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CORPORATE REPORT TO THE COMMUNITY

Fiscal year ending December 31, 2015 and budget year 2016

BETTER TOGETHER

By Mayor Gene Winstead

A city's success depends on the combined efforts of many individuals and organizations such as employees, businesses, residents, artists, local government and visitors. Creating a vibrant, interesting community requires each participant to collaborate and work together. Together we can achieve something more extraordinary than any of us could achieve alone.

Many people, businesses and organizations are already connecting and building community in Bloomington. Employees in all City departments and divisions are also working together toward one common goal—providing excellent services at an affordable price, *see page CR 3*.

The City Council adopted a property tax levy increase of 5.75 percent to \$52,845,152 for 2016. This means the monthly cost of tax-supported services for the owner of a \$219,700 median-valued home is \$74.64.

The increase of \$2.98 per month from 2015 is the result of the addition of the fire pension levy and many other initiatives. From 2014 – 2015, the median-valued home increased from \$206,900 to \$219,700, a growth of 6.2 percent.

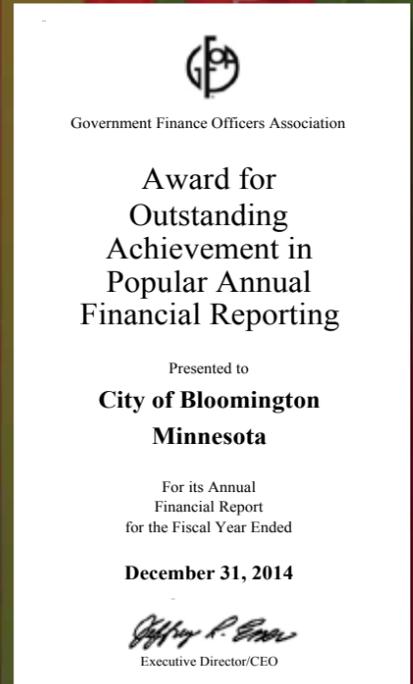
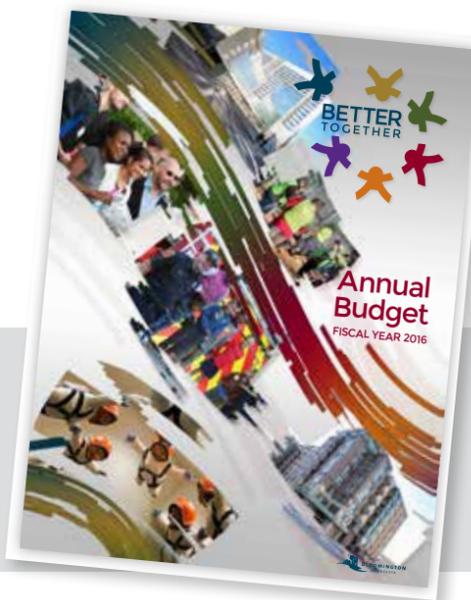
For the fourth year in a row, we conducted a National Citizen Survey™ in Bloomington. The survey allows cities to compare their results to 500 communities nationwide.

About 9 out of 10 residents and businesses rated the overall quality of life in Bloomington as excellent or good. When asked about the city as a place to live, 94 percent of residents scored the community favorably. We also surveyed Bloomington businesses for the first time in 2015. A total of 85 percent of business owners and managers rated Bloomington positively as a place to do business.

The positive feedback we received from the businesses we surveyed held true in 2015 when the City had its second consecutive record-breaking year in number of building permits issued. More than \$4.1 million was collected in permit fees for more than \$1 billion of new development and property renovations, a 30 percent increase from 2014.

The City also initiated new murals, sculptures and live performances as part of creative placemaking last year — a great example of the “Better Together” concept in action. Creative Placemaking is an emerging field that aims to build vibrant, distinctive and sustainable places through collaboration. Placemaking engages artists and others to build the social fabric and distinct character of places where the projects are performed or installed.

Pulitzer prize-winning *Star Tribune* cartoonist and Bloomington resident Steve Sack's sculpture “Coming Together,” *pictured above*, is suspended in the Civic Plaza lobby. Much like that team of skydivers who have a common goal, we come together to support one another, joining hands, combining talents and resources, facing challenges and embracing opportunities to ensure our success.



FINANCIAL AWARDS

The Government Finance Officers Association of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year that ended December 31, 2014. This national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City has received the Popular Award for 15 years, the Distinguished Budget Award for 19 years and the Certificate of Excellence in Government Reporting for the past 44 years.

