CORPORATE REPORT TO THE COMMUNITY

one BLOOMINGTON

By Mayor Gene Winstead

What does One Bloomington mean to me? It means that we are a community that includes all residents and businesses. We have differing opinions but work together to reach common goals. We live in different neighborhoods but we're not defined by boundaries. We embrace and celebrate the city's growing diversity of age, race and religion.

We've been discussing the concept of One Bloomington throughout 2017 because the City Council created a plan of the same name with six strategic priorities to guide the City over the next three years. See pages *CR 4–5* for more about the One Bloomington strategic priorities.

From public safety to street maintenance, providing high quality services is one of the priorities identified by the City Council and has always been one of the City's central goals. Responsible fiscal management is a high-quality service that enables the City to run smoothly and provide effective, expansive programs and services to residents.

The City Council adopted a property tax levy increase of 5.75 percent to $55,883,748 for 2017. Despite this increase, the monthly cost of tax-supported services for the owner of a $225,900 median-valued home is $71.17, a reduction of $3.47 from 2016. This is possible because the value of commercial and industrial property increased more than residential property. In this case, the decrease in monthly cost from 2016 was a result in tax increment changes for Mall of America. From 2016 to 2017, the median-valued home increased from $219,700 to $225,900, a growth of 2.8 percent.

For the fifth year in a row, we conducted a National Citizen Survey™ in Bloomington. The survey allows cities to compare their results to 500 communities nationwide. The poll was performed by the National Research Center of Boulder, Colorado. In the survey, 85 percent of residents rate the quality of life in Bloomington as excellent or good. When asked about the city as a place to live, 90 percent of residents scored the community favorably. Most residents would recommend Bloomington to others and plan on remaining here for the next five years.

We also surveyed Bloomington businesses for the second time. Bloomington business owners and managers continue to value the community as a place to do business. More than 8 out of 10 rated Bloomington positively for its work environment, overall image and appearance. The survey also showed that 93 percent plan to keep their businesses here.

One area of concern highlighted by the National Citizen Survey™ was Bloomington's overall image and reputation. Satisfaction ratings are down 9 percent from a high of 85 percent in 2012 and 2013. To address these findings, nearly 70 community leaders gathered at a One Bloomington summit this past December to brainstorm ideas and create a shared vision.

We are not east or west Bloomington. We do not go it alone to make a better community. We come together and work as one. We are diverse in our thinking, our cultural backgrounds, our ages and our incomes but we are united in our goal for a better future. We are One Bloomington.

Mayor for a Day

Bloomington fifth-grader Sawyer Haaland was in the spotlight at the 2017 State of the City address after winning the League of Minnesota Cities' 2016 Mayor for a Day essay contest. The statewide contest, which had more than 450 entries, prompted students to write about what they would do to make getting from place to place easier in their cities.

Sawyer kicked off the State of the City event by telling the audience of more than 280 people what he would do if he were Bloomington's mayor for the day.

"I would spend the day gathering information from the people of Bloomington," he said. "And finding out their wants and needs."

Mayor Gene Winstead was impressed with Sawyer's mayoral aspirations and resume, which already includes governing experience from student council.

"I think we've all just seen a peek into the future," Winstead said. "And it looks pretty good."

Read page CR 3 to learn about ways the City is working to improve roads and pedestrian trails in Bloomington.

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Financial reports online

Check out the financial reports on the City's website at blm.mn/financialreports. The 2017 estimated expenditures in this report will be changed to reflect actual expenditures after the City's audit is completed in June.

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 $71.17 in 2017.

Bloomington student Sawyer Haaland at the 2017 State of the City event.

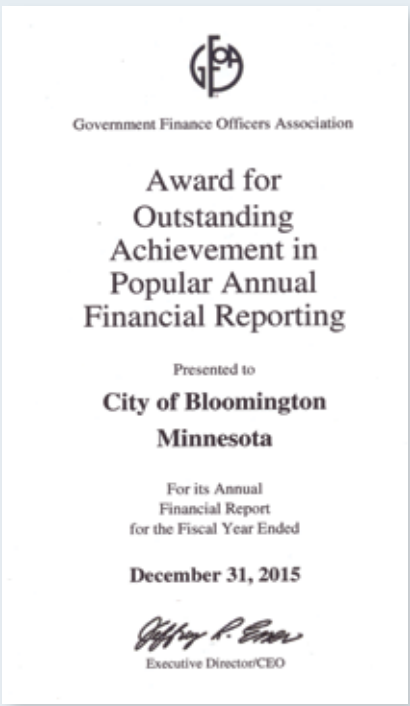
City of Bloomington organizational chart

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.



