	% of				Cume	% of	% of				Cume	% of	% of
				Reduction	reductions	budget		Reduction		Reduction	reductions	budget	Re	eduction		Reduction	reductions	budget
Admin.	\$	2,707,935	\$	348,000	21.8%	12.9%			\$	348,000	12.0%	12.9%			\$	348,000	7.2%	12.9%
Comm. Dev	\$	9,610,124	\$	144,791	9.1%	1.5%	\$	298,857	\$	443,648	15.2%	4.6%	\$ 1	.09,176	\$	552,824	11.4%	5.8%
Comm. Ser	\$	6,130,829	\$	148,000	9.3%	2.4%	\$	50,474	\$	198,474	6.8%	3.2%	\$	26,512	\$	224,986	4.6%	3.7%
Finance	\$	1,200,204	\$	75,000	4.7%	6.2%			\$	75,000	2.6%	6.2%			\$	75,000	1.5%	6.2%
Fire	\$	5,410,368			0.0%	0.0%	\$	122,936	\$	122,936	4.2%	2.3%	\$	3,500	\$	126,436	2.6%	2.3%
IT	\$	6,762,209	\$	15,000	0.9%	0.2%	\$	172,500	\$	187,500	6.4%	2.8%	\$	37,500	\$	225,000	4.6%	3.3%
Legal	\$	1,971,800	\$	100,700	6.3%	5.1%			\$	100,700	3.5%	5.1%			\$	100,700	2.1%	5.1%
Parks & Re	\$	10,056,514	\$	345,815	21.7%	3.4%	\$	246,025	\$	591,839	20.3%	5.9%	\$ 8	868,048	\$:	1,459,887	30.1%	14.5%
Police	\$	28,303,005			0.0%	0.0%	\$	171,823	\$	171,823	5.9%	0.6%	\$ 7	98,824	\$	970,647	20.0%	3.4%
Public Wor	\$	14,301,474	\$	416,850	26.1%	2.9%	\$	252,900	\$	669,750	23.0%	4.7%	\$	93,000	\$	762,750	15.7%	5.3%
<b>Grand Tota</b>	\$	86,454,462	\$1	1,594,156			\$:	1,315,515	\$	2,909,671			\$1,9	36,560	\$4	4,846,230		



Capital project savings are included in the Original Budget column.

Α

Median home: +\$3.40/month Average apartment: +\$4.35/month 5% City Levy Increase

- Close Motor Vehicle Office
- Fee increases
  - Greens fees Dwan and Hyland
  - Ice rental
- Reduce ice rinks from 13 to 8, no warming houses
- No lifeguards at Bush Lake Beach
- Eliminate one playground site
- 1/3 cut in cultural arts grants
- Cut concrete street maintenance contract
- Reduce Creekside services
- Public health service reductions
- Reduced ball field maintenance
- Travel (includes admin travel)
- Other staff reductions

B

Median home: +\$1.51/month Average apartment: +\$3.14/month 3% City Levy Increase

- All items in Scenario A
- Fee increases
  - · Dwan greens fees
  - New charge for youth athletic field use
- Park maintenance position unfilled
- Fire maintenance position unfilled
- · Dispatch supervisor unfilled
- · Permit Tech position laid off
- 1/3 cut in cultural arts grants
- Community Development Director
  unfilled
- No on-site coordinator at Bush Lake Beach
- · Eliminate most sidewalk plowing
- Eliminate Neighborhood Traffic Calming program
- · Arts Center reduced hours
- · Other staff reductions

Avera

Median home: -1.33/month Average apartment: -1.34/month

- All items in Scenarios A and B
- Homeland Security Coordinator position unfilled
- Reduced special investigations in PD
- Police commander position unfilled
- · Dispatcher position unfilled
- · Patrol officer position unfilled
- · Crime analyst position laid off
- · Eliminate Police roll call overlap
- · Fee increases for ice rental and pool
- 1/3 cut in cultural arts grants
- Move senior programs to Arts Center; close Creekside
- Eliminate Galaxy Youth Center funding
- · Eliminate street weed spraying
- Artistry grant elimination
- Police Records position unfilled
- Other staffing changes



# People Impacts of Service Reductions/Eliminations

Scenario	2020 Actual	Proposed 2021	Total
Scenario A	18	1.125	19.125
Scenario B	18	6.55	24.55
Scenario C	18	13.55	31.55





### Items for future consideration

Not in scope for FY2021 budget, but committee recommends consideration by council for future years. Port Authority funds

Misdemeanor prosecution

Increased collaboration with Three Rivers Park

District

Increased collaboration with Hennepin County

Public safety dispatch consolidation

Land sales

Other revenue streams



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### Committee Members

Neil Peterson (co-chair) Akua Asare

Steve Peterson (co-chair) John Gibbs

John Laux

Jessica Linares-Kunkel

Chao Moua

Maureen Scallen Failor

Josh Syrjamaki