THROUGHOUT THIS REPORT

The monthly expenses for City services described in this report are based on a median-priced home with monthly property taxes for City services of \$74.64 in 2016.

FINANCIAL REPORTS ONLINE

Check out the financial reports on the City's website at blm.mn/financialreports. The 2016 estimated expenditures in this report will be changed to reflect actual expenditures after the City's audit is completed in June.



CITY OF BLOOMINGTON ORGANIZATIONAL CHART

Bloomington's Charter provides for a council-manager government. The stability of our organization is reflected in the City having only three city managers in the last 48 years.

The city council and mayor, who serve part time, are elected by the people, exercise legislative power and determine overall City policies. Advisory boards and commissions gather information and advise the city council on specific issues.

The Housing Authority and Port Authority are responsible for redevelopment and housing implementation.

Policy development and day-to-day operations are directed by the council-appointed city manager. The city manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.



COMING TOGETHER

Pulitzer Prize-winning *Star Tribune* cartoonist and Bloomington resident Steve Sack with the figures assembled for "Coming Together," created the sculpture for Civic Plaza in 2015. He made the figures from *Star Tribune* newspapers in his basement studio. It took Sack five months to complete the sculpture. At 12 feet in diameter, it's his largest to date.

Strong value for your dollar



PUTTING YOUR TAX DOLLARS TO WORK WHAT THE OWNER OF A MEDIAN-VALUED HOME PAYS

Residents receive a variety of City services for an affordable price. The cost of City services in 2016 for the owner of a median-priced, single-family home in Bloomington with an assessor's market value of \$219,700 is \$74.64 per month. Tax-supported services are ranked by the City Council. Public Safety services such as Police and Fire activities are ranked highest for funding. Community Safety, Planning, Prevention and Maintenance are the next level of services to be funded. These include Engineering, Environmental Health, Planning, Parks Maintenance and Emergency Response. The third category encompasses quality-of-life services such as Parks and Recreation, Human Services, Public Health, Aquatics, Special Events and the Center for the Arts. The tax cost per month of \$74.64 is the amount left for tax support after allocating grants, program fees, lodging and admission taxes and other non-property tax revenue to the appropriate services.



Monthly cost of utilities

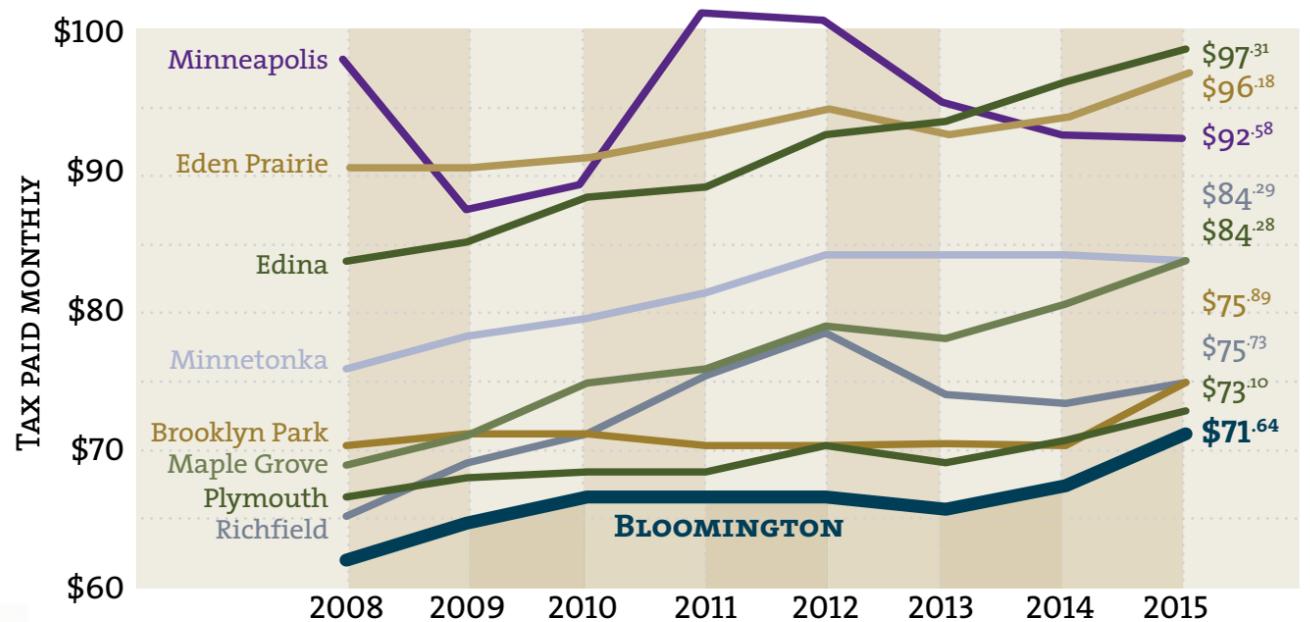
Based on an average water usage of 6,800 gallons per month and sewer usage of 4,740 gallons per month, the monthly cost of utilities for a home in Bloomington is \$46.73 in 2016. Services include water, sewer, stormwater and solid waste.