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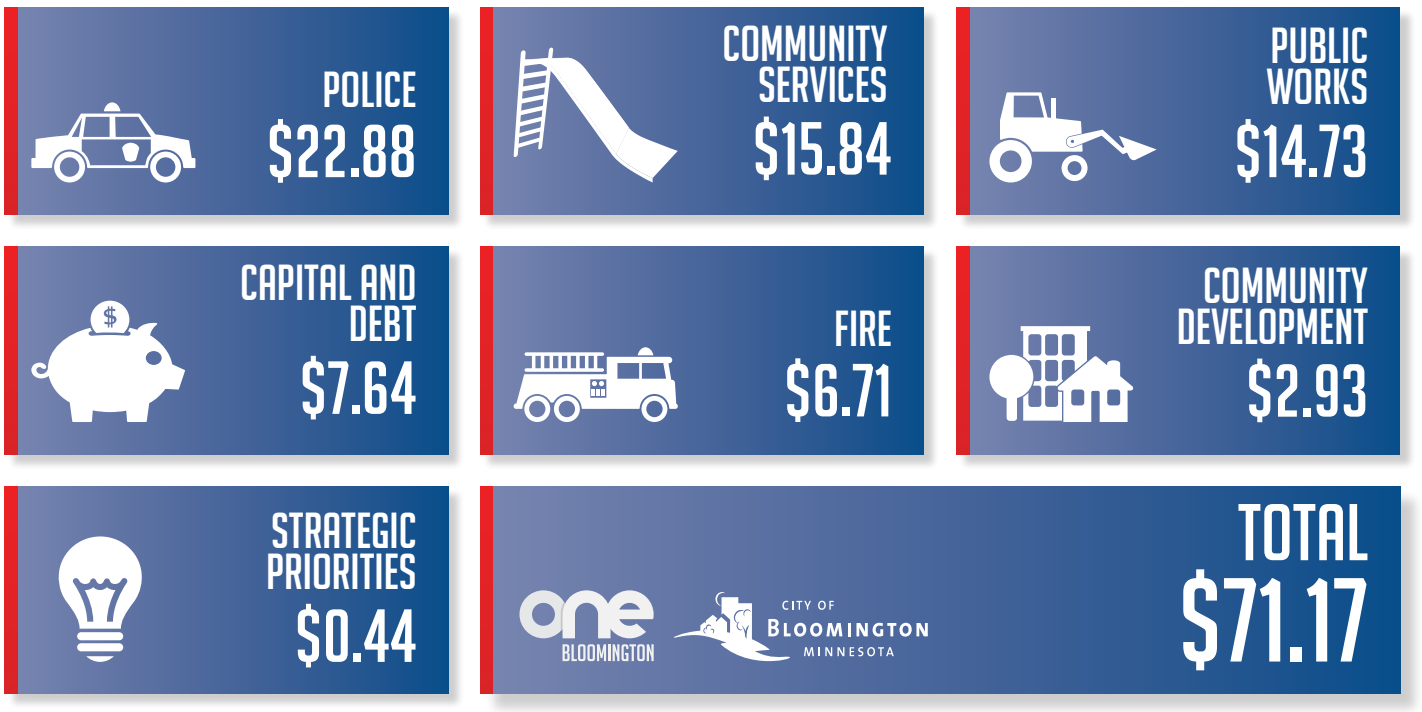
For its Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



PUTTING YOUR TAX DOLLARS TO WORK

What the owner of a median-valued home pays

Residents receive a variety of City services at an affordable price. The cost of City services in 2017 for the owner of a median-priced, single-family home in Bloomington with an assessor's market value of $225,900 is $71.17 per month. Tax-supported services are ranked by the City Council. Public safety services such as Police and Fire 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 is quality of life services such as Parks and Recreation, Public Health, Aquatics, Special Events and the Center for the Arts. The tax cost per month of $71.17 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.