Note: Utility bills are mailed bimonthly and average \$93.46 for the two-month billing cycle.

MEETING DEMANDS WITH QUALITY CITY SERVICES

BLOOMINGTON RANKS WELL IN COMPARISON

The City continues to meet the needs of its residents while constantly looking for ways to improve quality and keep costs affordable. In a 2016 comparison of seven Hennepin County peer communities with more than 20,000 residents, the monthly cost of City services for a single-family home in Bloomington ranked lowest at \$71.66. The graph below illustrates the cost-effectiveness of Bloomington services in terms of what the owner of a median-valued home pays in the metro area. Bloomington is cost-competitive even when compared to newer communities such as Plymouth and Maple Grove that are just starting infrastructure renewal that Bloomington began almost 20 years ago.



*BASED ON MEDIAN HOME VALUE



YOUR 2016 PROPERTY TAX DOLLAR

Your property tax dollar is divided among several governmental entities. As the graphic at left shows, for every dollar of taxes paid, 31 cents are for City services. The actual amount of taxes owed is based on a property's market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity's respective boundaries using tax capacity, a function of market value and property type. While the City sets a total property tax dollar amount to be levied, as all local Minnesota jurisdictions do, the portion each property pays of that amount is solely a function of the State of Minnesota property tax law based on market value and tax classification. After applying educational aids, a Bloomington homeowner with a median-valued home pays \$2,950 in property taxes. Of that, \$896, or \$74.64 per month, goes to the City for services. The remaining \$2,053 or \$171.08 a month goes to other taxing districts.

Maintaining safe communities



WORKING TOGETHER TO PROVIDE QUALITY SERVICES

City employees are working together toward a common goal to provide excellent services. Whether it's through safe roads, police protection, fire prevention or safe water, the City's highest-rated services are serving the needs of Bloomington residents. The City's police, fire and snow removal services were rated as "excellent" or "good" by 9 out of 10 respondents in the 2015 National Citizen Survey™ and National Business Survey™ conducted by the National Research Center of Boulder, Colorado. Eighty-six percent of residents scored the services provided by the City as excellent or good, placing Bloomington in the upper 20 percent of all jurisdictions polled nationwide.

BUILDING COMMUNITY

This past year, the Bloomington Police Department launched several new initiatives to engage the community and build relationships. Programs such as Coffee with a Cop, Safe Summer Nights and school partnership events served as new ways for Bloomington residents to get to know their police officers.

More than 40 people attended the first Coffee with a Cop event. Police officers spoke with residents without agendas or prepared topics. Many residents came with questions in mind; others came to express their gratitude for what BPD does.

Safe Summer Nights, *pictured above*, was an opportunity for residents to meet police officers and get to know the people behind the badge. Tom Campion, a Saint Paul business man who funds the event with other local businesses, said it was the best run and best attended first-time event that he has had so far.

National Night Out continues to be successful in Bloomington with more than 325 neighborhoods hosting gatherings last year.

BPD and Bloomington's Fire Department have been increasing communication with residents through Twitter. The City is also active on NextDoor, a neighborhood-based social networking site.

CONNECTING WITH RESIDENTS

The City invited residents to take an inside look at its daily operations and meet the people who provide them services in 2015. The Fire Department hosted its annual open house where residents explored the City's fire stations and equipment. More than 3,000 people attended six fire stations during the event. Public Works hosted their first open house in 2015 with equipment displays, interactive demonstrations and more. The event was a success with more than 200 residents in attendance.

SAFE ROADS TO TRAVEL

It's no secret that snow is a big part of Minnesota winters. Bloomington had 13 plowable snowfalls this year with a total of 35.6 inches of snow. Each time there is a measurable snowfall City crews clear 2,016 lane miles of road, 250 miles of sidewalks, 512 cul-de-sacs, 33 skating rinks and all municipal building parking lots and walkways. The cost for snow removal services for a median-valued home is \$3.19 per month.

In the 2015 resident and business surveys, an average of 88 percent of respondents rated the City's snow removal services as excellent or good, which is higher than the national average.

NOT ONLY IS IT SAFE, IT TASTES GOOD

Elevated levels of lead in Flint, Michigan's, drinking water made headlines last year. Rest assured, Bloomington's water supply has been in strict compliance with Safe Drinking Water Act and the Minnesota Department of Health regulations since monitoring requirements were established in 1991.

Every three years, MDH requires extensive sampling and testing for lead or copper in the City's drinking water. These tests were last conducted in 2014.

With a 91 percent approval rating from residents, the City's drinking water was ranked first among peer cities for the fourth year in a row and ninth among all jurisdictions polled nationwide.

Bloomington's tap water was also named "Best in Glass" at the 2015 Minnesota Section American Water Works Association Fall Conference after a blind taste test.



SURVEY RESULTS ARE IN

Residents and businesses ranked City public safety services highly in the 2015 National Citizen Survey™.

88% RATED BLOOMINGTON POLICE DEPARTMENT AS EXCELLENT OR GOOD.

95% RATED BLOOMINGTON FIRE DEPARTMENT AS EXCELLENT OR GOOD.

87% OF RESPONDENTS SAID THEY FEEL SAFE IN BLOOMINGTON.

81% RATED BLOOMINGTON CRIME PREVENTION AS EXCELLENT OR GOOD.

83% RATED FIRE PREVENTION AS EXCELLENT OR GOOD.

91% RATED BLOOMINGTON'S DRINKING WATER AS EXCELLENT OR GOOD.



BETTER TOGETHER: NEIGHBORS PROTECTING NEIGHBORS

Neighbors help each other in many ways — yours just happen to also fight fires. Bloomington's volunteer fire department includes young professionals, veterans and stay-at-home parents. Many are career firefighters, paramedics or police officers in Bloomington or other cities. Service as a volunteer firefighter also runs in some families with firefighters following in their parent's footsteps; others volunteer with their spouses.



Photo courtesy Bruce Silcox



CONNECTIONS WITH LASTING IMPRESSIONS

A community dedicated to working together is stronger than one that tries to go it alone. Partnerships make public art projects and development possible. Collaborations help businesses and neighborhoods thrive. Transportation improvements pave the way for people to connect and enhance the overall viability of our community. Take a look at some of the 2015 accomplishments that make Bloomington a great place to be.



BLOOMINGTON IS BOOMING

In 2015, the City exceeded its previous record in new development by 30 percent, collecting \$4.1 million in permit fees. This translates to more than a billion dollars in new development and property renovations in Bloomington. Mall of America's latest addition, which included three retail levels, a 15-story J.W. Marriott hotel and a 10-story office building, was one of the largest development projects of 2015. Also in the South Loop, Lennar's IndiGO apartments broke ground, and Marriott TownePlace Suites and the Hyatt Regency opened to guests.

Other areas also saw plenty of development activity. The Penn American District expanded with the opening of Fresh Thyme, an organic grocery, a Home2Suites by Hilton hotel and a Red Robin restaurant. Willy McCoy's, a pub-style restaurant with Bloomington's first rooftop dining, opened at Park Place on France in March 2016.

BETTER TOGETHER: MALL STARS

Mall of America is known as the largest indoor mall in the country. Walking three floors of it is about two miles of exercise, which is only one of the perks that draws people to join the Mall Stars walking club. Members meet on their own and swipe their Mall Stars card to track their walking. Once a month, the group gets together for a speaker, cooking class or exercise demonstration. A group focused on being fit and social, the Mall Stars have been meeting since MOA opened in 1992. One charter member and Bloomington resident, Pat Jackson said her favorite thing about the group is the friendships she's built along the way.

NEW PMP FUNDING SOURCE

The City implemented franchise fees as a new funding source to expand its Pavement Management Program (PMP) in 2016.

The PMP maximizes efficiency in street repair and replacement by identifying the right action to take at the right time, *see page CR 8*. This prolongs pavement life, keeps the City's infrastructure in good condition and supports property values. PMP funding is provided through state aids, assessments, levy taxes and, now, franchise fees. With the new expansion of PMP through franchise fees, existing trails will be maintained and street overlay maintenance will be fully funded.

The City Council approved the collection of franchise fees on utility bills in 2015. Bloomington residents pay a total of \$7.50 per household monthly. As a result, the City's proposed 2016 tax levy was reduced by \$550,000.