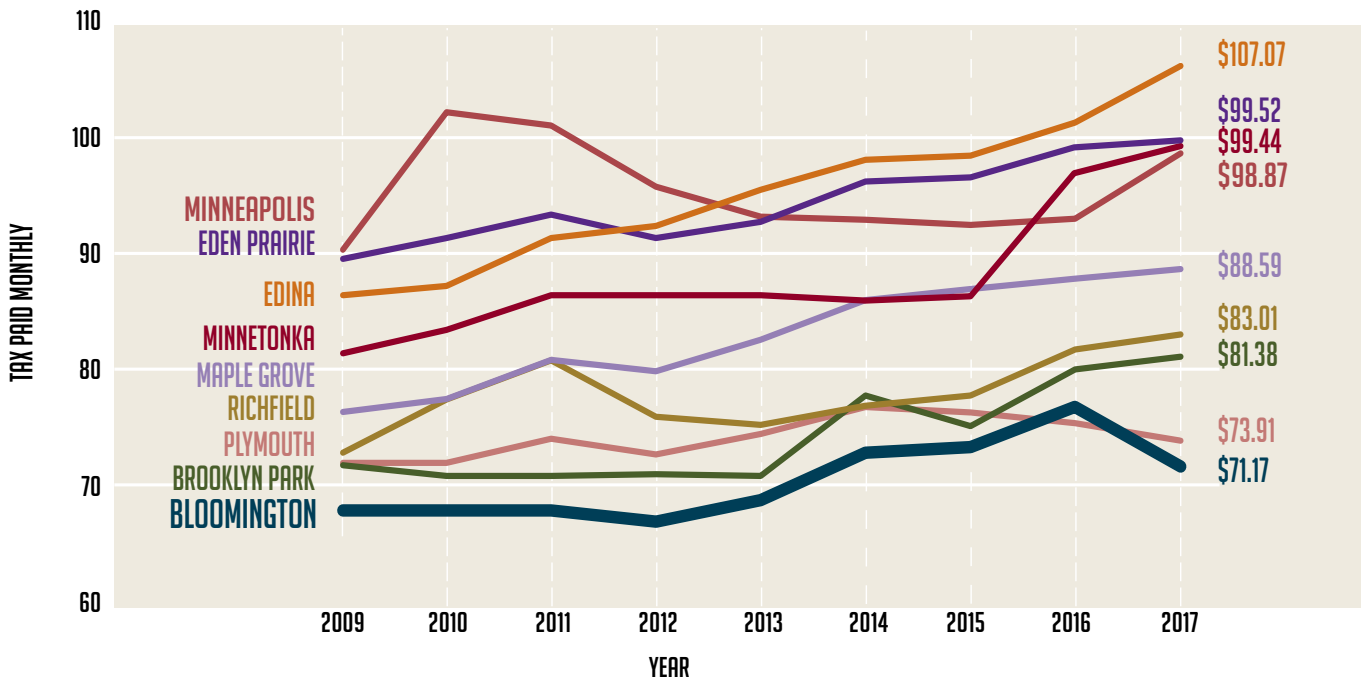
Monthly cost of utilities

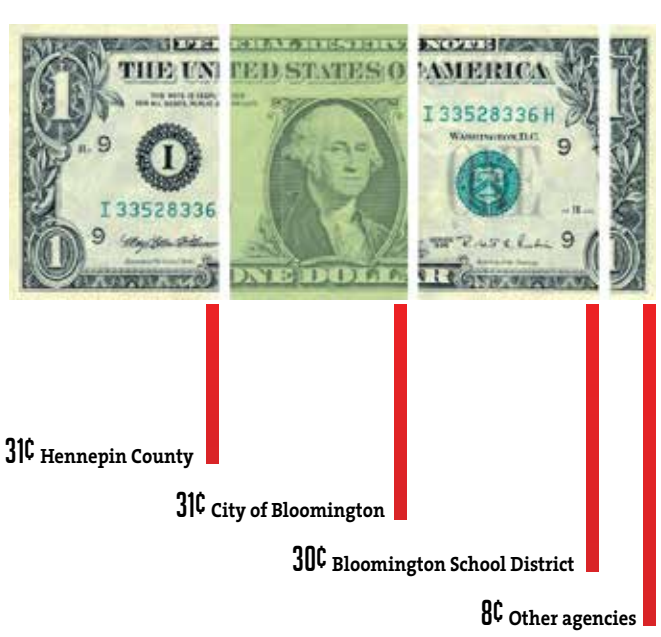
Based on an average water usage of 6,800 gallons per month and sewer usage of 4,740 gallons per month, the monthly cost of utilities for a home in Bloomington is $50.91 in 2017. Services include water, sewer, storm water and solid waste. Note: Utility bills are mailed bimonthly and average $101.82 for 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 2017 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 $71.17. 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 very 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.





Your 2017 property tax dollar

Your single-family residential tax dollar is divided among several governmental entities. As the graphic at left shows, for every dollar of taxes paid, 31 cents is 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 $2,881 in property taxes. Of that, $854, or $71.17 per month, goes to the City for services. The remaining $2,027 or $168.92 per month goes to other taxing districts.

WORKING TOGETHER TO BETTER BLOOMINGTON

Whether it's through better bike trails, updated roads or help finding resources to improve your home, the City is dedicated to investing in Bloomington neighborhoods. Each neighborhood's appearance contributes to its residents' quality of life. Attractive housing, accessible parks and well-maintained streets are key indicators of a neighborhood's livability. The City is working to help residents maintain their neighborhoods as desirable places to live, work and play.

Investing in home value

Most Bloomington homes are more than 50 years old. As homes age, maintenance is increasingly important to retain property values and improve neighborhood quality and livability. Residents make significant investments in their neighborhoods, having lived in their homes for an average of 17 years.

In 2016, the Bloomington City Council and Housing and Redevelopment Authority (HRA) authorized $1.8 million to help revitalize neighborhoods and housing through several new and expanded programs, including the Curb Appeal Loan Program for exterior home improvements, sidewalk and park improvements within the initial focus neighborhood with the boundaries of American Boulevard, Old Cedar Avenue, 90th Street and Portland Avenue.

In its first year, the Curb Appeal Loan Program received 58 applications and completed 17 loans at a value of $144,600, with seven loan applications currently out for bid. These are zero-percent deferred loans up to $10,000.

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. These are two-percent deferred loans up to $35,000 for income-eligible homeowners. The City's partnership with residents to improve houses and neighborhoods through this program has been successful. In 2016, the HRA loaned $2.4 million to 90 eligible homeowners and there are currently 82 loan applications out for bid.

The City's housing market is strong, which is an indicator of the appeal Bloomington neighborhoods hold. Homes are selling fast. Houses are on the market for an average of 28 days and home values are back up, surpassing the 2007 market peak.

Maintaining quality streets, sidewalks and trails

The City's focus is not only on improving homes. Maintaining safe and efficient streets, sidewalks and trails also benefits Bloomington neighborhoods. When construction is underway, the City looks to make improvements both large and small.

When pavement on Portland Avenue from American Boulevard to I-494 was overlaid in 2016, new curbs and sidewalks were also installed. These additions improved the appearance of the street and, most importantly, public safety by moving the sidewalks away from traffic.

Student safety

Another example of a targeted neighborhood improvement is the bus pad installation near Georgetown Apartments. About 275 students board school buses near the apartment complex and residents had concerns about children waiting in the road and driveways for the bus. The new paved bus pad gives students a large area to wait for their bus, which has greatly improved safety.

Students and other pedestrians also have a safer way to cross some streets in Bloomington after enhanced crosswalks were installed in 2016. The new crosswalks feature beacons that extend over the road and flash when pedestrians are crossing the street.

These lights have been installed at Kennedy and Jefferson high schools and all three Bloomington middle schools. They can also be found at East Bush Lake Road at Bush Lake Beach and Hyland Trail Park, and American Boulevard at Bloomington Avenue.