IMPROVING TRAFFIC FLOW

The interchange at East Bush Lake Road and I-494 has been without a westbound I-494 on-ramp since its original construction in 1960.

Since then, new office buildings, hotels, townhomes and condominiums have been built in the area, increasing the number of drivers who want to go west on I-494.

Construction will begin on a new westbound ramp at the interchange of East Bush Lake Road and I-494 in 2017. The project was fully funded in late 2015. A westbound ramp will help relieve traffic congestion at the interchange of TH100 and I-494.

The City proposed an "inverted loop" design that provides westbound access and goes under the existing railroad tracks west of East Bush Lake Road. The design allows northbound and southbound traffic on East Bush Lake Road to access eastbound and westbound I-494.





An array of creative placemaking projects took place in Bloomington in 2015. They included Place Base Productions Walking Theater's *After the Birds Taught Me to Fly* at the Minnesota Valley National Wildlife Refuge, *second from top left on opposite page*; *Convergence* in the roundabout at 28th Avenue and Lindau Lane, *above*; *At the Confluence of Science and Nature* mural at Cypress Semiconductor, 2401 East 86th Street, *top right and at left*; bronze sculpture at TownePlace Marriott, 2500 Lindau Lane, *at right*; and Mykelbust + Sears sculpture at Fresh Thyme, 2100 West 80th Street, *at bottom left*.

THE ART OF PLACEMAKING

The City, Artistry and other key partners are working together to build a sense of community through creative placemaking in Bloomington. From murals and sculptures to live performances, residents had plenty of opportunities to enjoy art in 2015.

Many area businesses and organizations such as Mall of America, Bloomington Convention and Visitors Bureau, and McGough Development have partnered with Artistry and the City on these projects. Placemaking is an emerging field that aims to build vibrant, distinctive and sustainable communities. It engages artists and others to build the social fabric and character of places where the projects are performed or installed. Artist Erik Pearson, who painted the mural at Cypress Semiconductor, said it well: "People are always taking photos next to things, which encourages other people to visit that location and hopefully explore the area around it."



BRINGING BUSINESS AND GOVERNMENT TOGETHER

More than 100 people attended the first-ever Business Day at City Hall in 2015 with the goal of strengthening the relationship between Bloomington's private and public sectors. City Manager Jamie Verbrugge presented the 2015 resident and business survey results and a panel discussed the future needs of the Bloomington workforce. The City and Artistry also showcased the services they provide. Xcel Energy, Mall of America, Merrill Lynch, Comcast and Rasmussen College sponsored the event.

CITY PARTNERS WITH RESIDENTS TO IMPROVE NEIGHBORHOODS

The Bloomington City Council and Housing and Redevelopment Authority (HRA) authorized \$1.8 million in 2016 to help revitalize Bloomington neighborhoods and housing through several new and expanded programs. The Curb Appeal Loan Program was introduced this spring. It provides funds for exterior home improvements such as driveway replacement, painting, tree trimming and stump removal, and garage and garage door replacement for income-eligible homeowners. Curb Appeal Loans are available in a pilot program

neighborhood that has the boundaries of American Boulevard, Old Cedar Avenue, 90th Street and Portland Avenue. If successful, the loan program may be extended to other neighborhoods.

The City Council and HRA also expanded the City's popular loans for home improvements including roofing, siding, windows, and electrical, heating or plumbing upgrades. The City's partnership with residents has been successful. In the last 33 years, the HRA has loaned \$15 million to 1,100 income-eligible homeowners.

BETTER TOGETHER: NORMANDALE AND RE SOUND

Normandale Community College and ReSound, a Bloomington company that creates diagnostic and assistive audiology devices, are working together to strengthen the local workforce. Normandale and ReSound accepted a \$350,000 grant from the Minnesota Department of Employment and Economic Development, *pictured above*. The grant will fund training courses through Normandale to prepare ReSound employees to continue innovation in the customized device market. These courses will train the local workforce in an effort to keep and grow jobs in Bloomington.



2016 OPERATING REVENUE SOURCES

The City's major funds fall into the categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar. Bloomington's competitive property tax cost is maintained by continuing to encourage growth of the City's diverse tax base and looking at new ways to bolster productivity.