New trails

Two new trails opened last year for pedestrians and cyclists in Bloomington. Old Cedar Avenue Bridge reopened over Long Meadow Lake. The Nokomis – Minnesota River Regional Trail, which connects Lake Nokomis's south shore to the Minnesota River through Minneapolis, Richfield and Bloomington, held its grand opening.

Survey says...

Neighborhoods ranked high in resident satisfaction in the 2016 National Citizen Survey™.

- 90 percent said they would recommend Bloomington as a place to live.
- 86 percent plan to remain in Bloomington.
- 85 percent rated the overall quality of life as excellent or good.
- 80 percent rated their neighborhoods as a place to live as excellent or good.

Cancer survivor touts HRA program

Bloomington resident Hans Johnson, *above center*, received a harrowing diagnosis in 2015: stage four pancreatic cancer that had spread to his liver. Doctors gave him a 0.5 percent chance of survival—odds he went on to beat 18 months later.

After his diagnosis, he was hoping for the best, but preparing for the worst. Johnson got his house in order with a HRA home improvement loan, which he used to update his roof, doors, outside lighting and siding. Programs like this have been in place for decades in Bloomington.

"It's a great program," Johnson said. "It really is a win-win for everybody."

Johnson's success story means he now has time to enjoy his updated home and work on his new mission to help as "many cancer patients and caregivers as he can."

Check out the video on Johnson's story at blm.mn/hans.

New American citizens

More than 120 people from 38 countries around the world came together in 2016 to become American citizens at the third naturalization ceremony to take place at Bloomington Civic Plaza.

The ceremony consists of a presentation from Mayor Gene Winstead, a video address from the President, taking the oath of allegiance and a recitation of the pledge of allegiance.

The City also produced an overview video of the event for its news program Bloomington Today. Watch the video at blm.mn/ncbt. This is one of many initiatives and events the City takes part in to promote inclusion and equity.

Pictured above are new American citizens during the Naturalization Ceremony held at Civic Plaza in 2016.

In 2016, Bloomington City Council drafted a plan made up of six priorities to guide the City over the next three years called One Bloomington. Take a look at what the six priorities are all about and how the City plans to meet its goals by 2020. For more information, or to see how the City is progressing on its priority projects, visit onebloomington.com.

Community Amenities

Whether you're playing at one of the city's 97 parks, soaking up some sun at Bush Lake Beach or biking the Old Cedar Avenue bridge, there's no shortage of things to do in Bloomington. Maintaining and expanding these and other community amenities is a priority for the City. An important amenity the City has been looking into for several years is a new community center. In 2016, a task force recommended that, as a community center, the Creekside facility could no longer meet community needs. The City is currently in discussions with the YMCA of the Greater Twin Cities on a potential partnership for a community center. Another way the City is working on this priority is conducting an inventory of City-owned community amenities and park facilities, cataloging the remaining service life of equipment and facilities to determine long-range budget needs.

Community Image

Surveys show that residents love living in Bloomington, with 90 percent rating the city favorably as a place to live and saying they'd recommend it to others. However, the 2016 National Citizen Survey results showed an area of concern surrounding Bloomington's overall image and reputation. Satisfaction in the City's image went down seven percent to 76 percent. To address this, the City hosted a One Bloomington Summit with nearly 70 community leaders in attendance to brainstorm ideas to improve the community's image. Some of the categories that rose to the top of the list were: igniting partnerships, creating a bold vision, telling stories that sell Bloomington, embracing diversity and strengthening civic engagement. Staff are working with a core group of people who wanted to commit to next steps in the process of improving Bloomington's image after the summit. A few other upcoming projects aimed at improving the city's image include a citywide creative placemaking plan, working with the school district to market the community and implementing custom community engagement strategies for City-owned amenities and parks.

Environmental sustainability

The City is focused on sustainability in order to protect our natural environment and improve the quality of life for our residents and businesses. As part of its efforts to reduce the citywide carbon footprint, improve surface water quality and reduce the amount of waste delivered to landfills, the City Council appointed its first-ever sustainability commission in January. Nine members were appointed and met for the first time in March to discuss sustainable use and management of resources that include air, water, energy, land and ecological resources, and waste. The commission will help guide sustainable policies and practices. They will also apply for the Xcel Partners in Energy Program to identify energy objectives, develop a plan and implement strategies. Identifying focus areas for solid waste organics collection, improving the water quality of Nine Mile Creek and ecological stewardship of City-owned land are other topics on the commission's agenda. For more information on the sustainability commission, visit blm.mn/sustainability.

Focused renewal

Keeping homes, streets and businesses looking good and functioning well is an important part of the quality of life in any city. One part of the Council's priority of focused renewal is ensuring there is enough affordable housing available in Bloomington. To do this, the City will create a developer and stakeholder engagement plan and aim to meet the Met Council 2030 affordable housing targets. Engaging business owners in targeted commercial areas in discussions about rehab projects is another part of renewal efforts. The Housing and Redevelopment Authority also offers loans to Bloomington homeowners for curb appeal and home improvements. Read more about the performance of these programs on page *CR 3*.

High-quality service delivery

The City's mission has always centered on providing high quality service to residents and businesses. Feedback from the annual National Citizen Survey™ and focus groups helps City staff assess areas of strength and those that need improvement. Many examples of award-winning services show the City is meeting the Council's priority of high-quality service delivery: Bloomington's tap water was named "Best of the Best" in the 2016 American Water Works Association national competition; Old Cedar Avenue bridge received two awards for its rehabilitation; the Communications Division continues to garner awards for the *Briefing* and videos; and Bloomington Public Health is now nationally accredited. The City is continuing to work toward being a higher performing organization to help drive a culture of values, performance, service and employee engagement. More than 120 staff have participated in engagement sessions to help craft our leadership philosophies and values.

Inclusion and equity

There is no doubt Bloomington's demographics are changing. Whether measured by age, race or religion, our community is becoming more diverse than ever. The City Council recognizes embracing and celebrating these changes and becoming an example of inclusion and equity as a priority in its One Bloomington plan. To achieve this goal, the City is aiming to diversify its workforce and advisory commissions so they are representative of the community. The organization will expand marketing and outreach to, and create pathways and internship programs for, underrepresented populations. The City will also use a racial equity toolkit to evaluate the programs and services it offers and provide diversity training to staff. A City employee group graduated from a racial equity cohort in 2016. This work is important for many reasons—most of all, it builds the cultural competencies of the City's workforce to provide greater service to the community.

Public Works named Best of the best

Another example of a high-quality service is Bloomington's well-loved tap water. With a 90 percent approval rating, the City's tap water ranked first among its peer cities and 11th among all jurisdictions polled nationwide in the 2016 National Citizens Survey™.

Residents are not the only ones who love it. Bloomington's tap water was also named "Best in Glass" at the 2015 American Water Works Association (AWWA) fall conference which led to a national win with the AWWA "Best of the Best" title in spring 2016.

The AWWA also recognized Bloomington Utilities staff for their speed and accuracy in water meter and hydrant assembly. Pictured above is the national AWWA "Best of the Best" trophy at the Bloomington Water Treatment Plant.

2017 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 boost productivity.

Property taxes	$54,000,000
Fees/charges	38,766,000
Program income	8,814,000
Lodging/admissions	8,655,000
Transfers/other	22,990,000
Intergovernmental	4,352,000
Licenses/permits	5,773,000
Special assessments	3,128,000
Fines/forfeitures	1,000,000
Cable franchise fee	1,536,000
Total revenues	**$149,014,000**

2017 Budgeted expenditures

The City's budgeted expenditures for 2017 total $152,900,000.*

City Governance	$8,493,000
Public Safety	32,451,000
Community Development	7,488,000
Community Services	22,924,000
Public Works	12,205,000
Utilities	57,554,000
Debt Service	9,206,000
Contingency/Transfers	2,579,000
Total expenditures	**$152,900,000**

* The $3,886,000 difference between 2017 revenues and expenditures is the planned expenditures of reserves for Capital Projects, *see page CR 8*.