Property taxes	\$51,061,000
Fees/charges	33,548,000
Program income	7,628,000
Lodging/admissions	8,511,000
Transfers/other	13,171,000
Intergovernmental	6,036,000
Licenses/permits	5,475,000
Special assessments	3,070,000
Fines/forfeitures	1,323,000
Cable Franchise fee	1,446,000
Total revenues	\$131,270,000

2016 BUDGETED EXPENDITURES

The City's budgeted expenditures for 2016 total \$135,671,000.*

City Governance	\$8,341,000
Public Safety	31,576,000
Community Development	7,347,000
Community Services	22,253,000
Public Works	10,891,000
Utilities	44,054,000
Debt Service	9,206,000
Contingency/Transfers	2,003,000
Total expenditures	\$135,671,000

* The \$4,401,000 difference between 2016 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects, see page CR 8.



BETTER TOGETHER: THE NERDERY AND LOCAL RESTAURANTS

Bloomington's The Nerdery, a custom software design and development company, has created a system that brings businesses together. NOM is an email-based system that allows Nerdery employees to order lunch from their choice of featured restaurants. The cost of their lunch is then automatically deducted from their paychecks. Local restaurants such as Gyropolis, Herberts and Gerberts and Golden Wok deliver daily. Not only does NOM make it easy for employees to make lunch plans, it gives restaurants time to fill orders and arrange for one delivery instead of making many individual trips.

Setting high standards

THE GENERAL FUND

The General Fund, which accounts for a majority of City services, is Bloomington's primary operating fund. It uses current revenues to fulfill current expense obligations. This section contains specific information about each department within the General Fund. Net gains in one year help reduce future property tax increases.

	2014 ACTUAL EXPENDITURES	2015 BUDGET	2015 EXPENDITURES	2016 BUDGET	ESTIMATED NET PROPERTY TAX*
POLICE	\$22,279,707	\$22,920,461	\$22,771,567	\$24,212,063	\$24.55
The Police Department works with the community to make Bloomington a safe place to live and partners with residents and businesses to address their diverse needs.					
PUBLIC WORKS	9,928,891	10,859,205	10,038,572	11,202,517	14.63
Public Works provides safe and efficient transportation routes throughout Bloomington, provides snowplowing services, maintains the City's streets, parks, vehicles and public facilities, and reviews the impact construction and development projects will have on local and regional infrastructure.					
COMMUNITY SERVICES	12,086,024	12,892,096	12,666,791	13,880,367	16.39†
Community Services offers human services programs, manages parks and recreational activities, produces communication materials and provides public health services.					
COMMUNITY DEVELOPMENT	6,060,763	6,712,942	6,406,626	6,960,470	3.33
Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes health and safety by obtaining compliance with state and City codes.					
FIRE	3,800,673	4,113,931	4,035,437	4,539,596	6.67
The Fire Department protects the community by performing rescues, responding to fires, emergencies and hazardous materials incidents, and conducting Fire Code inspections and fire cause investigations.					
TECHNICAL SERVICES	2,638,080	2,786,071	2,675,488	2,933,304	***
Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington's residents as well as internal technology support to City departments.					
LEGAL	1,308,673	1,319,783	1,366,765	1,391,135	***
Legal prosecutes misdemeanors and advises the City Manager, City Council, City departments, and advisory boards and commissions.					
FINANCE	1,054,513	1,057,734	995,162	1,072,845	***
Finance provides financial management and internal support services to other departments.					
HUMAN RESOURCES	575,894	671,765	551,494	657,548	***
Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.					
COUNCIL, COMMISSIONS, CITY MANAGER	828,798	935,481	852,553	1,191,724	***
Legislative power is vested in an elected, part-time city council consisting of a mayor and six councilmembers, which appoints citizens to advisory commissions. A city manager administers City business, appoints all other employees and performs duties as directed by the council.					
TOTAL	60,561,475	64,269,469	62,360,455	68,041,569	

* Net property tax is the portion of the levy allocated to these services per month for the median-valued home. For the net property tax calculation, departments with programs that generate fee revenue have that revenue applied to their budget before property tax. Out of the \$74.64 the owner of a median-valued home pays for City services, \$62.34 goes to the General Fund.

*** These administrative services are allocated to other General Fund budgets and programs.

† Recreational facilities funding is \$2.46 of this total.



A SIGNIFICANT ACHIEVEMENT—THREE TRIPLE-A RATINGS

Bloomington ranks with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa status from Moody's, AAA from Standard & Poor's and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies.

Bloomington is one of only 32 cities out of more than 19,000 municipal governments in the U.S. that have achieved three triple-A ratings. Bloomington is currently the only Minnesota city to hold all three highest ratings.