River Rendezvous

Have you ever wondered what life was like in the 1800s? River Rendezvous, the City's annual living-history event, takes place in Pond Dakota Mission Park and demonstrates the lifestyles, history and culture of people living in Minnesota between 1830 and 1870. More than 9,000 Twin Cities students attend the event each year to enhance their understanding of Minnesota and Western frontier history. Classes participate in interactive, hands-on demonstrations in the areas of American Indian life, early trades, pioneer life, plants and animals, wilderness skills, the fur trade, and fun and games. This serves as an example of work done to provide high-quality service to residents.

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.

	2015 Actual expenditures	2016 Budget	2016 Estimated expenditures	2017 Budget	Estimated Net property tax*
Police	$22,771,567	$24,598,672	$24,299,430	$24,853,734	$22.88
	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	10,038,570	11,202,517	10,832,428	12,613,440	14.73
	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	12,666,791	13,880,368	13,796,390	14,156,304	15.84†
	Community Services offers human services programs, manages parks and recreational activities, produces communication materials and provides public health services.				
Community Development	6,406,626	6,960,471	6,707,431	7,121,741	2.93
	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	4,035,437	4,583,185	4,578,049	4,850,524	5.58
	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	2,675,488	2,950,104	2,935,770	2,995,598	***
	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	1,366,765	1,391,135	1,350,034	1,511,748	***
	Legal prosecutes misdemeanors and advises the city manager, city council, city departments, and advisory boards and commissions.				
Finance	995,162	1,072,845	987,868	1,125,651	***
	Finance provides financial management and internal support services to other departments.				
Human Resources	551,495	657,548	588,383	801,717	***
	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	852,554	1,191,725	1,166,313	1,267,002	***
	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	62,360,455	68,488,570	67,242,096	71,297,459	

* 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 $71.17 the owner of a median-valued home pays for City services, $58.76 goes to the General Fund.

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

† Recreational facilities funding is $3.20 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 that interest costs will remain low. They also signal to businesses and individuals that Bloomington is a financially healthy community.

ENTERPRISE FUNDS

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

		2015 operating expenses	2016 Budget	2016 operating expenses	2017 Budget	Average fees per month
Community Services	Recreational Facilities	$5,653,279	$6,098,026	$5,722,036	$6,123,171	$3.20*
Public Safety	Contractual Police	1,676,146	2,084,000	1,801,639	1,745,000	--
Public Works	Solid Waste Management	1,897,860	6,577,202	3,229,741	8,516,475	3.04
	Stormwater Utility	3,446,258	6,488,061	3,595,520	16,906,282	6.81
	Water/ Wastewater Utility	23,087,710	30,988,609	24,345,439	32,439,702	41.06**
Technical Services	Motor Vehicle Office	668,778	840,919	682,934	795,969	--

* Included in the $15.84 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.

	2015 operating expenses	2016 Budget	2016 operating expenses	2017 Budget
Benefit Accrual	$1,914,550	$1,815,284	$1,878,366	$1,873,738
Fleet Maintenance Fund	6,325,025	8,701,018	6,518,332	7,834,697
Facilities Maintenance and Replacement	9,963,486	12,018,430	10,469,587	16,298,702
Information Systems	4,959,929	5,859,974	5,236,876	5,477,273
Insured Benefits	9,244,058	9,984,413	9,775,661	9,217,351
Public Safety Radio	792,519	1,166,466	1,036,610	1,123,599
Self-Insurance	1,236,562	2,321,344	1,878,451	2,226,036
Support Services	451,084	508,208	487,826	510,281

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.

		2015 total expenditures	2016 Budget	2016 total expenditures	2017 Budget	Funding
Community Development	South Loop revolving fund	$187,881	$180,000	$260,703	$197,000	Environmental review fees
	Creative Placemaking	0	400,000	154,723	400,000	Transfer from South Loop Capital
Community Services	Communications	1,435,290	1,896,100	1,634,988	1,848,299	Franchise fee/ other fund charges
	Public Health Special Revenue	1,315,175	1,129,301	886,593	1,090,500	State grants
	Park Grants	68,975	100,000	47,408	165,000	State and federal grants
Public Safety	Public Safety Special Revenue	2,604,629	1,901,928	1,804,477	2,159,439	Forfeited assets and grants and one-time reimbursement*/ property taxes**
	Fire grants	929,981	1,451,246	1,454,159	0	
City Clerk	Cemetery trust	86,764	454,582	422,270	310,221	Lot sales