According to the agencies, our triple-A status reflects the City's conservative fiscal management, diverse economic base, central location, low unemployment rate that falls below state and national averages, and continued success in Mall of America tax increment district.

The City's excellent bond ratings signal current and potential investors that our financial future is strong and ensure interest costs will remain low. They also signal to businesses and individuals that Bloomington is a financially healthy community.

Preparing to meet our goals

ENTERPRISE FUNDS

These funds consist of utilities, recreational facilities, contractual police services and motor vehicle licensing primarily supported by user fees.

		2014 OPERATING EXPENSES	2015 BUDGET	2015 OPERATING EXPENSES	2016 BUDGET	AVERAGE FEES PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$5,717,417	\$5,615,511	\$5,653,279	\$5,657,325	\$2.46*
PUBLIC SAFETY	CONTRACTUAL POLICE	608,000	563,629	1,676,146	600,000	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	1,599,599	1,958,891	1,897,860	6,579,202	2.84
	STORMWATER UTILITY	4,991,695	6,499,545	3,446,258	6,488,061	6.37
	WATER/WASTEWATER UTILITY	20,816,321	23,261,146	23,087,710	25,586,609	37.52***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	632,321	720,726	668,778	730,919	--

* Included in the \$16.41 that the property owner of a median-valued home pays in property taxes for Community Services per month.

*** Rates are based on Bloomington's average winter use of 6,800 gallons per month for water and 4,740 gallons per month for sewer.

INTERNAL SERVICE FUNDS

These funds finance interdepartmental goods and services on a cost-reimbursement basis from a variety of end-user funds.

Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2014 OPERATING EXPENSES	2015 BUDGET	2015 OPERATING EXPENSES	2016 BUDGET
BENEFIT ACCRUAL	\$1,649,923	\$1,793,631	\$1,914,550	\$1,815,284
FLEET MAINTENANCE FUND	6,409,605	8,560,511	6,325,025	8,701,018
FACILITIES MAINTENANCE AND REPLACEMENT	9,764,532	10,819,564	9,963,486	12,018,430
INFORMATION SYSTEMS	5,048,002	4,850,471	4,959,929	4,657,028
INSURED BENEFITS	8,581,754	9,010,958	9,244,058	9,784,413
PUBLIC SAFETY RADIO	274,464	686,901	792,519	1,166,466
SELF-INSURANCE	1,778,253	2,006,980	1,236,563	2,321,344
SUPPORT SERVICES	477,612	509,658	451,084	508,208

SPECIAL REVENUE FUNDS

These funds account for revenues used for specific purposes including housing and community development, communications, public health initiatives and law enforcement activities.

		2014 OPERATING EXPENDITURES	2015 BUDGET	2015 TOTAL EXPENDITURES	2016 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	SOUTH LOOP REVOLVING FUND	\$240,000	\$0	\$79,882	\$180,000	Environmental review fees
	CREATIVE PLACEMAKING	0	0	0	400,000	Transfer from South Loop Capital
COMMUNITY SERVICES	COMMUNICATIONS	1,509,859	1,542,338	1,435,290	1,896,100	Franchise fee/other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	1,282,395	1,351,560	1,315,175	1,129,301	State grants
	PARK GRANTS	11,226	64,000	68,976	100,000	State and federal grants
PUBLIC SAFETY	PUBLIC SAFETY SPECIAL REVENUE	3,946,872	2,528,845	2,466,126	2,977,466	Forfeited assets and grants
	FIRE GRANTS	207,233	395,000	929,982	1,389,246	and one-time reimbursement*/property taxes**
CITY CLERK	CEMETERY TRUST	449,766	338,617	86,764	454,582	Lot sales

* Used for specific police capital and operating expenses.

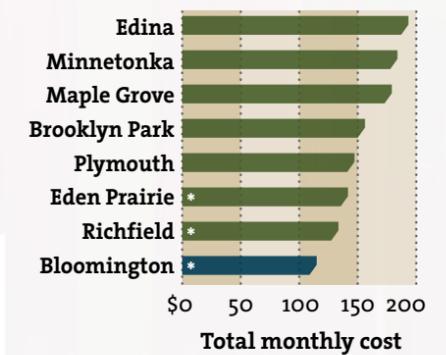
** If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will generally be the funding source.



RESIDENTIAL PROPERTY TAX, WATER AND SEWER RATES

In 2015, the monthly costs to residents in eight cities for single-family property taxes plus water, sewer and water-softening services ranged from \$195 in Edina (including in-home, water-softening costs) to \$121.73 in Bloomington for City-softened water.