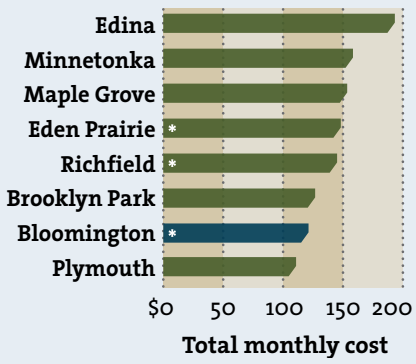
* Used for specific police capital and operating expenses.

** 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 2016, the monthly costs to residents in 12 cities for single-family property taxes plus water, sewer and water-softening services ranged from $222 in Edina (including in-home, water-softening costs) to $115 in Blaine. Bloomington has the second lowest cost at $132.

2016 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 2016 Residential Water and Sewer Rate survey).

* Cities that soften water before distribution.

Emergency training

Some Bloomington firefighters and police officers sharpened their skills at the Ramada, formerly known as the Thunderbird Hotel, in 2016. It was a full day of training for the City's first responders in fire and active shooter scenarios. The Police and Fire Departments work together to train for emergency planning, response and prevention of these incidents. Members of the BPD and BFD participate in frequent active shooter training as part of their annual training requirements. This training ensures high-quality police and fire services for Bloomington residents.

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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Councilmembers

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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 *2016 CAFR* and the *2017 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—$169,870; Public Works Director—$167,975; and Director of Community Development—$167,975.

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

- Maintain and improve stormwater collection system: $1,979,000.
- Replace aging sewer pipe and redirect the flow within the South Loop District: $4 million.
- Rehabilitate two municipal wells: $150,000.
- Rehabilitate the Western Reservoir: $1.2 million.
- Reroute a major sanitary sewer line on 86th Street and install a new pipe on Bloomington Avenue from 86th Street to 90th Street: $4.3 million.

Park improvements

- Replace playground equipment and other site improvements for 14 locations: $1,548,000.
- Replace West Bush Lake parking lot; improve driveway, boat ramp, water management and lighting: $1,057,000.
- Improve Wright's Lake Park: $300,000.
- Construct eight pickleball courts at Westwood Park: $171,000.
- Upgrade parking lot lighting at Valley View Playfield: $180,000.
- Reconstruct basketball court, tennis court, and construct four pickle ball courts at Sunrise Park: $173,000.

Transportation improvements

• Improve safety on Normandale Boulevard from 94th to Nine Mile Creek: $8,740,000. This project is funded through federal, state and county sources. No additional maintenance costs are anticipated.

• Reconstruct Lindstrom Drive trail, Collegeview Road trail, East Marsh Lake Park trail and West Bush Lake Road trail, repairing up to 1.7 miles: $358,000. The project will help revitalize existing trail systems. This project is funded primarily through franchise fees.

Pavement Management Program

The Pavement Management Program (PMP) 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 franchise fees after needs are identified. PMP maximizes road repair efficiency by identifying the optimum time to replace or repair streets. In 2017, 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 meet community needs such as street and infrastructure work, construction projects and equipment purchases cost effectively. The ability to issue future debt at lower interest rates makes community upkeep and renewal possible without substantially increasing property taxes for debt service.

2015 Actual expenditures	2016 Budget	2016 Estimated expenditures	2017 Budget	Average net property tax per month
$9,497,538	$8,537,616	$8,537,616	$7,156,714	$7.64

Outstanding debt

The City's total outstanding debt on December 31, 2015, was $65,250,000. The total legal debt limit for Bloomington is $355 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	$	4,095,000
G.O. Improvement Bonds		53,300,000
G.O. Tax Increment Bonds		4,770,000
Capital Improvement Plan Bonds		3,085,000
SUBTOTAL	$	65,250,000
Less: Funds on hand		*(23,281,814)*
TOTAL NET DEBT	**$**	**41,968,186**
NET DEBT per capita	**$**	**481**