2015 MONTHLY COSTS FOR PROPERTY TAXES, WATER, SEWER AND WATER-SOFTENING SERVICES



Costs are based on a single-family residence. Water and sewer rates are based on 7,500 gallons (average based on the 2014 Residential Water and Sewer Rate survey).

* Cities that soften water before distribution.



BETTER TOGETHER: HYLAND LASSIES

After 50 years of hitting the links in Bloomington, the basic tenets of the Hyland Lassies remain the same. It's all about having a lot of fun and getting some exercise. In 2015, the City Council recognized the Hyland Lassies' 50th anniversary with an official proclamation. The Lassies meet weekly at Hyland Greens Golf and Learning Center. The group has 50 members ranging in age from 30 to 80 years old. In addition to their weekly meet ups on the greens, the Lassies get together a few times a year for lunch and a few laughs.

Building a better Bloomington



ABOUT THIS REPORT

The City Council presents this corporate report of financial and related information to show how Bloomington's City government performs. This report does not include Housing and Redevelopment Authority or Port Authority budgets.

Mayor

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City of Bloomington reports financial year-end results in the approximately 200-page *Comprehensive Annual Financial Report (CAFR)*. This *Corporate Report to the Community* summarizes significant data from the 2015 *CAFR* and the 2016 *Annual Budget*, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

The *Corporate Report to the Community* is unaudited. This popular report format has been used and improved for the past 15 years and is also available on our website. Audited numbers will appear on our website in June.

Minnesota state law requires that "A city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City, titles and salaries are: City Manager – \$165,000; Public Works Director – \$165,255; and Director of Community Development – \$158,686.

CAPITAL PROJECTS

Capital project funds purchase and improve major assets such as land, structures, equipment and streets. Capital project fund expenditures are incorporated into the budget process and developed based on City Council appropriation.

UTILITIES INFRASTRUCTURE

- Water distribution and sewer collection system improvements: \$1,780,000.

PARK IMPROVEMENTS

- Replacing equipment to meet current safety and accessibility standards and other site improvements for 10 different playground locations: \$1,094,470.

- West Bush Lake parking lot replacement, driveway, boat ramp, lighting improvements and water management improvements: \$850,000.

TRANSPORTATION IMPROVEMENTS

- Long Meadow Lake Bridge rehabilitation: \$10,467,000. This project provides a pedestrian trail connection between Hennepin and Dakota Counties' regional trail system. One million dollars will be funded by the City. Tax increment financing and grants will provide most of the funding. Additional maintenance will be \$75,000 per year.

- Sidewalks and bikeways for pedestrian safety and pedestrian crossing enhancements near several high volume school crossings including additional walkways to connect the system: \$600,000.



PAVEMENT MANAGEMENT PROGRAM

The Pavement Management Program is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roads. Funding is provided through state aid, assessments, an annual levy and, now, franchise fees, after needs are identified. PMP maximizes road repair efficiency by identifying the optimum time to replace or repair streets. In 2016, approximately \$10 million will be invested in street reconstruction; \$5.8 million will be funded through debt service.

MANAGING DEBT AND MEETING COMMUNITY NEEDS

The City must cost-effectively meet community needs such as street and infrastructure work, construction projects and equipment purchases. The ability to issue future debt at lower interest rates makes community upkeep and renewal possible without substantially increasing property taxes for debt service.

2014 ACTUAL EXPENDITURES	2015 BUDGET	2015 ESTIMATED EXPENDITURES	2016 BUDGET	AVERAGE NET PROPERTY TAX PER MONTH
\$19,523,698	\$9,497,538	\$9,497,538	\$8,537,616	\$8.16

OUTSTANDING DEBT

The City's total outstanding debt on December 31, 2015, was \$5,930,000. The total legal debt limit for Bloomington is \$337 million. The City's net debt per capita is \$481. See *right*. More than 50 percent of Bloomington's debt will be paid off in 10 years—a sign of strong financial management.

CITY OF BLOOMINGTON BONDS

General Obligation (G.O.) Bonds	\$ 3,395,000
G.O. Improvement Bonds	49,395,000
G.O. Tax Increment Bonds	2,850,000
Capital Improvement Plan Bonds	3,660,000
SUBTOTAL	\$ 59,300,000
Less: Funds on hand	(17,537,533)
TOTAL NET DEBT	\$ 41,762,467
NET DEBT per capita	\$ 481